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Joanna Wigren

# LEADERSHIP CHALLENGE

an approach to professional group management in network marketing



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## LEADERSHIP CHALLENGE

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Network marketing is considered an easy access and low risk business opportunity. Today already 100 million people globally are working in the field and field is growing 7% rate annually. Network marketing organisation consists of individuals who join a network of independent sales agents, promoting and selling the network organisation's products to their networks and get a discount or other usually monetary reward from the network organization for doing so. The sales agents are not employed by the network organisation but all members are private entrepreneurs.

Essential part of the network organisations business is to grow the network and that is done through the independent sales agents. The sales agents are recruiting new members for the network and the introducing member becomes a leader to the recruited member by doing so. According to a recent study by Paula Heiska- Tenhunen (2016), many of the members lack both entrepreneurial and leadership skills. This thesis is focusing on what kind of leadership would be best for a network marketing organisation group leader. Thesis is aiming at helping in the process of creating a guide for leaders in the organisation to be used a s guideline.

In the literature review the thesis presents the short history of leadership research and focusing on few most popular models for review for a applying in the network marketing organisation. Thesis also looks at the role of a leader and reviews how to build a personal brand to support the professional leader role in a network organisation. Thirdly the thesis focuses on the core business for a network marketing professional, networking.

In this thesis the research project is focusing on one network marketing organisation doing business in Finland and its Finnish members. As the main focus of the thesis is leadership and the leader role, the first part of the research is focusing on the existing leaders and their perceptions of network marketing group leadership and in doing so research is forming a baseline to compare the second research that is focusing on the members opinions and needs in regards to leadership in their networking work.

The first part of the research was establishing the base line and clearly showed that the social values like inspiration, helpfulness and professional approach is demanded from a leader. The leaders felt that they were there to help the members get started and give ongoing support through the cooperation. Second part of the research brought into light how important the leader to all members even the more experiences members need support. It was also noticeable that the same social values were confirmed as in previous part was suggesting.

Network Marketing is open for everyone and the for a leader to be able to guide people from very different kinds of backgrounds an adaptable model should be chosen. Inspiration and other relationship building and strengthening values are values by the members so some of the transformal and situational leadership model adaptation would be suggested. However, to confirm this, it would require more general research to perhaps the whole population of the company

internationally also. It would be recommended that to make more generalisation the research should be replicated in other similar companies to establish a proper model for leadership for network marketing group leaders. At this point we can only make suggestions to this one company.

#### **KEYWORDS:**

Network marketing, Multi- level marketing, Direct Sales, Leadership, Personal branding, Networking, Sales and Promotion

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Laura Strömberg

## Joanna Wigren

## JOHTAJUUSHAASTE

Näkökulma verkostomarkkinointiorganisaation johtamiseen

Verkostomarkkinointi on kaikille avoin ja pieniriskinen tapa aloittaa yritystoiminta. Tänä päivänä yli 100 miljoonaa ihmistä ympäri maailman on mukana versostomarkkinoinnissa ja ala kasvaa 7% vuotuisella vauhdilla. Verkostomarkkinointiorganisaatio muodostuu ihmisistä, jotka liittyvät itsenäisinä jälleenmyyjinä verkostoon, ja jotka myymällä ja suosittelemalla myyvät organisaation tuotteita saaden siitä palkkioksi alennuksia tai muun yleensä rahassa mitattavan korvauksen. Jälleenmyyjät eivät ole työsuhteessa verkostoon vaan toimivat yksityisyrittäjinä.

Olennainen osa liiketoimintaa verkostoyritykselle on verkoston kasvattaminen, joka tehdään jälleenmyyjien kautta. Jälleenmyyjät rekrytoivat uusia jäseniä verkostoistaan ja heistä tulee uudelle jäsenelle ryhmänjohtaja. Paula Heiska- Tenhusen viime vuonna julkaistun tutkimuksen mukaan monien verkoston jäsenten yrittäjyyttä ja johtamista koskevat taidot ja tietotaso ovat heikot. Tämä opinnäytetyö keskittyykin selvittämään minkälainen johtajuusmalli olisi paras Verkostoyritykselle. Työ tulee olemaan avuksi johtajille suunnatun opaskirjan kirjoittamisessa.

Kirjallisuuskatsauksessa työ käy lyhyesti läpi johtajuustutkimuksen historiaa ja esittelee muutaman johtajuusmallin tarkemmin, jotka voisivat olla sopivia verkostomarkkinointi toimintaan. Katsauksessa perehdytään myös johtajan rooliin. Tutustumalla siihen miten henkilökohtaisen brändin luomisella voidaan vahvistaa johtajan roolia. Kolmantena aihealueensa tutustutaan verkostoitumiseen joka on olennainen osa verkostossa toimimisessa.

Tämä opinnäytetyön tutkimus perehtyy yhden verkostomarkkinointiyrityksen Suomen verkostoon ja sen jäsenistöön. Päätutkimuskohteena on johtajuus ja johtajan rooli. Tutkimuksen ensimmäisessä osassa keskitystään olemassa olevien ryhmänjohtajien näkemyksiin johtajan roolista ja tehtävistä, näin muodostetaan perusteet, joihin toisen osan jäsenistön näkemyksiä ja tarpeita kartoittavan tutkimuksen osan tuloksia verrataan.

Tutkimuksen ensimmäinen osan tulokset näyttivät kiistattomasti, että sosiaalisten arvojen, kuten inspiraation luominen, avuliaisuus ja ammattimainen toiminta ovat johtajalta vaadittuja ominaisuuksia. Johtajat katsoivat tehtävikseen jäsenten opastuksen alkuun ja tuen antamisen yhteistyön jatkuessa. Tutkimuksen toinen osa teki selväksi, kuinka tärkeä rooli ryhmänjohtajalla on kaikille jäsenille. Jopa kokeneemmat jälleenmyyjät kaipasivat ryhmänjohtajan tukea. Samoin samojen sosiaalisten arvojen toistuminen jäsenille suunnatussa tutkimuksessa vahvistavan ensimmäisen osan tuloksia.

Verkostomarkkinointi on avoin kaikille ja ryhmän johtajan on voitava opastaa ja auttaa hyvin erilaisista lähtökohdista tulevia jäseniä, joten valittavan johtajuusmallin pitää olla joustava. Sosiaalisten arvojen kuten inspiroimisen ja yhteistyösuhteen kehittämiseen ja ylläpitoon liittyvät arvot olivat jäsenistölle tärkeitä, joten johtajuusmallia valittaessa voitaisiin käyttää transformatiivisen tai tilannejohtamisen malleja soveltaen. Kuitenkin tämän johtopäätöksen

varmistamiseksi olisi hyvä tehdä laajempi tutkimus, liittäen ainakin koko kyseessä olevan yrityksen verkosto ulkomaita myöden. Tutkimustulosten yleistämistä ajatellessa olisi kannattavaa tutkia useampia samantyylisiä yrityksiä, jotta voitaisiin luoda juuri verkostomarkkinointi alalle sopiva johtajuusmalli. Sillä tällä tutkimustiedolla voidaan vain ehdottaa suuntaa tälle tutkimuskohteena olleelle yritykselle.

#### ASIASANAT:

Verkostomarkkinointi, Monitasomarkkinointi, Suoramyynti, Johtajuus, Henkilöbrändäys, Verkostoituminen, Myynti ja Markkinointi.

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## LIST OF ABBREVIATIONS (OR) SYMBOLS

B2B Business to business

B2C Business to Consumer or Customer

C2C Consumer to Consumer

JM Junior Manager

SM Senior Manager

USD United States Dollar, monetary unit

WFDSA World Foundation of Direct Sales associations

### 1 INTRODUCTION

In today's business world, many different roles need to be played. The position or the point of view define the role you need to take to carry out your assigned task or your vision. Whether you are entrepreneur or just a line manager, subordinate or seeking a job in open market, your role is different depending on the point of view.

Leadership is about guidance and delegation. Power play and politics are in larger role in bigger organizations daily business and decision making processes, whereas in smaller firms the vision and human values and people skills are more efficient ways to move people. (Roberto, 2011)

There are over 103 million people in the world working on direct sales under which also network marketing belongs. According to the World Federation of Direct Selling Associations, later WFDSA, reports for 2015 the turnover for all direct sales was 183 Billion USD. And the industry is growing at 7% rate per annum. There are a number of products and variety of different concepts to choose from. ( www.WFDSA.org, 2015)

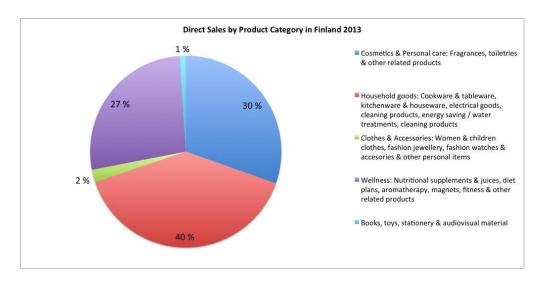


Figure 1 Direct sales in Finland (SELDIA, 2013)

In 2014, it was 245 million dollars industry in Finland and growing at 2.3% rate. There were then over 84 000 sales agents or retailers in Finland. (WFDSA, 2015)

In network marketing organisations we are talking about groups of individual entrepreneurs. It could be referred to a or retailer group for certain product or service with independent agents and distributor (Kiosaki, 2001). All members run their own businesses their own way and are also finally responsible for only their own business even if the spirit of doing together exists in network marketing companies' ideology. These entrepreneur groups are not managed but coached or guided by group leader or "Sponsor". The guidance is more related to the product knowledge and the customer service which has to do with the reselling than entrepreneurship as such. (Johansson et all. 1998; Coughlan & Crayson, 1998)

In a recent Bachelor's thesis study by Paula Heiska-Tenhunen 2016, conducted in the organisation that is focused on also in this thesis, it was clear that many of the individual members had quite weak knowledge of actual entrepreneurship and many were asking for trainings regarding entrepreneurship as well as presentation skills and social behaviours. One of the benefits of the network marketing entrepreneurship have been that you do not need previous experience in the field, but many times it is forgotten that even if someone is working as independent sales agent in network organisation, it still is entrepreneurship and information about that is clearly needed to be emphasized based on the competence study conducted last year. (Heiska-Tenhunen, 2016)

Thesis research follows academic research process where there is a problem or a conundrum that the research wishes to resolve. (Kananen 2015, 19) The intention of this thesis is to look at the role/s and characters of a group leader and what is needed to become a successful leader in network marketing field and whether it is possible to this way improve the success of the whole team.

#### 1.1 Objectives of the research

Going into this project, the hypothesis is that more organised leadership and clearer guidelines for "sponsorship" could help the network groups prosper. Also,

that more members could succeed if the leadership, even if not formal, would be more professional and invested in the group. But what kind of leadership is needed and what is the role of the leader in the network marketing organisation?

The above described research questions as such are theoretically quite wide ranged and should be narrowed down. Narrowing down usually comes from diving deeper into the subject and finding the relevant issues to the issue, field or problem. (Kananen, 2015) Network marketing is essentially marketing and entrepreneurship. Both rather wide subjects. Network marketing is also about networking, cooperation between entrepreneurs or consumers. Networking is relevant and a way to run a business also. Therefore, it is important to talk about networking and understand how people connect today. (Barker et all. 2008)

For a private entrepreneur, everything the entrepreneur does is about marketing oneself. When in customer connection or otherwise in contact with the business, it is important to do it professionally and with pride. Personal branding is therefore important, it is needed to know who you are and what you represent to understand what you portray out to your customers or group members also. This way making your business also more appealing to the customers and later also new group members. (Barker et all. 2008)

However, the main title of the thesis is about leadership. Combining entrepreneur's internal development of a personal brand to leading networks of customer and colleagues makes up the theory part of this thesis. The leader must first feel like a leader and act like a leader to be able to get followers.

This research had two stages and four factors. First a leader questionnaire was performed, to create a baseline of the status quo in leadership in the company. Secondly a wider more in-depth survey was done to all network members in Finland. Second survey was focusing in finding out the vision or the wishes from the population about the leader role in the network. This was done using 4 factors to cover the most important aspects of the role of the leader, based on the baseline from the first survey and company concept. Both questionnaires had

both open-ended, more qualitative questions and also some more measurable quantitative questions.

The purpose of this thesis is to look into the leadership and marketing theories and conduct a research in order to gather a guidebook to leadership to the new and existing sponsors in the company. Such guide is not available currently and the information about leadership is limited. This could potentially help new leaders grow their business and help also those interested in leadership to take a decision to form their own group. For the network company, this could make the leadership more efficient and create revenue in sales growth, but also if the leadership model is created simple enough it is possible that more agents would like to become leaders and the company would grow more rapidly.

#### 1.2 Network marketing

Network marketing as a field of study falls into direct sales which is a very personal form of doing business. There are plenty of point of views that can be taken and many marketing theories to choose from, but academic research for specifically network marketing is harder to find. There are plenty of articles and blogs for and against the field in the internet and self-published books about the subject are available, but when thinking of the academic research, they are focusing more on consumer to consumer marketing, social marketing and networking and the list could go on. It is fair to say that network marketing is combination of various marketing theories.

Network marketing is in simple terms a distribution channel for the network marketing company. Network marketing entrepreneurs, in turn, are usually sales agents or direct sellers of products of the main company. The individual entrepreneurs are not in direct employee relationship with the main company, but they represent the brand as private entrepreneurs. (Johansson et all. 1998) Network marketing is also about helping others and building networks of people working together. (Kiosaki, 2001)

The relationship between the network company and the individual agent is very much similar to franchise or basic wholesale- retailer relationship. This releases the network company from personnel costs, advertising and other fixed costs of running a sales organisation. At the same time the entrepreneur or sales representative doesn't have to invest in retail shop facilities and interiors, or inventories of new products in advance and other such fixed cost of running a retail business. Due to the very lean and low cost structure of the organisation both sides are winning. (Johansson, 1998; Kiosaki, 2001; The company Handbook, 2015)

The actual business is to sell products at home parties that are purchased from the network organisation. Earnings come from receiving commission or discount (much like retailers) for the purchase price of the products. The quantity earned depends on the members progress and earned points or levels in the program. The levels and points are used as motivational tool, much like key metrics and measures, to analyse any company's personnel goals and targets. The better you do; the better reward you get. (Johansson et all. 1998; Coughlan & Crayson, 1998)

The entry to the organisation is made easy, some networks do not take any entry fee, their commissions are usually smaller and some, require a purchase of starting package of products and needed materials to start and run a legitimate business. (Johansson et all 1998; Christensen & Christensen, 2008)

The network company has their values and mindset and it helps if the mindset is equal to that of the individual entrepreneur, but it is not necessary and many times not even possible to maintain. The company might be taking advantage of buying big amounts at once and getting therefore better price, but there is a limit to how much merchandise a single entrepreneur can move. Simple calculation reveals that even when working quite a lot (3-4 times a week, every week) and all customers were new each time, one sales agent can reach about 1500 new persons a year, when talking about home parties of 5-8 participants. But it is not possible to have new customers only due to the business of creating networks, usually there is always someone from previous chain in the next home party. Also

for many people this is extra work and fun so it is not realistic to work full effort every week in a year. Realising this is essential to the positioning of the entrepreneur to the market place. But as already mentioned the idea behind network marketing is that there are many sales people doing just the amount of work they feel they can and want to do and still both sides win. (Johansson et all. 1998)

The network marketing entrepreneurship is marketing and promoting products to your personal networks and their networks and building of own networks that take the message onwards. Selling and promotion is one part and secondly finding the right people to carry the message forward. (Johansson et all. 1998) This definition is not very far from the definition given by Barker et all. (2008) about social media marketing:" Social media marketing programs usually centre on efforts to create content that attracts attention and encourages readers to share it to their social networks". Same principle applies as in network marketing, promoting interesting products to own networks and further on to their networks.

Many times, the network marketing merchandise are either highly specialised, niche market products or otherwise exclusively available in network sales. (Johansson et all, 1998) One sales person cannot sell more than certain number of products, but take 100 sales persons. That is potential 100 times the number of products to the market. Which means that main company can be mass market oriented, even if the entrepreneur must focus more on the quality of service and products and build their own values and own brand around different things from the main company.

Each network marketing company makes up their own rules regarding the freedom of the reseller/ private entrepreneur to work and promote their business, but the general idea behind the business is that company owns the brand, but the resellers promote and can and should use the brand in their marketing. As a network marketing, private entrepreneur, you have every possibility to promote your business as any other business owners, but per the guidelines set by the contract to the company itself. This is very similar to franchising agreements, certain part of the promotion is carried out by the company and rest up to the

entrepreneur. In network marketing the main companies usually create the basic marketing materials and provide pictures etc. for the entrepreneurs use, but the actual legwork is done by the entrepreneur. (Johansson et all. 1998)

Based on internet browsing and looking into some popular network marketing brands operating in Finland, most of the companies have a web presence, where they have product portfolio and information about the company available. Some even have a web shop functionality. But they do not have an active approach to acquiring customers as the business is built on word of mouth marketing and the sales agents building their networks of customers. (Johansson et all. 1998) Nowadays most of the companies also have Facebook and other social media tools in use to show presence but again rarely there is any planned or strategic active campaigning or that is yet to come. (<a href="www.avon.fi">www.avon.fi</a>, <a href="www.tupperware.fi">www.tupperware.fi</a>, <a href="www.fitline.fi">www.partylite.fi</a>)

That leaves most of the promotion to the entrepreneurs themselves. Original idea and theorem behind the network marketing is that the message is travelling through word of mouth and active user promotion. But to grow a company it is not enough to have your friends and family involved, but the company needs to find new networks and their networks and so on. Already today most of the decision to buy and service selection is done mostly on the web and the percentage is steadily rising. So, passive net presence is not enough, more strategic and planned approach is needed to reach the customers and potential customers. (Johansson et all. 1998; Barker et all.2008; Rautio, 2016)

## **2 LITERATURE REVIEW**

#### 2.1 Leadership

"The only definition of a leader is someone who has followers." Says Peter Drucker. Warren Bennis says: "Leadership is the capacity to translate vision into reality." According to Bill Gates: "As we look ahead into the next century, leaders will be those who empower others." It is hard to find one fitting definition for leadership. (Kruse, 2013)

#### 2.1.1 History of leadership studies in a nutshell

In earlier organisational research a leader is said to have little or no control over organisations performance, that there is no one person in the organisation that that has a real impact. This theorem from 1970's literature on organisational behaviour and leadership suggests that performance comes from processes and their management. (Cohen & March 1974 in Nohria & Khurana, 2010, 9)

This point of view has lead organisational behaviour researches into two corners, main stream supporting the success via processes and a small section believing in the actual human leadership, one of which Kotter (1988) that has been deemed a legend in leadership research.

From that point many of the researchers thought that these two should not or could not be combined. The processes and other organisational attributes were the routes to success and leadership was seen as insignificant factor in companies' successes.

Modern studies and the 21th century have brought in a wide array of leadership models and definitions. Most of them are building on the previous researched views. Many are also trying to bridge the gap between leadership and process management. For example, Pentti Sydänmaalakka (2004, 22-23) wants to

combine the two and see the management of "things" and "people" as one, calling it intelligent leadership.

When looking at the corporate world we live in currently, interesting question comes to mind: If, in fact, leadership is 'insignificant' and has no impact in the success or failure of a corporation, as organisational behaviourist's say; why do we see so many CEO's blamed for the failures or raised to god like petistoles for a success?

#### 2.1.2 Popular leadership theories

There are many ways to study leadership and large amount of theories to choose from. In the coming paragraphs, there will be addressed some of the general leadership models or theories. At the same time keeping in mind the network marketing organisational structure and team mentality.

#### Classical leadership

In early 20th century leadership was quite linear and focus was more on the results. It is a very hierarchical model of leadership. Many times the subordinates were thought more like puppets that the managers were moving around rather than humans doing their jobs. (Nohria & Khurana, 2010) Even if this is quite old-fashioned approach in current world some organisations still use this in the most operational or in repetition tasks. For instance, many factories have very detailed packing instructions for products. Certain order of movements and quantity of manoeuvres etc. are dictated, almost as if the employee was part of the manufacturing unit. In this way the assembly is every time similar and production quality and time can be optimised. Of course in 1920's during the times of rapid growth of steel and manufacturing industries, it could have also been a question of teaching the peasants to use the heavy machinery in the factories not yet about productivity as it is today.

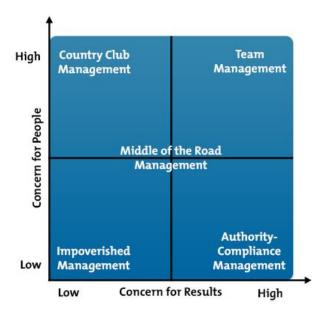
#### Leadership characters

Many of the researchers in early 20th century also regarded the manager to have certain characters and those "certain characters" were gathered from the past leaders of the world. Many of the theorists looked at great leaders of a time like Napoleon and specified their characters as needed qualities of a leader. The characters were along the lines of: strong, dominant, intelligent and masculine. (Sydänmaalakka, 2004) The leader for that time demanded commanding personality and intelligence to either rule the world or win wars. This approach could be said to go back to the Greek antics braves and politicians as well.

The theory of the characters of the leader is still valid, but the characters live now in very changing times. The time for strong dominance is giving way to the motivational, visionary and agile leaders. The Leaders of today need to have certain authority and resilience that earn them their employees trust and motivation. So leadership is no longer something you just take as given, but it has to be earned. (Viljakainen, 2011)

#### Leadership styles

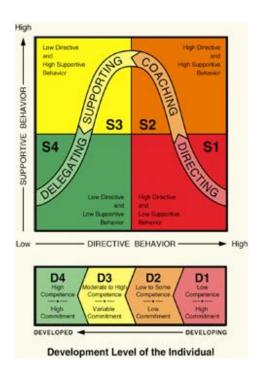
Like leader's characters also their roles and styles of leadership have been studied based on leaders of the past. This approach is looking more closely to the actions of the leaders rather than their personal characters. One of the most popular leadership styles model is the Blake- Mouton Managerial Grid from the 1960's. It has been studied and modified but the idea is still the same. To bring together the task oriented and the people oriented approaches in actions or different behavioural elements. It is founded on leaders' behaviour and concerns. The more result oriented the actions and behaviour of the leader is, the more traditional manager role is. And the more concern there is for people the more relaxed the followers get and according to the Blake and Mouton that results in decreased productivity. (Sydänmaalakka, 2009 and Mindtools.com)



Picture 1. Blake-Mouton Managerial Grid (orig. 1964) from Mindtools.com, 2016

### Situational leadership

The recent decades have brought on a new approach to the leadership research, where studies are moved from researching the leaders' persona or habits to studying the environment, situations and team members themselves. There the focus is identifying what kind of situation the organisation or team is in and leading according to it. Different situations demand different leadership styles. Much of this is coming out of Blanchard and Hersey studies on organisational behaviour. (Sydänmaalakka, 2004, 37) The foundation of the Situational leadership model by Blanchard and Hershey is that there are four (4) fundamental leadership behaviours divided into supporting and guiding behaviours: Directing, Coaching, Supporting and Delegating. (Blanchard et al. 2013)



Picture 2. Situational Leadership II by Ken Blanchard from Inspiredldg.com 2016

Blanchard's second model focuses on leaders' ability to assess the situation or capability of the employee has. It depends on the person's development level, what kind of approach the leader should take. The more inexperienced or less developed abilities the person has the more commitment is needed from the leader. According to Blanchard et al. (2013) the level of the competency determines how much hands on directive or supporting leadership the member needs. A person starting in a new job requires more commitment and direction from the manager than someone with years of experience in the position. But this has also to do with the person and the abilities of the person to develop. Some people never reach high competence level in some positions and therefore always require more direction and support. A real talented leader knows how to read people and use the correct approach with each situation. (Blanchard et al. 2013, 37-38)

#### Transformal leadership

Some leaders seem to be able to naturally inspire people and motivate them to succeed in overwhelming targets and to work though even big challenges. Somehow the transformal leaders understand their followers' needs and motivations and are able to adjust their leadership accordingly. The theory is based on the relationships between people that create a connection that promotes both leaders' and followers' motivation and working spirit. This way transformal leaders are able to help their followers to use their full potential. (Sydänmaalakka, 2009, 42-47)

In network marketing inspiration and motivation are key tools for a leader. According to network marketing professional Eija Westerlund 2016; "If you are enthusiastic and it shows that you like what you do, people believe you and that belief will also be transferred to the way the member thinks and feels about the work too". This describes also well the mindset of a transformal leader. Transformal leaders need also to have good people skills. Need to know what kind of recognition and attention different people need. (Sydänmaalakka, 2009) And the actions as leader must also reflect that authentically. Small day to day acknowledgements and simple gestures like nodding and smiling are powerful tools of motivation. (Vaikuttavan johtamisen supernaari, 2015)

#### Team leadership

A team is a group of people working together but not all groups of people make good teams. Teams are usually formed out of individuals to perform a task or a set of tasks, like a project, from start to finish together. They have a common goal but can have totally different approaches. Team work and cooperation in general is needed to better handle the pressures and needs of the market and customers and to be able to live in ever changing business environments and societies. (Spiik, 2007,110)

Earlier in the business world there was more order and linear cause and effect type of business environments. Nowadays change is constant and also then the demands of a team are more complex. (Spiik, 2007, 110) In order to be a good team leader the leader must be able to motivate the members into working and wanting to do what they need to do to get to results without telling the people to do that. (Loeb & Kindel, 2000, 301)

#### 2.1.3 Leadership in network marketing

In network marketing organisations, even if the structure of the organisation seems on paper hierarchical, the organisations are very flat. Most of the networks have independent sales representatives and/ or distributors. (Coughlan & Crayson, 1998, 402) There are no line of command or boss- subordinate statuses, in fact many of the networks promote teamwork and "having fun together"- attitude. For example, the researched company's concept is based on three pillars: making money, help other to make money and having fun together. (Sjöberg, 2015)

According to Emma Seppälä (2016), *inspiration*, *kindness* and *self- care* are the three things to do well in order to motivate and increase the commitment and loyalty of the employees. Showing value or inspiration and meaning to the actions people are more committed. Kindness and caring increase loyalty and according to studies, Seppälä states, allowing people to take care of themselves, or even encouraging it make more productive employees. (Seppälä, 2016) Similarly network marketing field is based on helping oneself by helping others (Kiosaki, 2001). Networks also promote themselves with values like freedom to choose working hours and having a supporting atmosphere. (Johansson et all. 1998)

Seppälä (2016) suggests that when working selflessly a leader can promote dedication and productivity. As the network companies are quite flat in organisational structure it is easy to contact anyone and the reward systems in network organisations are based on the result of the common effort, and can

therefore promote the sense of citizenship and caring. Much like Emma Seppälä's article (2016) suggests.

The company has approximately 120 retailers and out of them only 15 are or have been team leaders according to the research. Most of the leaders have 1-5 team members, but one leader has over 30. There are also people who have been involved from the start, who never had team leaders or own teams.

The primary objective of the leader is to coach and train the new member to the products, sales and how to get started. Getting started requires skills of understanding the specifications of the products as well as presentation skills and how to contact the company, order products and how to serve the customers. (Johansson et all. 1998; Company Handbook, 2015)

Inspiration, motivation and supporting are foundations of theory of a transformal leader and those are also the characteristics of a good team leader according to group leaders. Leaders cannot make anyone succeed as sales agent but by inspiring, motivating and supporting members they can enflame or get the potential of the person to come out. Much like any inspirational leader they all wish the best of success to their group, mostly since their own success is linked to theirs. (Sydänmaalakka 2009, Westerlund, 2016)

Since there are so many kinds of people in the network it is impossible to support or motivate everyone the same way. Situational leader model by Ken Blanchard, finds out the level of needed support and acts accordingly. This also sits well to the modern day young enthusiastic workforce who'd rather have the boss work for them (earning the trust and respect) than to work for their boss. This is also one of the cornerstones of the situational leadership. (Blanchard et al, 2013; Viljakainen, 2011)

#### 2.2 Building your brand

Branding for an entrepreneur can mean traditionally external brand for the business but many times for private entrepreneurs the business is so close at

heart that is almost like an extension of yourself. Therefore, self-promotion and building an image of yourself as a professional in certain field is common. (Resnick et all. 2015)

In Finland, the culture makes branding harder, as people bringing themselves out and promoting themselves in general, are considered proud or pretentious. We tend to value originality and modesty (Suonio, 2010). Therefore, maybe more American approach might seem too forward for this market. This is off course depending on the field. According to Suonio (2010) we still should push for more visible identity for Finland and raise the bar for branding to more than just ads and billboards on airports.

Branding is also undergoing a huge change as digitalisation wave is shaking the roots and foundations of the elements of a brand. Previously thought of more like a measure of predictability and service level, brands now need to emerge and remerge themselves constantly. People's interest change and brands need to stay afloat still providing the predictability and reliability, but with a fresh attitude that suits the time. (Gad, 2016, 2-6)

When working in network marketing, especially good people skills, appearance and manners are essential as the work is social interaction and building and maintaining impressions on the products. Also, it is important to be able to adjust to different situations and listen. Barker et all. (2015) is talking about personal branding for social media plans for job seekers and surely this will also apply to anyone wanting to build a brand around themselves. They state that listening is the first stage in building a brand. Secondly looking for the weaknesses from inside oneself honestly. This is done to find out what needs to be focused on, in order to become the person or develop the brand to give out the right impressions. (Barker et all, 2008, 27)

#### 2.2.1 Personal branding

Dan Schwabel's (2008) model describes a personal branding model. Even if the model talks about job seeking, it is as much useful for private entrepreneur

establishing a business or private person wanting to build a proper social media presence. (Barker et all. 2008; Schwabel, 2008)

#### Discover

At first it is required to find out the current situation and make a self-assessment to find out what is the unique skill or characteristic to build your brand on. This entails understanding also weaknesses that need to be developed and skills that should be brought forward. This will enable creation of a plan to get from who you are now to what you want to become. (Barker et all. 2008; Schwabel, 2008.)

#### Create

Like in any good marketing plan a solid portfolio of skills and services must be build. The Portfolio can be your curriculum or a background story about who you are and what you do. Usually this is housed on a website. Schwabel (2008) suggests job seekers to build a homepage for themselves also. The portfolio will support the brand statement. (Barker et all. 2008; Schwabel, 2008.)

#### Communicate

Third point is about applying what you have gathered your unique brand portfolio for the support of your brand. Sharing the material and keeping in mind the personal goals and development points. It is also important that the message gets to the correct audience. Thinking about regular marketing this would mean segmenting and sharing information based on that. (Barker et all. 2008; Schwabel,2008.)

#### Maintain

Maintaining the brand requires execution of the personal development plan and creating constantly material that supports the brand. According to Schwabel (2008) it is better to start by acknowledging others before self-promotion. (Barker et all. 2008; Schwabel, 2008.)

#### 2.2.2 Impressions

Impressions are defined as imprints in memory as well as thoughts that come up in relations to some thing or a person. As private entrepreneur impressions matter a great deal as many times the success or failure of the transaction or service experience has to do with the imprint, the situation makes on the customers' mind. It also affects the number of people and the either negative or positive message that customer takes forward as word of mouth. It is said that negative feedback reaches at least 3 time further than positive feedback so leaving a customer with positive sentiment is very important.

#### First Impressions

First impressions are made based on first encounter's and is purely external comparison. It takes only a tenth of a second for any person to make external analysis on another person walking the streets. Just a blink of an eye. (Wargo 2006) Same applies in the web. There are thousands of streams flowing in the web and many big corporations are monitoring people's behaviour to target the right people at the right time. In the internet world people are led by clicking the desired link and onwards from there. (Rautio,2016) And therefore also the first encounter and the impression your "link" or ad will give will either make the person click it or to scroll forward. For example, a personal example of using YouTube videos. I might start with a music video and five minutes later I'm looking at videos about funniest cats or most dangerous jumps. And this is done almost unconsciously. That is how easy it is to be led in web conditions.

But once the first impressions are made, people tend to classify each other based on those impressions. These preconceptions affect actions and interaction between people. Cooperation with a person that has similar view on things is easier than working with people whole values and ideas are very different from each other. (Helin, 2002,28-38)

#### **Dress for success**

Dressing for the occasion is one of the most critical point of a private entrepreneur's success. Hutson and Rodrigues (2016) summarise that in principle if you dress for the job you want you will perform better in it than if you wear regular clothes. As an example, there was a worker at the renovation site of our housing unit and he had serious problems in personal hygiene. I was not even the customer but his uninterested and "I just work here"- attitude were shining through so much so that I did look at the logo on the truck he was driving and made mental note that maybe not a company to use for renovation in the future.

It is very important especially for the smaller company to take appearances into account. This all comes from the person's own view of themselves. It requires deep self-exploration and honesty, to look at oneself realistically, and find the issues to improve and the positives to emphasise to create a personal brand that will get that job, or make that right impression at the market place. (Barker et all. 2015, 17)

#### Share your passion

Suonio (2010) talks about finding the internal fire and burn to make things happen. When she worked for Marimekko, world famous design brand from Finland, she felt it happening. There products were designed and innovated all the time. People could see and feel things happening and that had a resonate effect also outside the company.

Gad (2016) talks about what he calls relation brand, meaning creating a relationship with the customer community. The idea is that you act like any person would in social media, which is a perfect example of a relation branding. Sharing your story and engaging the consumers to your history will also further deepen the relationship with your customers. Similarly, as social media, the actions are interacting and inviting the customers to develop and interact with the company. The cooperation can reach such measures that the customers become brand

ambassadors for the company, much like the ultimate goals of network marketing also is. (Rautio, 2016)

Sharing your story and your fire and passion is best described as being a brand ambassador. Brand ambassadors much like, ideal network marketing entrepreneurs, love the brand and tell everyone and everywhere about the brand. (Gad, 2016; Johansson et all. 1998) The tone is not pushy but the message resonates in everything the person does. Gad (2016) adds that brand ambassadorism is also a way to save in promotion costs as the people share effectively the message through their networks and further. (Gad 2016, 15-23)

#### 2.3 Networking

World is full of networks, personal and professional, physical and virtual. According to Gummesson (2005) Marketing is essentially a network of relationships. He says marketing is about creating and delivering value and that value is a constant part of life that cannot be classified on its own. Value is delivered through emotions, relationships and perceptions. And per him also the customer should be involved in value creation. (Gummesson, 2005)

Networking is the buzz word of today. It contains a promise of cooperation for entrepreneurs and communal feeling to the solo operators. It has a positive feeling and it gives a message of activeness to the community. This can be seen as model of network marketing or also marketing action in the internet. Robert Kiosaki (2001) says that business owners know how to make networks work for them, others are taught to find a good job. Barker et all. (2015) says successful campaign in the social media will deliver still after the initial buzz or dust begins to settle as the information once it starts moving it can potentially circle around almost indefinitely. This said ,this is valid also in the negative sense. (Barker et all. 2015)

#### Cooperation and partnering

Suonio, 2010 recommends cooperating with some raising brand or company to get more publicity. Marimekko and littala have made product lines together and with innovative packing and design they could bring in record breaking profits. Off course these projects do not come without risks, and Marimekko had made some unsuccessful launches, but those projects that succeeded were very successful. (Suonio, 2010) True win- win situation is achieved when all parties feel like they are winning. (Gummesson, 2005)

#### Business to business (B2B) and business to customer (B2C) networks

Network marketing is based on entrepreneur networks that support and train each other. Network marketing is about building networks of people who help customers find better product and business partners to make money. (Johansson et all 1998; Kiosaki, 2001) Kiosaki believes that by building networks is a way to riches. He says that for example even if light bulb was invented before it was Thomas Edison who got it to work properly and made it a business. And that business wouldn't have been possible without electricity networks and wire stations. So even then networks of different functions needed to coexist and connect to bring a success. (Kiosaki, 2001)

Gummesson (2005) states that there is a linkage between B2C and B2B marketing. Businesses have customers and customers can be either consumers or other businesses, understanding that the business customer also have other customers and their needs are linked with the business customer's and in that relation to yours as a marketer party. This creates a value network and understanding and knowing the full extent of the network is crucial to all parties. (Gummesson, 2005)

#### Consumer to consumer (C2C) networks

There is also a third level of networks, C2C networks where customers gather together to share information and discuss. This is today very popular in internet forums and social media groups. Gummesson (2005) says that this is the potential of the consumer marketing. Also, Network marketing consists of consumers that promote and sell products to consumers, same effect is also in today also visible in huge e-hop communities like Amazon, E-bay and Alibaba. There ordinary people can become entrepreneurs and sell products using the community's distribution. (Gummesson, 2005) I would argue that this function is a developed reverse model of network marketing.

### 3 METHODOLOGY

"Research is a verb that describes the work that researchers perform, specifically the act of seeking information. Data are the pieces of information that researchers collect to help them answer a research question." (Weathinton et al.2012, 75)

Researcher determines what information they need to answer the research questions. The information sources and the methods the information is collected must be presented. (Kananen, 2015, 29) In order to acquire information researcher also must choose to use either quantitative or qualitative research methods, the chosen method also describes how the data can be analysed. Secondly the research problem itself can demand certain form of a research. (Kananen, 2015) Saunders(2013) states that collecting the literature should be done meticulously and looked carefully through the available literature for only the most relevant ones and best sources available from them and take them to your project plan. In doing so it's possible to lay foundation for the research also. (Saunders et al. 2013, 73)

Quantitative research method applies practical models to existing theories. The methods are thus deductive. It means that the research field is somewhat familiar and the problem that is to be solved is practical issue or phenomenon that can be applied to an existing theory or to an enhanced theory. The most commonly used quantitative research method is questionnaire or survey. (Kananen 2015)

Qualitative methods are used to get best possible descriptive picture of a situation or a problem to create a solution for it (Sachdeva, 2009, 173; Kananen 2015). This means that the qualitative research method is inductive. This means that the problem or research subject is new or unclear and needs investigation to find existing or create solution for the problem, thus creating new or enhanced theory. (Kananen, 2015)

Data collection methods vary based on the research method that is chosen. surveys, polls, statistics and other measurable or mathematically analysed

models of research are referred quantitative and interviews, observation and other more descriptive methods are quantitative. (Kananen 2015)

Once the data is collected the information is analysed by an interpreter. Also, here the chosen research method matters. There are different methods for analysing quantitative research data than those used to analyse qualitative methods. (Kananen, 2015) According to Weathtinton et al. (2012) interpretation is a critical part of the research process. The interpretation is the human factor that cannot be done by machines especially in studies of social and behavioural subjects. (Weathington et al. 2012)

#### 3.1 The research

The research was divided in two sections. The first part of the research is focusing on the leader's perceptions of themselves and what they describe as a good leader. This is to establish a baseline. As the first part there was a 10-question questionnaire. It was supposed to be a group discussion or interview, but due to time constraint and geographical issues it was not possible to arrange, so the questions were given to the respondents to answer at their own time as a questionnaire. In second stage the target was to find out the optimal situation, what is expected and hoped for from a leader in the sales agents' perspective. This was done by conducting an online survey for all network agents and there was 2 weeks' time to answer the survey.

Questionnaire is considered a quantitative research method (Weathinton et al. 2012). By conducting an anonymous questionnaire, it is possible to get more unbiased opinions and honest answers. This way the researcher is able to establish more reliable study, providing the questions are well defined. There can be measurable or easily rated correlative questions and open ended question in a questionnaire together. (Kananen, 2015) In this thesis there are only few quantitatively measurable or exact measurable questions due to the need for more descriptive data. Benefit with measurable questions is that they are easy to analyse with any statistical tool and graphs and also further analysis is simple.

The drawback can be that the answers need to be proposed, and it can mean that the research is lead to certain direction. (Kananen, 2015) Open-ended questions can provide more personal perceptions. They have no proposed answer options; the purpose is to get a subjective answer to the question. (Kananen, 2015)

This thesis is focusing on managing perceptions and behaviour sciences, branding, networking and leadership. When looking at the research problem and questions of this thesis, the research is focusing on finding a model for leadership that would be best applicable in network marketing. This is more deductive than inductive approach.

Leadership is not an exact science, it has to do with very variable perceptions and almost everyone understands leadership differently. Purpose here is also to get more than numerical or pre-defined answers, to be able to find the real target state.

Basis of the research should be to acquire information to interpret it and to have that information to be repeated and generalized. (Weathinton et al. 2012) For this reason, survey was used in this study. It is easy to copy such survey to any network marketing organisations to produce wider generalization of the leadership characteristics and models in network marketing.

There are many ways to sample a survey. Sample can be random or specifically segmented to certain group of people like women or men, age 35-40. (Kananen, 2015) The sampling for the first part, the leader questionnaire, was done based on people attending the conference in January 2016. The geographical and time limits made it impossible to conduct the sampling otherwise. The total population of leaders in the company is 15 persons and out of them 11 were in the conference and 8 or 73% of the sample was represented, but out of the total population of leaders 53% was represented by the respondents of the questionnaire. Krishnaswami & Satyaprasad (2010) state that this kind of accidental or convenience sampling is the least reliable sampling method. However due to the total size of the population and the nature of the business,

the sample size is covering most of the population and is as such representing the population very well.

The sales agent survey was conducted in the internet and there the sampling is easier to distribute wider variety of people. However there the answering rate can remain lower because it is easier to ignore the research when it is online or just a link. (Kananen, 2015) The online survey was distributed via Facebook group (78 members) and network's intranet pages to all sales agents, but there the sampling would also be dependent on the people's interest to participate. The target organisation of this research has 120 sales agents, but only 40 ( 33%) of them answered the second questionnaire that was directed at the whole population.

However the answer rate is small, compared to the whole population of 120. According to the financial reports available in company internal websites, just 38 agents make up to 80% of the turnover, so their voice is more important to the research as they represent the company most actively. On the other hand, the silent part could have also revealed reasons for their passive engagement and bring out information to utilise in their activation and it is therefore a disappointment that the offered reward and reminders did not inspire more people to participate the survey..

Online surveys are an easy and fast way to conduct surveys. They are more flexible than personal or phone and other person to person surveys would be. It is also easy to follow the amount of people which answer and later send reminders if needed. It is also very much more affordable to do than phone calls or postal surveys. (Kananen, 2015, 215) This research was conducted at Turku University of Applied Sciences, which has a licence for Webropol survey system. It was in practise free of charge and people had ample time to produce answers to the questionnaire. Three 3 reminders were sent to the population via Facebook. In addition, a reward was promised for completing the survey to increase interest. According to Jorma Kananen (2015) rewarding respondents is a good way to motivate them to answer the survey. The reward should be big enough to encourage people.

Some statistical researchers have criticised online surveys for the sampling, or that there is no real sampling when the surveys are send to whole population. There have also been arguments that online surveys are unreliable and crooked due to the sampling and target groups. Some of the surveys are send to email which means again that the respondent can more easily ignore the survey or not even get the link due to spam filters that block unwanted group mails. (Kananen, 2015, 217) In this research the population included only members of the specified network company and the link was distributed via internal communication channels, not vial email.

#### 3.2 Research validity and reliability

At the beginning the scope of the subjects were quite wide and it needed to be narrowed down quite radically. Network marketing is very controversial field of study and there is plenty of material for and against the legitimacy of the field. On the other hand, academic research published in this area was very limited, or the material was quite old. Finding information about leadership was easy and there the abundance of information felt at times overwhelming. The purpose of the thesis was to see what kind of leadership is needed in this organisation and even without power relationships, could a more professional and organised leadership benefit the organisation. In addition, the purpose was to find leadership models that could be adapted to network marketing organisations' group leadership. The final outcome of this thesis will be a training material for leaders in this organisation. In order to generalise and focus on the field of network marketing the subject should be researched more.

There was a clear plan to execute the first part of the research during the yearly meeting in January for the network's existing leaders as a group discussion. Due to time constraint and because the research is part of my personal development plan, it was not prioritised to be a part of the official meeting agenda. Therefore first part of the research was given out as a questionnaire. Quantitative research is based on measuring. It is also about questions and the quality of questions is

determined by for example whether the respondent understands the questions, he has the knowledge and understanding that is needed to answer the questions, he also needs to be willing to give the information and that the questions are unambiguous (Lotti, 2001, 145 via Kananen, 2015). Questions should give measurable answers and be clearly defined. The answer alternatives need to be thought of so that the respondent understand what is asked. (Kananen, 2015) The questions in this research were mostly open ended and descriptive by nature, so the reliability of the questions heavily lied on the respondents understanding of the questions. In the end the questions were quite successfully establishing a baseline for the leader role and brought forward some surprising information about leaders that were not very motivated.

Second part of the research was an online survey and it was directed at the total population of the network in Finland. The whole population would have been around 120 people, but only 40 of them answered the survey. This would in normal situation decrease the research reliability. In this case, it helps anyway to understand the organisation a bit better as there are 38 members that make up 80% of the Finnish turnover. In addition, according to the information received from the company, only about 76 members open their info letters and other mails from the company in general. This would mean that the 40 answers received is reflecting the views of the active part of the network quite well.

It would have been also beneficial to get the silent part 's thoughts about leadership. That would have given more information and point out areas to improve. That does not necessarily mean that the research results would be more valid with bigger answer percentage of the population. It is after all important to at least represent the part of the population that is engaged.

Findings were presented both verbally as well as with supporting figures This makes the research easier to read and understand. Academic references were used and every subject had more than one source. Theories were compared and research results could the point towards suitable leadership models to be considered for adaptation.

### 4 FINDINGS

### 4.1 Questionnaire to the group leaders

The first questionnaire was targeted to the current group leaders in the target company. The purpose was to establish a baseline, or a starting point for the leader development process. This part of the research is based on the current leaders perceptions of themselves. It was the purpose of this thesis finally to create guidelines to the group leaders about what is expected of them and how they can best guide their team and enable success in their teams.

The original intention was to have a group discussion with the leaders during the meeting, but as the schedule was quite tight, it was not possible to squeeze it into the official program and therefore the questions were given out as questionnaire to the leaders. There were 10 questions, most of them were open and answering them required some thought. There was also some descriptive questions and background information about experience. There were 15 leaders in total and out of them eight (8) answered the questionnaire. The population however was limited due to the fact that the questionnaire was given for only the leaders that attended the winter Kick off meeting in January 2016 in Tampere. There were 11 leaders present in the meeting. The official Kick off meetings are the place where information is shared and more or less everyone who is active is participating. Therefore, the results give a relatively good picture of the current group leader's thoughts on leadership and current state of the leadership.

First three questions were about the background of the group leaders. The questions were focused on their experience in the network, as well as leaders and the size of the group they are leading. The information will be important in understanding the current experience level of the group leaders in the network. Their experiences from the field, according to the questionnaire, were relatively varied. There were one leader who had just joined three (3) months ago and also leaders that have been in the field for over 20 years. In fact, five (5) out of the

eight (8) respondents had less than three (3) years' experience of the network marketing field.

All of the respondents have 1-5 group members. The requirements for becoming a group leader are fairly simple to reach. All who aim for group leader's need to qualify on senior manager level. In order to be eligible to lead it is needed to work and learn to understand the company and know the products so well that you can pass the information forward. It is considered possible when person qualifies for the senior manager level.

It is usual that in network companies the entry to group leadership position is quite easy, as the core target of the network company is to grow the network (Christensen & Christensen, 2008). The revenue streams may be small, like with respondents' teams 1-5 persons in a group, but when there are a lot of those streams it brings bigger revenue to the network. It is naturally also therefore clear that if and when you succeed in growing your team it's bringing also revenue to you as a leader (Christensen & Christensen, 2008).

Next question was open ended and asked the leaders to describe their own role as leader as they saw it themselves. How the leaders saw themselves established the baseline. Most of the leaders felt their role as a leader is to train new sales agents to get started and help them with questions and if required loan their collection to them. There was also a few that were not enthusiastic or saw themselves as passive leaders. This was a surprising finding. The leadership is voluntary, but it is relatively binding, when the group is formed. The downstream member is expecting help, support and training of their leader. (Johansson et all. 1998; Westerlund 2016) On the other hand, there should be some exit possibility for leaders as well. Or the understanding of the leaders position needs to be made more clear.

Next, the leaders were asked to describe a good leader. To this questions all respondents felt that enthusiasm and activity are the most important characters of a good group leader, even those that replied being passive and not enthusiastic leader themselves. In addition to those also interest about how the members are

doing and that the leader takes time for the members were also valued characters.

When asked about the impact or the leader's possibility to affect group members' success the responses varied from great potential to affect into not possible to affect. Six (6) out of eight (8) though that leader has an influence to member success, one (1) did not answer and only one (1) said it is not possible to influence the success at all. The question was open ended and some respondents commented on their answer bit more. Some felt that by encouraging and guiding it is possible to help their members to get a good start or help to get going again after slow period, but it has a limit. Also it was mentioned that the chemistry between the member and the leader is important factor whether the leader can affect or not on the success of the member. For example Eija Westerlund, one of this network's most successful leaders, commented while discussing the results, that the most important thing when recruiting a member, is to think whether you want to work or be a friend with that person. When the chemistry and values are similar then it's easier to work and to succeed, as you will be in contact quite a lot when working together. (Westerlund, 2016)

The next questions were focusing where the leaders position themselves. Or what is the relationship between the leader and the group member. Three out of the eight (3/8) or 37.5% respondents described themselves as a leader as coach or trainer, two (2/8) or 25% saw themselves as team leader and two (2/8) or 25% described their role as friends with their members. One (1/8) or 13% respondent did not answer this question.



Figure 2 Leaders perception of their role

Even if we cannot talk about network marketing organisation as a team, we can talk and look at team working as an exemplary way of managing the organisation. Based on this idea, leaders expect a bit more sparring and coaching or friendship than regular team leaders.

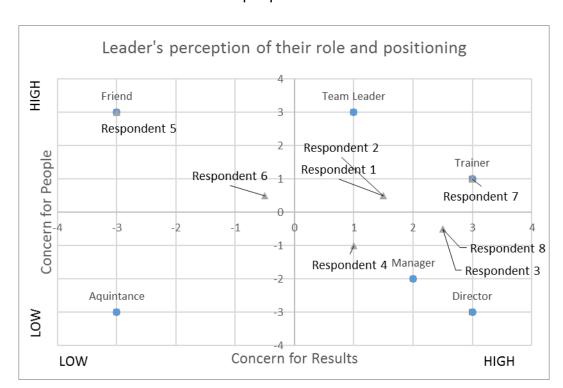


Figure 3. below describe the network leaders' perceptions of their role and their focus either on the results or on people:

Figure 3 Leaders' focus on the people or the tasks (results), adapted from Blake- Mouton Managerial grid

The figure 3. Summarised the survey results, how the network leaders perceived their roles as leader either on the people or on the task (results) of the network. The questions were both descriptive and focused on the current feelings of the leaders.

The absence of managers and lack of concern or power over results is dominant in network marketing. The leader is seen as friend or a team leader, rather than a manager. According to Blake & Mouton (1964) the absence of result orientation in leadership makes people happy and content but not optimally productive. (www.mindtools.com, 2016) In order to drive more success to the teams, more focus on the results would be therefore needed in network organisations.

When asked about the type of leadership or management methods the respondents saw the leader role as guide, coach or trainer. None of the respondents felt that their role contained process management, quality

management or strategic management aspects. There are no specified processes, or quality management systems. Since we are talking about individual entrepreneurs, there is no common strategic management aspects in the network organisations. The concept is open for multiple different methods and processes. And since the processes are not dictated like in chains or corporations, the quality management systems do not exist. Strategic management is done by the company, but they are plans for the whole organisation, they are not binding to the individual members of the network as they are not directly affiliated with the company in any way and all members are managing their own businesses.

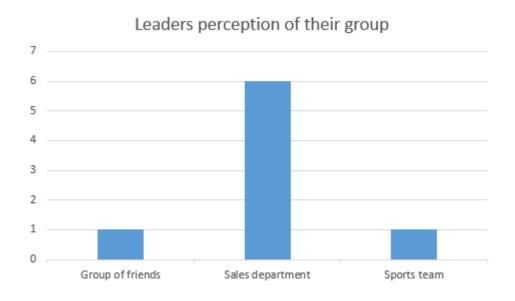


Figure 4 Leaders perception of their group

The respondents almost unanimously referred their teams to be more like sales department in an organisation than sports team, choir or group of friends. This perception was a bit surprising, because answers to the previous question gave the picture that network leaders saw themselves and their role more like friends or coaches. Due to the questionnaire, it was not possible to check why they saw it that way. But in general, they saw their role of the leader, as team leader, trainer or a friend. Sales department, however, would suggest a more professional and structured view of the organisation.

Last question was about the future and needs for improvements. When asked about their wishes for improvements and needs for the future, most of them

hoped for more trainings and meetings to get support and share ideas. This is important information as currently there is no special training available for these leaders and leader's meetings are not officially arranged.



Figure 5 Improvement ideas by the leaders

Two respondents had left this question unanswered. Unfortunately framing of the question is quite wide so this can be seen in two ways. They were either satisfied with current situation or they were not able or willing to answer the question. Out of the eight (8) respondents five (5), or 63%, wanted to get more training and one would suggest own meeting for the leaders. This concurs with the findings of Paula Heiska- Tenhunen last year. Training is not only needed based on skillsets, but also demanded by the respondents in this research.

### 4.2 Questionnaire to the sales agents

The sales agent survey was conducted using an internet based survey software Webropol. The questionnaire link was send through Facebook and internal websites links to the population. The whole population would include approximately 120 members, but company representative has confirmed that

only about 76 people opens their mails regularly and can be considered active members. In addition, as mentioned earlier 38 agents produces 80 % of the turnover for the company. The survey was open from 16<sup>th</sup> of June until 15<sup>th</sup> of July 2016. During this time three (3) reminders were send to the community in Facebook and two (2) messages in the internal messaging board. In addition, some of the people also encouraged others to participate the survey. There were 40 respondents to the survey and they represent the active population quite well.

The questionnaire was formed under four headings: background information, motivation, leadership and activity. Background information is describing the respondents experience and age and education levels. Motivation part seeks to determine how they started and what motivates them to continue. Leadership heading had two interesting directions of study. The members of the own team to which they belong and secondly the possible team they manage if that is the case. Activity questions were used to determine how involved the members are to the business.

### 4.2.1 Background information

There is a stereotypical view of the network sales person, they are considered to being in their 50ies and older and the education level is assumed to be low. (Haipola, 2004) According to this survey at least majority of the respondents were in their 30ies or 40ies and only (8/40) 20% of respondents state their highest education is basic education, (5/40) 13% has a high school diploma and (12/40) 30% had vocational education and (12/40) 30% also had polytechnic or university of applied sciences education. There were no doctor's degree holders, but (3/40) 7.5% had university degree. The background of the members has little to do with success or failure of the entrepreneurship, but it does tell of the perspectives and the life experience of the members that can have impact in some of the other questions going further into the survey. In addition, it describes the variation of people that are involved and are to be led by the leaders. This is further confirming

that the leaders are faced with variable competences and knowledge levels that need to be addressed.

As mentioned 33% of the (13/40) members were born in 1970's, (11/40) 28% born in 1980's and (8/40) 20% in 1950's. There was only one (1/40) sales agent or 3% of the respondents were born in 1940's, (5/40) 13% members in 1960 and two (2/40) or 5% from 1990's. The age demographics is quite interestingly moving towards early 40 rather than 50 or 60 years old people. Computer skills are of course one thing that could limit the respondents age differentiation, but as the work itself requires skills in that area, I highly doubt that could cause issues in general.

Background information questions included also the experience levels in both network marketing field in general as well as in this company. (33/40) 83% of respondents were employed also elsewhere and (7/40) 18% of the respondents reported working only with network sales. Overall experience from home party sales field there were the following: (8/40) 20% of respondents that had over 20 years' experience, (5/40) 13% over 10 years, (5/40) 13% of the members with 5-10 years' experience, (11/40) 28% with 1-5 years and (11/40) 28% less than one year's experience in the field of home sales. The company has existed in Finland only since 2009. This means that company experience is limited to 6 years at the most. (11/40) 28% of the members have 0-1 years' experience and (18/40) 45% have 1-3 years' experience and (11/40) 28% have 4-6 years' experience in the company.

19 or 48% out of the 40 respondents have 1-2 home parties a month. (10/40) 25% have 3-4 home parties a month and (11/40) 28% have 4-10 home parties in a month in average according to their own account. In general, there are about 8 months of active sales period in a year for home sales, rest of the months are more quiet and sales is not that high.

There was only one (1) beginner also known as "consulent" amongst the respondents, 10 "Junior Managers" and 28 "Senior Managers" and one (1) "Area sales manager "(ASM). As earlier mentioned there were approximately 15 group

leaders amongst the senior managers all together in the company. In sales agent questionnaire, there were 34% (10/29) senior managers or ASM that did not have their own team and out of them six (6) were interested in group leadership. Out of the 10, two (2) were not interested and two (2) were not sure.



Figure 6 Senior managers' (currently without own group) interest to group leadership

The result shows that 60% of the SM level sales agents that currently do not have their own group are interested in group leadership. As there is in total 15 leaders in the company, it would be 40% increase to the current number of leaders.

### 4.2.2 Motivation

Motivational questions look at the reasons behind members joining the network and what motivates and pushes them to continue working. The information is important to a leader because one of the most important tool to manoeuvre people is motivation. If you can find out what motivates the group member it is easier to guide and help them achieve their goals. (Viljakainen, 2011) Motivational questions were more open ended questions and respondents were encouraged to share as much as possible to get best possible picture of what members want out of the work and how they are planning to get it and whether they believe in the opportunities or not.

Many of the respondents came to join the network out of curiosity and simply because they were asked to join. Some wanted to spend some time alone away from family routines and some just needed something to do and of course to earn money was one of the interests of most respondents. There were also three (3) that had done similar work before and felt this was good continuation to the business. Also, three (3) were interested in trying out entrepreneurships, whether they could earn their living with home sales. Also the company's excellent products and a marketing campaign to offer even newly recruited members a possibility to get a free holiday was a reason to join as well as adding products to an existing business.

### What made you decide to start as sales agent?

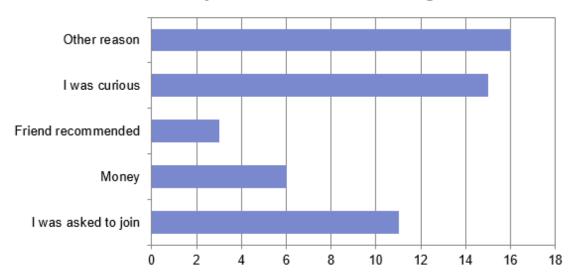


Figure 7 Reasons for beginning as sales agent

When asked about what the company means to the members, the highest scores got predictably the following answers: money, extra job and content to life. Also, having fun, a hobby, way of life and freedom were popular answers. But only three (3) marked company to mean status to them.

# Additional work Status Money Content to life Way of life Freedom Having Fun Hobby

### What does the company mean to you?

Figure 8 What does the company mean to the members?

Members had many expectations for this work and were hoping to continue sales until retirement and onwards and earning more, enabling staying at home with children. Also quite a few say they do not have big expectations as they are working only part time or consider the work for the company as a hobby. Some expectations were more work related; to find new customers, get more home parties per week, have a group of their own or simply to become more of a professional in the field and learn more. Few also wanted to serve the customers better and make people happy.

Many of these expectations mirror the company concept motto: To earn money, help others to earn more and have fun doing it. (Sjöberg 2015)

Along with expectations, when looking at motivation levels, it is required to see also how those expectations are met. Or in other words what the members get out of the work as sales agent or a group leader. Most of the respondents say they are getting something fun to do and of course money out of the work as sales agent. Also, other social aspects of the work are mentioned. There was an opportunity to leave open comments or additional gains from the work and many said they received satisfaction in seeing happy customers, to be able to help people and getting good feedback that gives energy to do the work.

Most of the respondents, 32 out of 40, or 80% say also that they get to express themselves by working as sales agent for the company. So it would seem that at least to the social and the economic motivations are also realising for the members.

One of the important part of motivation is target setting. Without setting for yourself or for subordinates' targets, especially in the more intangible issues, it is hard to see the successes or failures. And in corporations, targets are used for performance measurements. (23/40) 58% out of the respondents had set themselves targets. And, 32 out of 40, or 80% also believed they can reach their targets by using the company concept for sales and group leadership.

Most of the open comments regarding the targets were about earning money, by setting sales volume targets or targets on how many home parties to have in a given period of time. In addition, building and maintaining a group and making it successful were popular targets. Some went more into details like maintaining a certain level of a collection and moving forward to the next level in the company's sales agent steps. Some stated their target is to balance their life and to take it easy.

Even if we are talking about profitable business endeavours and hopes, some also mentioned that they target in keeping the business small so they do not have to pay for example value added tax or the entrepreneur insurances and pensions. This could be one of a hindering factor for growth of the organisation. Is there lack of courage to succeed or to build a real company out of their own endeavours.

When asked directly what motivated the respondents in their work, respondents especially valued the products and their customers, customer feedback and working with people in general. Freedom to choose working hours, positive atmosphere, money and great people came to the second. Also, challenging oneself and self-leadership as well as the belonging to a group/ community was found motivating.

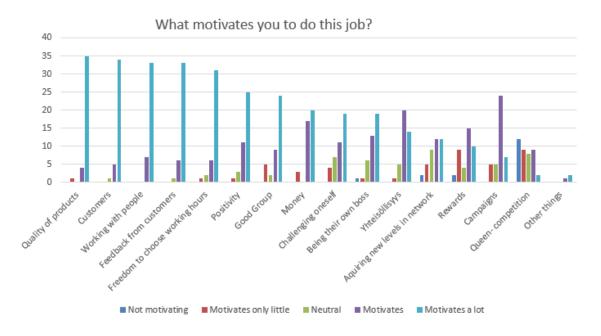


Figure 9 What Motivates members?

Surprisingly campaigns, competitions, rewards and achieving new levels were not in the most mentioned items. This means that they are quite neutral motivators. These are however the core activities the company is currently using to boost the sales and invite people to join the community. Emma Seppälä (2016) says that social rewards are many time more important in creating loyalty than monetary values. The members clearly value the products and their customers a great deal. Also the freedom to choose working hours is seen as the top motivators.

Finally, in the motivation section of the survey was asked, what were perceived the best things related to the company concept. This was done to find out the core positive parts of the work and sides to enhance and emphasise in the future. The question was open-ended, but the three main topics repeated in the answers.

They are: quality of the products, great group spirit and freedom to work and how it suits the individual's life.



Figure 10 What is the best thing about the concept?

Also, the simplicity and honest concept and possibilities to earn were praised along with the pricing of the products, trainings and working deliveries. Almost half of the respondents (48%) believed they could earn most of their income requirements from this work, 13 did not believe at all and eight (8) were unsure.

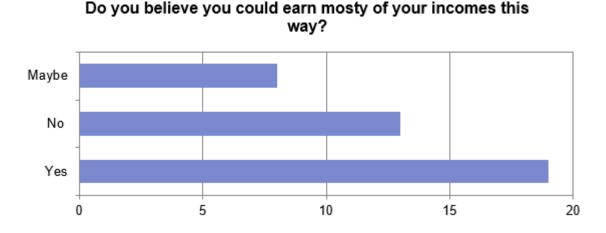


Figure 11 Do you believe you could earn most of your income from the network?

### 4.2.3 Leadership

Leadership part of the survey was focusing on the abilities and the current state of the sponsorship in the company and to find out the ways to focus on correcting and improve it in the future.

Half of the (20/40) respondents had a group of their own and equally 20 respondents did not have a group to lead. This is good setting for getting objective view of the results. Out of all 40, 23 or 58% were interested in group leadership, (8/40) 20% were not interested and (9/40) 23% were unsure. In order to better understand the answers, it is necessary to study a bit more detailed these answers. There were one (1) consulent and ten (10) junior managers among the respondents, and their interest in group leadership varied. Only two (2) were interested, three (3) not interested and six (6) were unsure. Consulents and Junior managers in general are not able to form a group of their own. In order to have enough experience in the work to guide others, senior manager level needs to be achieved. Although it is relatively easy to attain the senior manager position, it requires some work and experience before you are able to guide others.

Out of the 40 respondents 35 or 88% considered knowing what is required of a group leader. 10/40 or 25% of respondents do not have a leader of their own, so they have joined the company via the merger process when the company entered the Finnish markets. Out of those that have a leader, 93% (28/30) say that they have got enough support from their leader. 7%(2/30) stated not having enough support. There was an elaborative open-ended comment field for No-answers. One of the no- respondents say that she had not heard of their leader in over a year. The other respondent said she had found another leader due to not getting support from her own.

When asked about the support they have needed from their own leader, most repeated answer was product information and advice. Mainly focusing on the product info, sizes and alternatives. Second most often were mentioned the new collection and to get help with customer service situation and general advice on stocks and availabilities. Many stated also that more help was needed in the

beginning of the career. Some state directly that do not need help at all anymore. Also some stated that motivation, inspiring and training were things that are needed. Also help with forming own group and recruiting is needed. Some say they contact their leader to get help with billing irregularities, campaign information and in general information about topical issues and upcoming events.

In addition to what members need, it was important to find out if there was something that they hoped they would get help from their leader. Most of the answers were the same as the support they get currently, but it was seen that members would hope for more encouraging, inspiration and sparring from their leader. Clearly lifting the spirits and emotional support is needed.

The members were also asked to describe characters of a good leader, this was also the same question that was posed to the leader's questionnaire previously. The though behind was that the similar questions would bring out differences and needs that the leaders previously have thought of. Clearly most of the respondents' comments to this open- ended question gave the response of encouraging, inspiring, helpful and professional. The same was seen in the leader's questionnaire earlier in the year. But it is also very clear that this is one of the most important roles or characters of a leader. To be supportive and helpful and not pushing or demanding. Inspiration and helpful etc. social values support more adaptable leadership model for the network marketing. Transformal leadership is about relationships and would suit these descriptions very well.

Also someone who is interested, keeps in touch and is a good role model or example of a successful sales agent was described. Additionally, good cooperation skills and "good guy" and easily approachable person were mentioned. These are more characters of a personality, and describes personality type of a leader. It describes more action and way of handling issues type of approach to leadership.

### 4.2.4 Activity

The questions about activity relates to the engagement of the member to the company, group and their own work as sales agent. It is fair to say that most of the respondents were of the more active members of the organisation because (35/40) 88% had attended a meeting organised by the company. Only three (3/40) had not been to a meeting, but were willing to go and two (2/40) respondents answered no. The meetings are held every half a year and there have been around 30-50 participants in each meeting. When asked to list any reasons why they might not have been in a company organised meeting they responded that time schedules are the biggest reason. Other reasons were travel distances and pre -engaged appointments. All in all, the participation of the active members is on good level.

25 or 63 % of the respondents say they have been to a group meeting, 14 (35%) say they have not had any meetings and one (1) did not know if there had been meetings. Half or 50% of respondents had participated in some other group meetings. 34 (85%) would like to participate in a group meeting even if their own group hadn't had one. Only six (6) (15%) would not participate if such meeting would take place. When asked whether the respondents see this kind of meeting to be beneficial to their own career as agents 31 (78%) said yes, one (1) said no and eight (8) out of the 40 (20%) respondents said they do not know.

Among the comments for the yes replies social values such as sense of belonging and energising and motivation building were at the top. Respondents were also happy about being able to share information and experiences, get hints, compare models and get more information on the products. Some comment that the work itself is quite lonely operation and that the company should really focus on the times between the meetings also to engage people. Most of the respondents 29/40 (73%) say that such group meetings should take place 1-2 times a year, rest or 28% say even 3-4 times a year would be good to have a group meeting.

### **5 CONCLUSIONS AND FURTHER RESEARCH**

### 5.1 Conclusions

### 5.1.1 What is the role of the group leader in the network organisation?

Having discussed the most popular leadership theories and models and considering the network marketing organization structure and leadership as is, it would be good to have real guideline and simple guide for the PXC leaders to get started with their leadership. Also, when asked most of the survey respondents were hoping for a leadership training to take place and the company to put more focus on that.



Figure 12 Members' improvement ideas for leader's position and training

Leaders are as much humans and individuals as followers or subordinates. They have different skills and characters, learned and inherited. But good leadership can be learned also by studying the followers, their demands and their goals. Ultimately looking at the previously described theories and models, the combining force in transactional or transformal models are the followers and the ability of the leader to adapt their leadership per the task and the team member's needs.

The more development the member needs to fulfil their targets more task oriented the leadership must be. In network marketing organisations there are different kinds of people, who all need different levels of attention and focus from the leader. The essential part of the leader's role is to find the right way to lead each member with his or her various targets and backgrounds to success.

Network organisations are filled with people from various working backgrounds, ages and education levels. To lead this varied mass of skills, require good people skills. Adapting leadership according to the level of expertise and person's own goals is needed. Situational leadership by Ken Blanchard is one theory that segments subordinates into groups based on their experience and skill level and offer the needed level of guidance. This grouping alone requires excellent people skills and business sense to understand what kind of support is needed in each level.

According to Paula Heiska-Tenhunen study (2016) about competence inventory and training requirements of independent home sales agents the demand for leadership training is high. Many of the members according to the study by Heiska-Tenhunen (2016) had only limited knowledge of leadership and even basic entrepreneurship competence was lacking. The open-door policy and easy access to the network combined with no prerequired experience in the field, makes leader's role also to be more than just helping the new recruit to start their business successfully. It requires continuous work and building of a real business relationship. This is something that is not currently brought to the attention of the leaders enough in this network. According to the first part of the research there was two (2) leaders' out of eight (8) respondents that said they are unenthusiastic or passive as leaders. Leaders should understand that if they are passive and reluctant leaders they are not giving out the role model or the spirit that many of the colleagues even themselves require of a leader. How can they expect best of results with no action?

The network companies' main business is building and growing networks. To grow and sustain growth, more members are needed to become leaders. According to this survey and its results, there were six (6) members that currently

did not have their own group but would be interested in building one. At the time this survey was conducted there were 15 leaders in the network. Real interest exists to build a group and to becoming a leader. By educating and helping these six (6) persons to become leaders, the number of leaders would almost double, compared to the existing amount. This means growth to the company and income to the new leaders as well as the members. One of the things that surprised in the leader questionnaire was that two (2) out of the total eleven (11) leaders that answered the questionnaire were considering themselves passive or reluctant leaders. As a leader, the income comes from both own sales as well as the provisions that are based on the group members' sales, so to motivate and inspire team members should be their main priority.

Both this and previous studies have revealed that more leadership training is needed. Even if the network organisation is not like corporation, where people are leaders and subordinates. This research showed clearly that network leaders have impact on their team members' success.

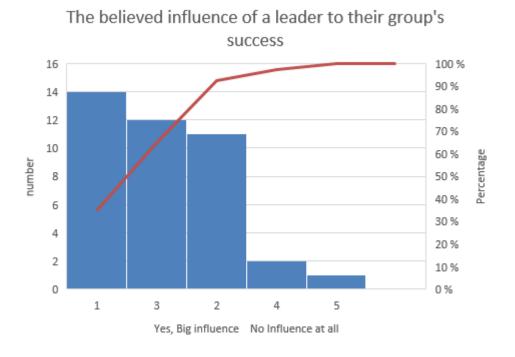


Figure 13 Leader's role to group members' success

Research shows that most important issues for a leader to know are product information, how to get started, recruitment and motivational issues. See below table for details:

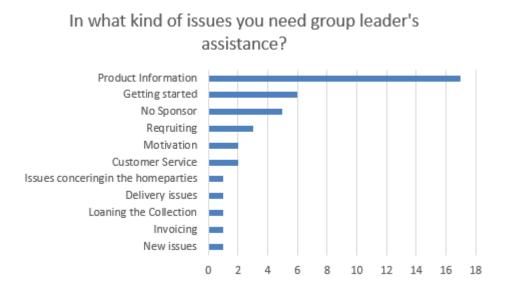


Figure 14 Reasons for contacting a leader? Network member survey

To summarise, the leader is found useful and having part in a members' success in the network marketing work. In addition, by leadership training it is possible to increase the number of leaders and teach some of the needed skills and information they need to be able to help the new team members to develop in their network sales tasks. This clearly shows that the leadership does matter in network marketing even if the leader- subordinate relationship doesn't exist there. Network marketing organisations are very flat and there all members are colleagues with each other, while at the same time individual entrepreneurs.

### 5.1.2 Recommended leadership model for network marketing

When looking at the network more closely, the organisation members are all individual entrepreneurs. Some more active than others, and the person who introduces them to the organisation will become their team leader. As such the traditional team leadership that demand a boss and subordinates is not valid here but the definition; a group of people working for common goal is a team is valid.

(Spiik, 2009) The entrepreneurs much like any brand agents work to sell and promote the certain brands or products to their wholesale representatives or customers. (Coughlan & Crayson, 1998) So their persona is also a part of the customer experience. Therefore, network members can benefit from understanding the concept of personal branding.

Personal branding is about how you establish yourself and much like traditional branding it has to do with building and maintaining a certain image of oneself or the business they are in. In consumer to consumer markets this means both inner and outer appeal. It is said that first impressions take only few tens of a second but they leave a lasting impression. Therefore, assessing the skills and persona you have is needed. It requires self-analysis beyond a mirror.

Consumer network marketing is means promoting products to other consumers. Networking skills are therefore very much needed for anyone in the network but especially to the leader. In addition to leading the group the leader must also lead and promote and educate the customers about the product. Network management contains almost all forms of networking. There is a business to business relationship with the network company and business to consumer networking as well as consumer to consumer networks that are the foundations of the growth of the business. Similarly, the network you build for yourself is a growth opportunity and at its best it is producing success to both sides.

Since there are so many kinds of people in the network it is impossible to support or motivate everyone the same way. Situational leader model by Ken Blanchard, finds out the level of needed support and acts accordingly. This also fits well with the modern day young enthusiastic workforce who would rather have the boss work for them (earning the trust and respect) than to work for their boss. By chance this is also one of the cornerstones of the situational leadership. (Blanchard et al, 2013; Viljakainen, 2011)

Situational leadership also demands leaders to be more agile and adapt to the situation and different persons' skill level in real time. This is also requirement based on the results of this study for the network leadership especially when the

group grows it is very likely that the group will include people with various backgrounds. There are no pre-requirements to join the network, everything is taught and trained by the network.

The primary objective of the leader is to coach and train the new member to the products, sales and how to get started. The research also states that these are the most sought after information needs. Getting started requires skills of understanding the specifications of the products as well as presentation skills and how to contact the company, order products and how to serve the customers. (Company Handbook, 2015) Blanchard explains that the people entering the company or in this case a network are needing much more hands on training than a person who has been involved already for a while. For them coaching is enough. The more experienced the member becomes the more relationship evolves. This research supports this view, as basic issues like product info, help in the beginning and motivation are the subjects in which people are looking for leaders to support the most. This can be seen with more information from the figure 10.

"Now when you got your new member started on the road to success, you need to work your hardest to make them succeed" is said in the company handbook (2015). This means that the leaders' work is not just to get the people started, it's a continuous relationship. This is also reflected in the results of the study as many consider leader-team member relationship more like friendship and as a group of friends than business partnership. Additionally, not only the newly recruited team members need the support and guidance of the leader, but also experienced members require support and especially inspiration at times. Only secondly the leader is referred as a coach or a team leader. This points back to the transformal leadership style that is based on building and maintaining relationships. But theoretically is it is hard to define actual leader-follower relationship because of the missing power relationship that most of the theories describe between the leader and subordinates in organisations. This research would argue that the communal spirit of the network marketing business is making the leader-follower relationship also more close than what the relationship would be in regular

business setting. Therefore, also the leaders in network organisations should enhance the feeling of friendship and team spirit by inspiring and coaching their team members actively like seen from the figure 14 below:

# Which of the following best describes the relationship between you and your group leader?

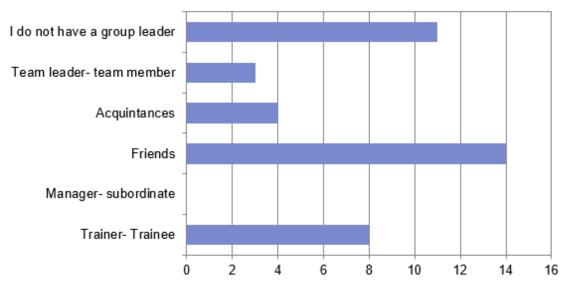


Figure 15 How members see the relationship between leader and member

Inspiration, motivation and supporting are foundations of theory of a transformal leader and those are also the characteristics of a good team leader according to both researches conducted to the network. Leaders cannot make anyone succeed as sales agent but by inspiring, motivating and supporting members they can enflame or get the best potential of the person to come out. Much like any inspirational leader they all wish the best of success to their group, mostly since their own success is linked to theirs. (Westerlund, 2016)

### 5.2 Further Research

The purpose of the thesis was to find out what kind of leadership is best for network marketing organisation's group leaders and find out of which of the existing models would be able to be adapted. In a project that concerns only one company rarely can make wide generalisations about the whole field. Due to the

small sample and the limitation to the experience level of the respondents, there is a need to replicate the research to at least to cover the full organisation member base of the network company here researched, meaning also the international members. To properly give generalisation and create a real model for the leadership in network marketing field also other similar companies should be included into the study. Similar studies could also be created to study the development of the groups and networks and how the field and leadership is developed over the years to come.

This report can be used as such as a starting point for creating the needed guideline for network marketing team leaders. It brings good value about the status quo and can act as a starting point to develop the team leadership in the researched company. Many of the sub contexts of this research could also be used as research subject alone such as motivational issues or leadership training methodology.

### 5.3 Final words

When looking back at the project and the starting point and the goals and objectives of the research, there are few issues in the planning of the research that could have been better managed. The biggest disappointment was the lack of time to conduct the group discussions as planned at the first part of this research. The questions in the form were not planned to be given out as questionnaire and that damaged the study's credibility and especially the usability of some of the information. The information that was received was used as much as possible for analysis and the value of that data came out only when analysing the second part of the research.

The second part was more successful survey and could be more applicable for further research on this subject. Overall the project was very interesting and eye opening in many regards. This research has also given a lot of new development ideas.

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# **Leadership questionnaire questions for Leaders** 16.01.2016

- 1. How long have you been with PXC?
- 2. How long have you been a group leader?
- 3. What is the size of your group 1-5, 6-10, over 11 sales agents (circle the correct size group)
- 4. Describe your role as group leader as you see it.
- 7. What are the characteristics of a good leader? 3-5 things is enough, however the more the better
- 8. How do you see your possibility as group leader to help your team members succeed?
- 9. In your own opinion are you more like (underline your choice)
  - Trainer
  - Director
  - Manager
  - Friend
  - Acquaintance
  - Team leader
- 8. Which of the below leadership theory models applies to PXC in your opinion
  - Quality management
  - Process Management
  - Strategic management
  - Guidance
  - Trainer/ Coach
  - Teacher
- 9. Which of the following describes your PXC group best?
  - Group of friends
  - Sports team
  - A choir

- Unit in the Army
- Sales department in a company
- 10. How would you develop the standing or skillset of group leaders or are you happy with current situation?

## Questions of the internet survey to the sales agents

### BACKGROUND INFORMATION

1. What decade were you born on?

a. 1940
b. 1950
c. 1960
d. 1970
e. 1980
f. 1990
2. What is your educational level, pls choose the highest level you have graduated from.
a. Basic education/ elementary school
b. Vocational Institute
c. High school/ Matriculation examination
d. University of applied sciences
e. University
f. Ph.D./ Doctorate degree
3. Are you working somewhere else parallel to this job?
Yes

No		
4. How long have you been in the Network marketing field / working with home parties? (years in Home party sales)		
5. How long have you been working for this company?		
a. 0-1 years		
b. 1-3 years		
c. 4-6 years		
6. In average how many home parties you attend or shows you have in a month?		
a. 1-2		
b. 3-4		
c. 4-10		
d. Over 10		
7. What is your sales agent status?		
a. Consulent		
b. Junior Manager		
c. Senior Manager		
d. Exclusive Senior Manager (SM)		
e. (TSM)		
f. Area Sales Manager ( ASM)		

### **MOTIVATION**

8. What made you start as sales agent for the company? You can also add reasons to other reasons
I was asked to join
Money matters
Friend recommended
I was curious
Other reasons:
9. What does the job/ company mean to you?
Having fun
Way of life
Status
Content to life
Hobby
Money
Freedom
More work
10. What kind of expectations you have of your career in this company?

11. What do you get out of working for this company?	
11. What do you get out of working for this company:	
Something fun to do	
Something to pass the time	
Personal time	
Company	
Money	
Good feeling	
Something else, what?	
12. Do you feel that you are able to use your potential by working for this company	
Yes	
Partly	
Not at all	
13. Have you set yourself a goal or a target that you wish to achieve by working for th company?	
a. Yes	
b. No	

14. What kind of targets have you set? Describe shortly what you want to accomplish?		
You do not have to answer, but all responses help to establish a vision of what sal		
agents want from this job.		
15. What motivates you in this job? answer on scale Not at all motivating, motivates		
only very little, neutral, Motivates little more, Motivates a lot		
Money		
Quality products?		
Campaigns		
Queen- competition		
Rewards		
Working with people		
Freedom to choose working hours		
Good group (spirit)		
Challenging oneself		
Being oneself boss		
Positivity		
Communalism		
Customers		
Feedback from customers		

Acquiring new sales agent stages
Other issues:
16. What are the best things in the company's concept
17. Do you think that you are able to achieve your targets, while working for this company?
Yes
No
Partly
18. Do you believe that you can receive most of your income from this job?
Voc
Yes

No
Maybe
LEADERSHIP
19. Do you have your own group?
Yes
No
20. Are you interested in leadership?
a. Yes
b. No
c. I'm not sure
21.Do you feel that you understand what is takes to become a sponsor/ group leader?
Yes
No
22. In what kinds of issues you usually need your sponsor's help?
1
2
3

	-
4	
5	-
	-
23. Do you get enough support from you	ur sponsor/ group leader?
Yes	
No	
I do not have a sponsor.	-
24. What kinds of issues you'd hope to	get support from your sponsor?
1	
2	-
3	-
4	-
5	-

25. What is to you a good sponsor like?	name 3-5 things.
1 *	
2 *	-
3 *	-
4	-
5	_
	-
26. Do you feel that the sponsor has an	influence to your success?
Yes, a big influence 1 2 3 4 5	No influence at all
27. Which of the following best describe leader?	es the relationship between you and your group
Trainer- Trainee	
Manager- subordinate	
Friends	
Acquaintances	
Team leader- team member	
I do not have a group leader	

28. Which of the below types of groups describes your group downstream or the group you are a part of?
Group of friends
Sports team
A choir
a unit in the army
A sales department in a company
ACTIVITY
ACTIVITY
29. Have you been to the official kick off meetings of the company?
Yes
No , but would like to join
No
No and I do not want to
30. Is there a special reason why you have not attended the meetings? (The question is voluntary, but could help establishing the vision for the future)

31. Have you had meeting between your own group or with the group you belong to?
Yes
No
I do not know
32. Have you attended other group meetings?
Yes
No
33. If your group has not had any meetings, would you like to have a meeting arranged?
Yes
No
34. Do you think such group meeting would benefit your career? Describe how you benefitted or did not benefit from the meetings and if you have never been to a meeting, what are you expecting from the meeting.
Yes
No
I do not know

35. How often do you think	group meetings should take place?
Group= Own	group or the group you belong to. The question is concerning
only group meeting not offi	cial company kick-off meetings?
1-2 times a year	
3-4 times a year	
More than 4 times a year	
	FOR YOUR PARTICIPATION TO THE SURVEY! I would put with chocolate, if you want it pls leave your contact details
below. Br, Joanna	
First name	
Last name	
Street address	
Postal address	

# **Exchange formula for Figure 2.**

8 Respondent	7 Respondent	6 Respondent	5 Respondent	4 Respondent	3 Respondent	2 Respondent	1 Respondent	Exchange formula Result		Unit in the Army	A Choir	Sports team	Group of friends	Sales Department	Positioning basic values Results		Manager	Director	Friend	Team leader	Trainer	Aquintance	Role basic values Results	describes your PXC group best? Sales department	opinion are you more like Team leader	In your own	1 Respondent	9.kysymys myynnin osasto	7.kysymys tiiminvetäjä	± vastaaja
2,5 -0,5	3,0 1,0	-0,5 0,5	-3,0 3,0	1,0 -1,0	2,5 -0,5	1,5 0,5	1,5 0,5	People			-ა	3	ယ	2 -2	People		2 -2	ω -ω	ယ်	3	3	-S	People		Team leader		t 2 Respondent	sto myynnin osasto	tiiminvetäjä	z vastaaja
				LOW		LO	w		Cor						e		HIGH							Sales department Sales department	Trainer		3 Respondent	myynnin osasto	valmentajaa/tiiminvetäjä	o wastaaja
				Colicelii loi nes			Aquintance				-3 -2		100	Respondent 6		Respondent 5	Friend		Leader's perception of their role and positioning					Sales department			4 Respondent	myynnin osasto		+ vascaaja
					Concern for Results		င် ၊	-2		4	-1 0	0	-	dent 6 7 1 Respondent 1 7	2 Respondent 2			4	of their role an					Group of friends	Friend			kaveriporukka	ystävä	DVdStddJd
				5	<u> </u>				Respondent 4 Manager		1 2	P					Te a m Le ader		id positioning					Group of friends Sales department Sports team	Friend			myynnin osasto	ystävä	o vastaaja
				HIGH	Ē			Director	R	Respondent 8	ω	To be desired to	Respondent 7	Irainer										Sports team	Trainer		7 Respondent	urheilujoukkue/ myynnin osasto	valmentaja	, vastada
									ω	ent 8	4													Sales department	Trainer		8 Respondent	myynnin osasto	valmentaja	5