INCREASING ENTREPRENEURIAL PERSISTENCE AND ENGAGEMENT THROUGH EDUCATION AND TRAINING IN A VIRTUAL ORGANIZATION WITH GLOBAL OPERATIONS: AN INNOVATION STUDY
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Inquiry Questions

1. What are the knowledge and skills, motivation, and organizational needs necessary for seasoned distributors in H. Enterprises to train new distributors based upon “best practices” principles in a standardized manner?
2. What are the recommended knowledge and skills, motivation, and organizational solutions to those needs?

Data Collection Method: 12 Interviews

- Distributor Headquarters included: United States, Malaysia, Indonesia, Hong Kong, Singapore and Australia.
- Each Distributor had between 20,000 and 50,000 members on their team.

Key Findings

<table>
<thead>
<tr>
<th>Classification</th>
<th>Category</th>
<th>Result</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge</td>
<td>Factual</td>
<td>Not Validated</td>
<td>Seasoned distributors do not recruit based upon foundational knowledge, as they do not prejudge.</td>
</tr>
<tr>
<td>Knowledge</td>
<td>Procedural</td>
<td>Validated in part</td>
<td>Seasoned distributors rely on the global platform for new distributor training and conduct one-on-one leadership development trainings in different ways.</td>
</tr>
<tr>
<td>Motivation</td>
<td>Utility Value</td>
<td>Validated in part</td>
<td>Inactive seasoned distributors need to see the utility value of training the new distributors they sponsor, or they need to assist the new distributors in identifying an active upline.</td>
</tr>
<tr>
<td>Motivation</td>
<td>Intrinsic Value</td>
<td>Validated in part</td>
<td>Seasoned distributors need a better way to handle training objections from new distributors so that it does not impact their personal desire to train their downlines.</td>
</tr>
<tr>
<td>Organization</td>
<td>Cultural Model</td>
<td>Validated</td>
<td>Seasoned distributors identify new distributors who are active and train them, instead of providing training for struggling distributors who are not engaged.</td>
</tr>
<tr>
<td>Organization</td>
<td>Cultural Setting</td>
<td>Validated</td>
<td>Distributors seek role models who have achieved a high rank and have a significant followership. Training is not a key concern.</td>
</tr>
</tbody>
</table>

Brief Literature Review

- Multilevel marketing organizations can positively impact: global unemployment issues (Siahaan, Lumbanraja & Chairunisa, 2014); women in developing countries (Dolan & Scott, 2009); and health and wellness in rural villages (Bjorkman-Nyquist, Guariso, Svensson, and Yanagizawa-Drott, 2015)
- Ensuring standards are maintained across encounters with millions of independent distributors is problematic (Msweli & Sargeant, 2001)
- There is no hierarchical leader-subordinate structure so limited in methods (Sparks & Schenk, 2001)
- Distributors need critical entrepreneurial skills (how to handle rejections, manage team, recruit, etc.) to sustain and grow distributorships (Nga & Mun, 2011)

Recommendation: Lead-the-Leader Training Solution

Areas for Future Research

- To what extent are distributors recruited to become entrepreneurs and ignored because they do not produce significant revenue?
- Should training focus on motivating independent distributors who seem to be flailing or should it focus on highly motivated entrepreneurs?
- At what point does training and education impact entrepreneurial engagement?
- Should organizations focus training on the distributors who show the most financial promise?