

ROLE OF THE LEADER IN NETWORK MARKETING BUSINESS – A STUDY IN HYDERABAD CITY OF TELANGANA STATE

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ABSTRACT:

Leadership in network marketing companies involves leading other following leaders towards achieving stated goals. The role of leader in a network marketing organization believes that the relationship between leaders and members in an organization develops over time through a series of observations, tryouts, interactions and conversations. Generally a leader plays four types of roles they are called as Builder, Navigator, Motivator and Mentor. To conduct the present research topic entitled “Role of the Leader in Network Marketing Business – A Study in Hyderabad city of Telangana State” the empirical form of research has been adopted to identify and understand the experiences, opinions and perceptions of leaders at different levels among select network marketing companies. A survey method adopted to gather information about leadership in networking business and to understand that motivates. Library research method has been adopted for documentary analysis of network marketing companies. The required data has been collected from both primary and secondary sources. The present study is aimed to analyze the factors which influence the leaders and their respective follower’s behaviors’ in the network marketing companies are identified and the factor analysis is used to reduce them into meaningful components. The study is concluded that, the role of a leader as captivating the confidence of followers in network marketing companies to get a remarkable success and sustain in the competitive world of network marketing business is more important.

Key Words: Leader, Role of the Leader, Network Marketing Business, Builder, Motivator, Navigator, Mentor, Factor Analysis.

INTRODUCTION:

Leadership in network marketing companies involves leading other following leaders towards achieving stated goals. The role of leader in a network marketing organization believes that the relationship between leaders and members in an organization develops over time through a series of observations,

tryouts, interactions and conversations. Generally a leader plays four types of roles they are called as Builder, Navigator, Motivator and Mentor.

1. Leader as a Builder
2. Leader as Navigator
3. Leader as a Motivator
4. Leader as a Mentor

The above said roles of the leaders can be discussed in the following manner;

1. Leader as a Builder: Leader playing the role of builder devotes his/her complete efforts to build a team.

The parameters identified to explore the role of a leader as a builder are as follows.

- ✓ Planning the work strategy
- ✓ Nurturing the business strategy.
- ✓ Creativity encouragement
- ✓ Responsible to superior leader

2. Leader as Navigator: Navigator brings the integrated leadership model in to practical use. The parameters identified to explore the role of a leader as a builder are as follows.

- ✓ Initiator
- ✓ Developing the followers
- ✓ Leading the followers and managing the things done

3. Leader as a Motivator:

- ✓ Capable to make followers work enthusiastically
- ✓ Captivating the confidence of followers
- ✓ Motivating every follower should become a leader
- ✓ Treating every follower as a leader

4. Leader as a Mentor:

- ✓ Celebrate success of their followers
- ✓ Do not get jealous of their followers
- ✓ Developing the leadership skills in others
- ✓ Articulating independency in followers

REVIEW OF LITERATURE:

To draw the meaningful analysis different studies relating to the said topic entitled were reviewed and few are mentioned below;

1. **Robert J. Allio, (2013) "Leaders and leadership – many theories, but what advice is reliable?"**The author's wanted to dispel some leadership myths and offer some advice to leaders about how to perform more effectively in their roles. Invisible forces act on the leadership process: the expectations of the followers, the culture of the organization and the circumstances. The primary role of the leader must be to develop a culture that enables individuals to combine around the shared purpose of the enterprise.
2. **Nicola McHale, (2012) "Great leaders' lead great teams"**, describe how a leader can differentiate him or her and explained how to release the true leader within. It highlighted the importance of using a strengths-based approach to motivate and inspire the team. It brought out the importance of courage; integrity and warns leaders against trying to be something they are not, destroying the trust in a team and failing to achieve targets.

RESEARCH QUESTION:

1. What is the role of a leader in network marketing business to get success in it?

OBJECTIVE OF THE STUDY:

- ✓ To explore the roles of a leader in network marketing business.

HYPOTHESES:

- H₀:** There is no significant difference between the roles of leaders in different levels among the select network marketing companies.

RESEARCH METHODOLOGY

The empirical form of research has been adopted to identify and understand the experiences, opinions and perceptions of leaders at different levels among select network marketing companies. A survey method adopted to gather information about leadership in networking business and to understand that motivates. Library research method has been adopted for documentary analysis of network marketing companies.

SOURCES OF DATA

The required data has been collected from both primary and secondary sources.

A. PRIMARY SOURCE:

One of the primary sources of data for this analysis is participant observation. Being a participant observer of meetings and seminars of networking business allows the opportunity to observe distributors and leaders.

- ✓ Open-ended interviews are used with the informants to gain insights into how individuals view their organizational experiences.

✓ Data is collected from respondent by administering structured questionnaire.

B. SECONDARY SOURCE:

Archival method is used to gain information from websites. Books and booklets provided by the companies give information about the historical and ideological context of the company.

SELECTION OF SAMPLE

1. **Sampling Unit:** The sampling units are the distributors at level-1, level-2 and level-3.
2. **Sample Companies:** Tupper Ware, Herbal Life, and Amway
3. **Sampling Method:** Stratified Random sampling technique has been applied based on the levels of the leaders.
4. **Sample Size:** In all the three select network marketing companies' leadership levels are recognized mainly in 3 different levels.

Designation	Herbal Life	Tupper wear	Amway	Total
Level 1	5	5	7	17
Level 2	18	15	20	53
Level 3(Distributors)	150	150	150	450
Total	173	170	177	520

Level-1, which is top level in leadership hierarchy; there are 10 leaders in Herbal life, 10 leaders in Tupperware and 15 leaders in Amway business in Hyderabad. At level 2, there are 180 leaders in Herbal life, 150 in Tupperware, and 200 in Amway. The level 3 that is distributors' level, it is difficult to find out the distributors because of the enormous size and they are registered globally. Hence, 450 distributors were selected at 5 percent margin of error (based on Krejcie & Morgan).

Role of a leader as a builder-Across the companies

S.No	Parameter	Hypothesis	Result
1	Leadership role - planning the work strategy	There is no significant difference among companies in leadership role about planning the work strategy	Accepted $0.996 > 0.05$
2	Leadership role - nurturing business strategy	There is no significant difference among companies in leadership role through nurturing the suitable business strategy	Accepted $0.997 > 0.05$
3	Leadership role - creativity encouragement	There is no significant difference among companies in on leadership role with respect to creativity encouragement	Accepted $0.995 > 0.05$
4	Leadership role - responsible to superior leader	There is no significant difference among companies in leadership role of a leader need not to be responsible to superior leader	Accepted $0.996 > 0.05$

Role of a leader as a builder-Across the leadership Hierarchy

S.No	Parameter	Hypothesis	Result
1	Leadership role - planning the work strategy	There is no significant difference among levels of leadership about planning the work strategy	Rejected $0.01 < 0.05$
2	Leadership role - nurturing business strategy	There is no significant difference among levels of leadership through nurturing the suitable business strategy	Rejected $0.00 < 0.05$
3	Leadership role - creativity encouragement	There is no significant difference among levels of leadership with respect to creativity encouragement	Rejected $0.00 < 0.05$
4	Leadership role - responsible to superior leader	There is no significant difference among levels of leadership role of a leader need not to be responsible to superior leader	Rejected $0.00 < 0.05$

Based on the above analysis one can bring to a close that, there is no significant difference among the select sample network marketing companies in the opinion on leadership role as a builder in terms of the variables planning the work strategy, nurturing the suitable business strategy, creativity encouragement and responsible to the superior leader. At the same time there is a unanimous disagreement found across the different levels in leadership hierarchy in select sample networking companies on the leadership role.

Hypotheses which were used to test the variables (characters of a leader), who is called a navigator of a team while assessing the role of a leader can be summarized.

Role of a leader as a navigator – different network marketing companies

S.No	Parameter	Hypothesis	Result
1	Leadership role as an initiator	There is no significant difference among the companies about leadership role of taking an initiative as a leader	Accepted $0.997 > 0.05$
2	Leadership role – developing the followers	There is no significant difference among the companies about leadership role of developing the followers	Accepted $0.997 > 0.05$
3	Leadership role –leading the followers and managing the things done	There is no significant difference among the companies about leadership role, by way of leading the followers and manage the things be done	Accepted $0.996 > 0.05$

Role of a leader as a navigator-Across the levels of leaders

S.No	Parameter	Hypothesis	Result
1	Leadership role as an initiator	There is no significant difference among levels of leaders about the role of a leader to take initiation as a leader	Rejected $0.000 < 0.05$
2	Leadership role – developing the followers	There is no significant difference in leadership hierarchy about developing the followers	Rejected $0.000 < 0.05$
3	Leadership role –leading the followers and managing the things done	There is no significant difference among levels of leadership by way of leading the followers and manage the things be done	Rejected $0.000 < 0.05$

After observing the above analysis one can conclude that, there is no significant difference between the select sample network marketing companies regarding the leadership role as a navigator in terms of the variables as an initiator, developing the followers, lead the followers, and manage the things to be done. There is a unanimous agreed opinion expressed by the leaders across the companies on all the above said variables. At the same time there is a unanimous disagree found between the different levels in leadership hierarchy in select sample networking companies.

Hypotheses which were used to test the variables (characters) of a leader, who would be called as a motivator of a team while assessing the role of a leader, can be summarized as follows.

Role of a leader as a motivator-Across the companies

S.No	Parameter	Hypothesis	Result
1	Leadership role – capable to make followers work enthusiastically	There is no significant difference among the companies about leadership role of being capable to make followers work enthusiastically	Accepted $0.996 > 0.05$
2	Leadership role – captivating the confidence of followers	There is no significant difference among the companies about leadership role of captivating the confidence in followers	Accepted $0.915 > 0.05$
3	Leadership role –motivating every follower should become a leader	There is no significant difference among the companies about leadership role of motivating every follower to become a leader	Accepted $0.996 > 0.05$
4	Leadership role –treating every follower as a leader	There is no significant difference among the companies about leadership role of treating every follower as a leader	Accepted $0.996 > 0.05$

Role of a leader as a motivator – Across the levels of leaders

S.No	Parameter	Hypothesis	Result
1	Leadership role – capable to make followers work enthusiastically	There is no significant difference among levels of leaders about leadership role of being capable to make followers work enthusiastically	Rejected $0.000 < 0.05$
2	Leadership role – captivating the confidence of followers	There is no significant difference among levels of leaders about leadership role of captivating the confidence in followers	Rejected $0.000 < 0.05$
3	Leadership role –motivating every follower should become a leader	There is no significant difference among companies about leadership role of motivating every follower to become a leader	Rejected $0.000 < 0.05$
4	Leadership role –treating every follower as a leader	There is no significant difference among companies about leadership role of treating every follower as a leader	Rejected $0.000 < 0.05$

With the above analysis one can bring to a close that, there is no significant difference among the select sample network marketing companies about the leadership role as a motivator in terms of the variables capable to make followers work enthusiastically, captivating the confidence of followers, motivating every follower should become a leader and treating every follower as a leader. There is a unanimous agreed opinion expressed by the leaders on all the above said variables. On the flipside, there is a unanimous disagree found between the different levels in leadership hierarchy in select sample networking companies.

Hypotheses which were used to test the variables (characters) of a leader, who would be called as a mentor of a team while assessing the role of a leader, can be summarized as follows;

Role of a leader as a mentor-Across the companies

S.No	Parameter	Hypothesis	Result
1	Leadership role – celebrating the followers' success	There is no significant difference among the companies in leadership role to celebrate the followers' success	Accepted $0.997 > 0.05$
2	Leadership role – not jealous about followers	There is no significant difference among the companies in leadership role with respect to not jealous about followers	Accepted $0.997 > 0.05$
3	Leadership role –involvement in developing the followers as leaders	There is no significant difference among companies about leadership role about involvement in developing the	Accepted $0.997 > 0.05$

		followers as a leaders	
4	Leadership role –developing individuality/independency in followers	There is no significant difference among companies in leadership role of developing individuality in followers	Accepted $0.997 > 0.05$

Similarly, the role of a leader as a motivator in different levels in leadership hierarchy in select sample networking companies was as follows;

Role of a leader as a mentor – different levels of leadership hierarchy

S.No	Parameter	Hypothesis	Result
1	Leadership role – celebrating the followers' success	There is no significant difference among the levels of leaders with respect to celebrating the followers' success	Rejected $0.000 < 0.05$
2	Leadership role – not jealous about followers	There is no significant difference across the leadership hierarchy about leadership role of not jealous about followers	Rejected $0.000 < 0.05$
3	Leadership role –involvement in developing the followers as leaders	There is no significant difference in leadership hierarchy about the involvement of top leaders in shaping the followers as leaders	Rejected $0.000 < 0.05$
4	Leadership role –developing individuality/independency in followers	There is no significant difference among the levels of leaders about developing individuality in followers	Rejected $0.000 < 0.05$

By the above analysis one can bring to an end that, there is no significant difference between the select sample network marketing companies with respect to a leadership role as a mentor in terms of the variables capable to make followers work enthusiastically, captivating the confidence of followers, motivating every follower should become a leader and treating every follower as a leader. There is a unanimous agreed opinion expressed by the leaders on all the above said variables. However, there is a unanimous disagree found between the different levels in leadership hierarchy in select sample networking companies.

Factor Analysis test and its results:

The present study is aimed to analyze the factors which influence the leaders and their respective follower's behaviors' in the network marketing companies are identified and the factor analysis is used to reduce them into meaningful components.

Table 2.14
Total Variance Explained

Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	12.114	86.530	86.530	12.114	86.530	86.530	12.053
2	.467	3.333	89.863	.467	3.333	89.863	6.370
3	.330	2.357	92.220	.330	2.357	92.220	4.652
4	.231	1.647	93.868				
5	.183	1.309	95.176				
6	.148	1.056	96.233				
7	.140	.997	97.230				
8	.115	.821	98.051				
9	.078	.555	98.606				
10	.056	.400	99.006				
11	.051	.367	99.373				
12	.040	.289	99.662				
13	.030	.214	99.876				
14	.017	.124	100.000				

Extraction Method: Principal Component Analysis.

The component 1 alone causing the variance to the extent of 86.53%, followed by the component 2, and component 3 with the variance of 3.33%, and 2.35%, respectively. Further, Eigen value for the first component is higher comparing to other 2 components. Eigen value illustrates how much of the variance of the observed variables a factor explains.

The table 2.15 shows the component matrix based on three principal component factors which have a significant role in exercising the role of a leader in network marketing companies.

Table 2.15
Component Matrix

Variables	Component		
	1	2	3
Planning the work strategy	.808	.439	.337
Nurturing the business strategy	.959		
Creativity encouragement	.962		
Responsible to up line leaders	.958		
Leader as an initiator	.945	.129	
Developing the followers	.955		
Leading the followers and managing the things done	.825	-.321	.413
Capable to make followers work enthusiastically	.954		
Captivating the confidence of followers	.964	-.130	
Motivating every follower should become a leader	.914	-.174	
Treating every follower as a leader	.951	-.131	
Celebrating the followers success	.933	.106	
Not jealous about the followers	.927	.195	
Involvement in developing the followers as leaders	.952	.154	
Extraction Method: Principal Component Analysis.			
3 components extracted.			

Table 2.15 contains component loadings, which are the correlations between the variable and the component or factor. The Columns 1, 2, and 3 are the principal components that have been extracted. From the table it is evident that factor, namely captivating the confidence of followers, creativity encouragement, nurturing the business strategy, developing the followers, capable to make followers work enthusiastically, involvement in developing the followers as leaders as the role of a leader has high loadings of 0.964, 0.962, 0.959, 0.954 and 0.952 comparing to the loadings of other factors.

Component – 1 is named as the **influential component** which comprises of five variables. They are creativity encouragement, nurturing the business strategy, developing the followers, capable to make followers work enthusiastically, involvement in developing the followers. The component – 2 defined as **normal component** of the leaders felt that three variables not jealous about the followers, leader as an initiator and celebrating the followers success. The component – 3 is stated as **convenient component** of the customers, which comprises of one variable. The null hypothesis is rejected. The behavioral factors are influencing the captivating the confidence of followers in network marketing companies.

CONCLUSION

The study is concluded that, the role of a leader as captivating the confidence of followers in network marketing companies to get a remarkable success and sustain in the competitive world of network marketing business is more important.

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