

STIGMATIZATION AND ORGANIZATIONAL EFFECTIVENESS: THE CONTEXT OF MULTILEVEL MARKETING

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Research Challenge

Problem

How does stigmatization affect workers and businesses?

Scope

Study of multilevel marketing (MLM) in USA

Sponsor

University of Missouri Department of Communication with support from Campus Writing Program and Organizational Communication Mini Conference

Impact

Work stigmatization adversely affects individual productivity, organizational effectiveness, and industries' long-term sustainability

MLM Context

Critiques of MLM in research and public opinion

**MLMs encourage
unethical and immoral
work practices**

Experience Stigma

**MLMs perpetuate the
idea that women can
“have it all”**

Perpetuate Stigma

Research Process

Scope Problem

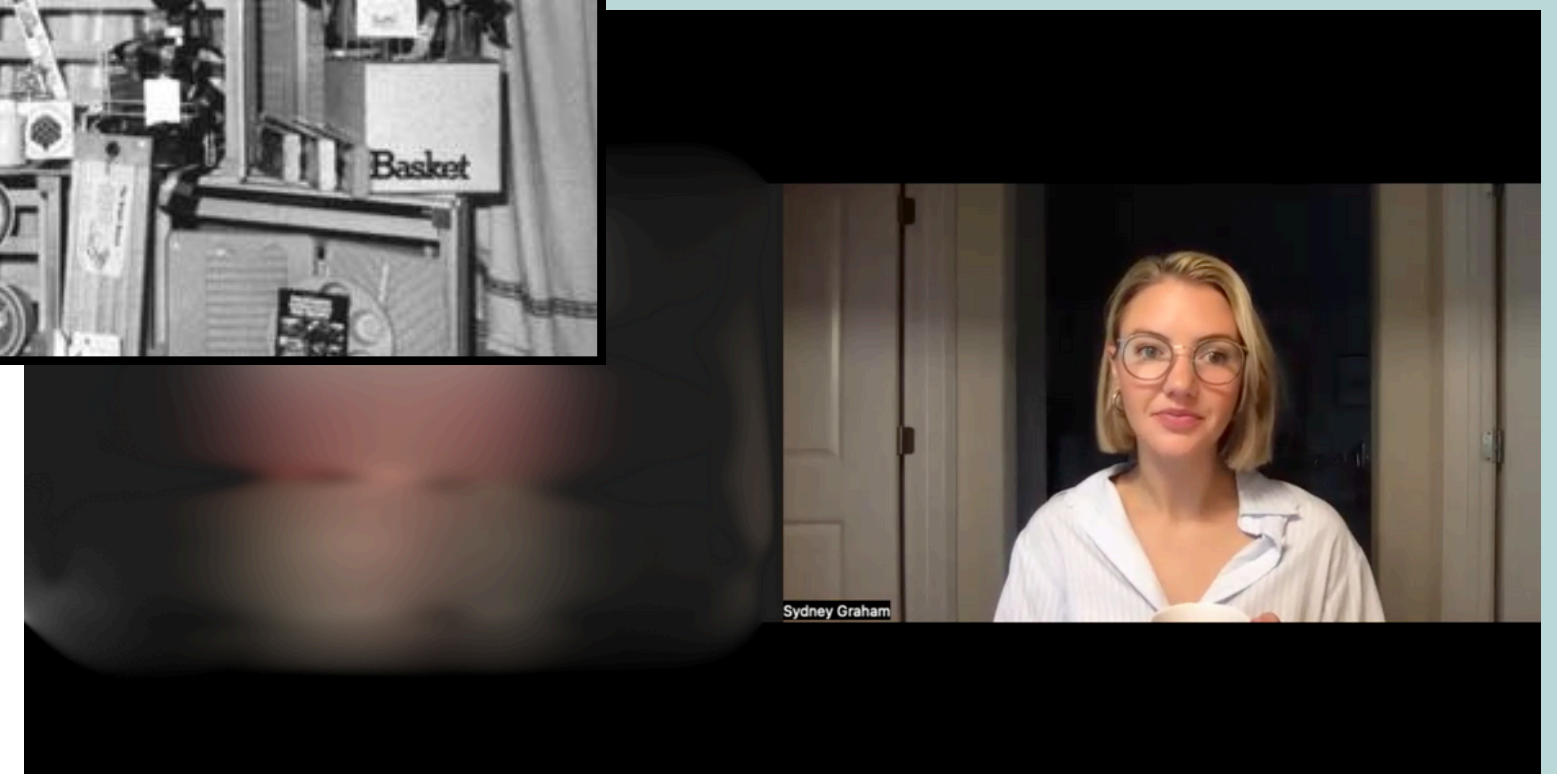
Conduct Literature Review

Recruit Participants

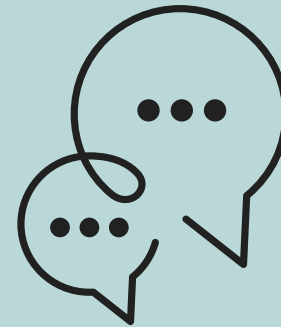
Conduct Interviews

Analyze Data

Write Dissertation



Methods



Phenomenological Design

to unearth MLM consultants' shared understandings



Interviews

16 in-depth interviews with participants across 10 different companies



Digital Ethnography

of online communities and company materials contextualized interview data

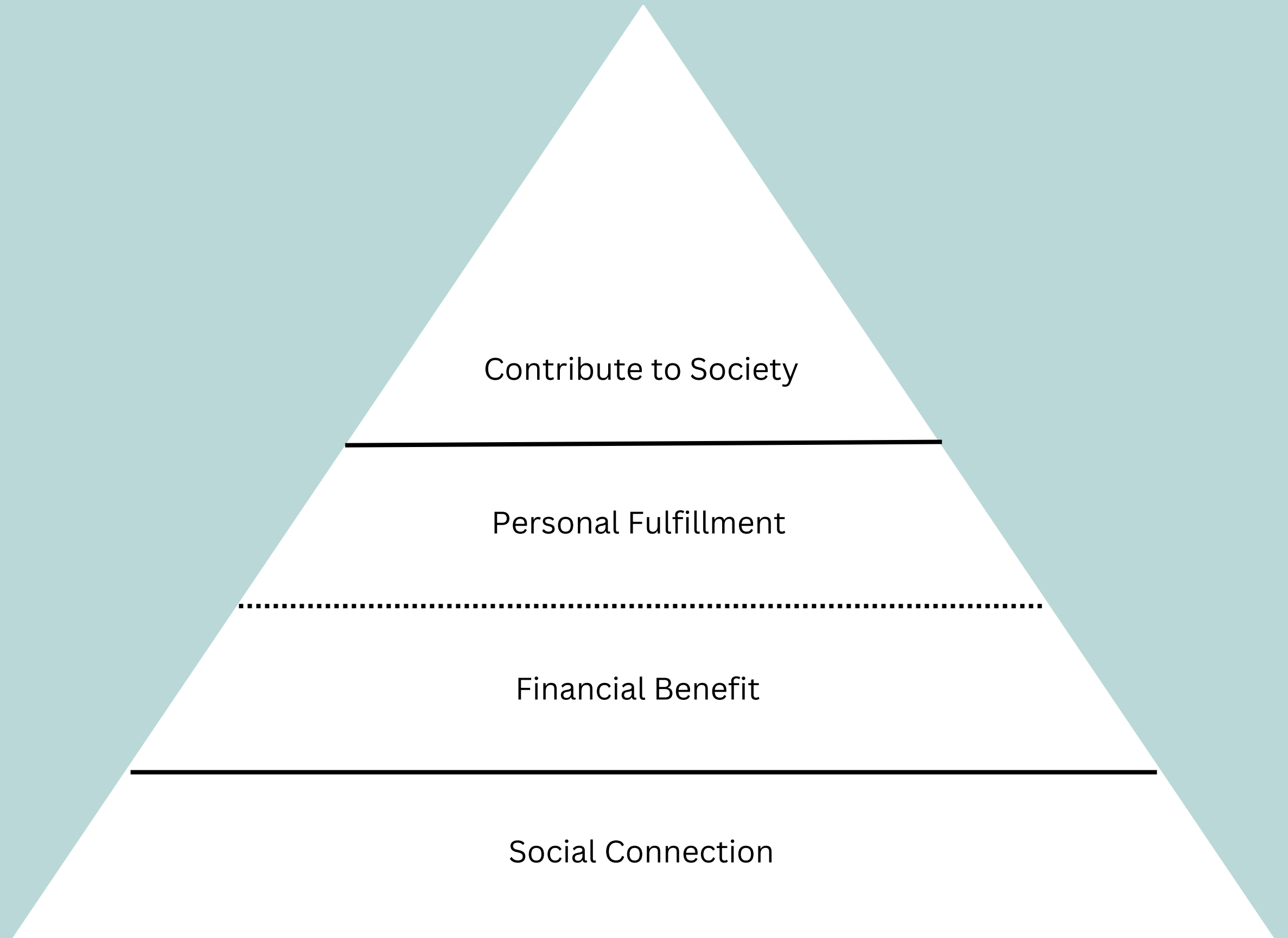
Recruitment

**all participants identified as White and female*

Anonymized name	Age	Time in Industry	% of Household Earnings	Location
P1	46	5-10 years	Less than 10%	Oklahoma
P2	41	5-10 years	15 to 20%	Indiana
P3	55	5 to 10 years	45 to 50%	Oklahoma
P4	37	10 to 15 years	--	Florida
P5	47	1 to 5 years	Less than 10%	Michigan
P6	46	1 to 5 years	Less than 10%	Kansas
P7	42	Over 15 years	Less than 10%	Missouri
P8	47	Over 15 years	15 to 20%	Georgia
P9	51	6 months to 1 year	Less than 10%	Kansas
P10	32	1 to 5 years	Less than 10%	Kansas
P11	46	5 to 10 years	10 to 15%	Michigan
P12	40	5 to 10 years	95 to 99%	Oklahoma
P13	57	10 to 15 years	10 to 15%	Oklahoma
P14	64	Over 15 years	--	Oklahoma
P15	--	Over 15 years	--	Oklahoma
P16	--	Less than 6 months	--	Texas

Deliverables

Four Needs Framework



Consultant Needs Framework

Build social connection (immediate; ~0-4 weeks)		Personal fulfillment (~2-8 weeks)		Financial gain (discounts = 0 weeks; ~4 weeks - no end/form of passive income)		Contribute to society (~6 weeks - no end)	
SUCCESS Reconnecting with social media connections (friends and family)	RISK Being seen as a scammer/unwanted solicitations	SUCCESS Helping others fill a need their life - charity/service	RISK Experiencing isolation, despair, and lack of motivation	SUCCESS Recruiting other consultants to profit from their sales	RISK Being seen as a scammer	SUCCESS Fostering relationships grounded in personal values	RISK Being perceived negatively for doing good with the motivation of making money
Meeting new friends with similar interests	Being seen as a scammer/unwanted solicitations	Achieving independence; entrepreneurial spirit; building a business	Struggling to sell products and finding interested consultants	Selling products	Having merchandise one cannot sell	Using MLM company-organized events to do give fiscally and do charity	Perceived negatively by society Donations monitored through MLM company
Establishing connection with upline and network (access to personalized training, insider knowledge, etc.)	Distancing from upline results in limited assistance with training and lack of insider knowledge	Accomplishing one's "why" (intention for doing MLM)	Investing financially and personally with no return	Getting discount on products	Overspending of initial aims, otherwise little risk	Using products to help others solve personal needs	Being seen as deceptive or deceptively selling products promising they will cure or solve social issues

Focused Insight:

Build Social Connection (~0-4 weeks)



I signed up probably [a month ago]. I hosted a launch party, and I had a few friends participate in that. But honestly, I'll tell you now, I'm frustrated because all of my friends have said that they like their products, but nobody will host a party for me. I think it's going to end up being one of those things where I just am a brand ambassador to get the discount for myself.

-Faye (a pseudonym), White female located in the south in the industry for one month

Focused Insight:

Build Social Connection (~0-4 weeks)



The hardest part ... for me is when I've done a launch party for someone and none of their friends are interested and that hurts my soul. I really don't know what to do with that. I was fortunate that that wasn't my experience. ... But [in some cases] nobody's even helping you at all. And I don't know [what to say] ... like, "you have crappy friends!" (laughter) It's hard to gain any momentum with that...

-Adrian (a pseudonym), White female located in the Midwest in the industry for two and a half years

Organization Impacts

Employee Onboarding

Within first six weeks, organizations should:

- Implement selling style assessments to determine consultant working style, reduce initial uncertainty, and offer personalized feedback. Assessment will provide predictive analytics to address risks and reduce turnover.

Consultants should:

- Define “why”
- Identify receptive clientele

Employee Retention

Turnover increases if first two basic needs are not met within ~6 weeks

Risk Management

Organizations can increase consultant success and decrease negative organizational image through focus on supporting consultants in first two needs

Generalized Impacts

The consultant needs framework diagnoses risks of stigmatization to scale across industries and addresses stigma impacts in contrast to other challenges workers face.

Lessons for the Future

Recruiting based on time in industry

Recruiting participants based on consultant experience would enhance understanding specific to each phase of the framework.

Analyzing with an organization focus

The study examined MLM consultant experiences at the industry level, therefore, analyzing data specific to an organization would allowed specialized impacts to accomplish individual company needs.

Thank you!

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