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Influence of Transformational Leadership Practices on Channel Performance of MLM Sales Leaders in Malaysia

Loo Yew Liang

Ph.D. Student, School of International Studies, Universiti Utara Malaysia, Malaysia

Mohd Sobri Don

Associate Professor, Department of International Business, School of International Studies, Universiti Utara Malaysia, Malaysia

Nik Ab Halim Nik Abdullah

Associate Professor, Department of International Business, School of International Studies, Universiti Utara Malaysia, Malaysia

Abstract:

One of the most important resources in organizations is the mentors who have important role in today's corporate setting (Brashear, Bellenger, Boles, & Barksdale, 2006). In Multi-Level Marketing (MLM) business context, mentors' roles are similarly MLM sales leaders' functions who able to increase earning potential and decrease the rate of downlines' intention to leave. In addition, due to more downlines retire early after successfully achieving financial freedom, MLM sales leaders could keep valuable knowledge within Multi-Level Marketing Organizations (MLMO) and provide a competitive edge for recruiting purposes (Marchetti, 2005). The main objective of the study was to analyze the influence of transformational leadership practices on channel performance of selected MLMO in Malaysia. The study adopted leadership theories, especially transformational leadership as the main theories and models of the study. In this study, cluster sampling was used in selecting 64 MLMO as the sample from the registered list of Direct Selling Association of Malaysia (DSAM). There were 320 sets of structured questionnaires distributed to the selected downlines for collecting inputs and the data was analyzed through the help of Statistical Package for Social Science (SPSS). The study revealed the significance of transformational leadership practices on channel performance of MLM sales leaders in Malaysia.

Keywords: Transformational leadership, channel performance, MLM sales leaders, downlines

1. Introduction

In leadership literature, the scholars identified more than one hundred definitions of leadership (Rost, 1991) and there are many definitions of leadership which have been attempted to define the leadership concepts (Stogdill, 1974). Basically, leadership is an appropriate way to change people mind and influence their thinking to achieve the identified goals of individual, group, community, or organizations. Burns (1978) discussed about transactional and transformational leadership whereby transactional leadership focused on people that motivated by rewards and punishments. In contrast with transactional leadership style, transformational leadership does not leverage reward or punishment as medium to increase the performance, but it is inclined to sell the vision, create trust, and rely on personal integrity. In other words, these leaders are focused on the performance of group members, but also individually need their followers fulfill his or her potential. Bass (1985) states that followers emerge as leaders because past exposure to a transformational leader prepares them to move beyond simple transactional behaviors.

Leadership and selling both involve influence (Bass, 1985) and transformational leadership can make the selling to be more effective when MLM sales leaders are both emotionally and intellectually appealing by understanding the needs of downlines. Consequently, the both selling, and leadership are considered as successful and effective if the downlines are influenced with their needs and expectations fulfilled (Bass, 1997). Bass (1985) applied the concepts of transactional and transformational leadership originally proposed by Burns (1978) into business organizations. Transformational leadership was moving beyond transactions to increase the level of followers' awareness for valued outcomes and motivating them to transcend their self-interests (Bycio, Allen, & Hackett, 1995). Hence, transformational leadership enable MLM sales leaders to be effectively and successfully guiding downlines to obtain the goals as well as they get people motivated sustainably and organizations strengthened by enhancing the MLMO performance (Shibru & Darshan, 2011).

MLM sales leaders (also called as mentor or master in some MLMO) and it refers to who perform well and had excellent achievement in terms of positioned in the highest (top) ranking, generating high sales revenue, continuous and progressive recruitment, financially strong based on attractive monthly income (bonus or commission), and other incentives offered by MLMO. MLM sales leaders must currently hold a leadership position where they mentor, coach, or consult to other sales associates, within their business, on how to achieve higher product sales and maximum benefits from recruitment efforts (Lawrynuik, 2002). MLM sales leaders have sponsored some representatives (downlines) to

work beneath them and then their downlines have sponsored others and so on, branching out like roots from a tree (Merrill, Voss, & Hasler, 2004).

1.1. Transformational Leadership

Leadership and selling both involve influence (Bass, 1985) and transformational leadership can make the selling to be more effective when MLM sales leaders are both emotionally and intellectually appealing by understanding the needs of downlines. Consequently, the both selling, and leadership are considered as successful and effective if the downlines are influenced with their needs and expectations fulfilled (Bass, 1997). Therefore, MLM sales leaders are primarily focusing on the benefits of downlines and customer-orientation than self-orientation. Bass (1985) applied the concepts of transactional and transformational leadership originally proposed by Burns (1978) into business organizations. Transformational leadership was moving beyond transactions to increase the level of followers' awareness for valued outcomes and motivating them to transcend their self-interests (Bycio, Allen, & Hackett, 1995). Hence, transformational leadership enable MLM sales leaders to be effectively and successfully guiding downlines to obtain the goals as well as they get people motivated sustainably and organizations strengthened by enhancing the MLMO performance (Shibru & Darshan, 2011). Bass (1985) developed the Multifactor Leadership Questionnaire (MLQ) and exhibited full range of transformational leadership components such as charismatic role modeling, individual consideration, intellectual stimulation and inspirational motivation in 1997.

Charismatic role modeling refers to leaders with idealized influence and as role models for their followers (Bass, 1997). The leaders behave in charismatic ways in order the subordinates to identify with them through sharing a vision and sense of mission with the followers (Piccolo & Colquitt, 2006). Charismatic role modeling at its core represents the highest levels of moral reasoning and perspective-taking capacity. In this regard, such leaders are willing to sacrifice their own gain for the good of their work group, organization, and community (Shibru & Darshan, 2011). For instance, MLM sales leaders invest much time and a lot of efforts in taking care of downlines' benefits such as providing consultancy with innovative ideas about their business development. In addition, they have ability to resolve the followers' critical problem with innovative solutions. The leader with higher levels of charismatic role modeling has propensity to gain followers' higher admiration, respect, faith, and trust. At the meantime, the followers want to identify with the leaders whereby they show determination and conviction (Bass, 1997). Phapruek (2011) mentioned that charismatic role modeling is a key determinant of subordinates' employee creativity and firm innovation that influence firms' competitive advantage, performance, success, survival, and sustainability.

Managers, supervisors, or leaders treat their subordinates equally and they are attentive to the unique concerns of personal development and growth needs of their subordinates (Dubinsky, Yammarino, Jolson, & Spangler, 1995). The leaders act as a coach or mentor by paying attention to fulfill followers' individual needs (Bass, 1997). Also, individualized consideration is the degree of the leaders to take care of their subordinates' needs by giving them specialized attention, treating each one individually, and act like mentors or coaches for listening to the subordinates' concerns (Piccolo & Colquitt, 2006). The leaders usually will specifically recognize the unique needs from their subordinates and then giving them full support through paying attention, showing empathy, and appreciating of their initiatives or viewpoints (Shin & Zhou, 2003). Consequently, individualized consideration is potentially to create the learning opportunities and development enhancement (Jung et al., 2008) in order the leaders able to gain competitive advantage, profitability, performance, and success for organizations. Through individualized consideration, MLM sales leaders usually spent more time teaching and coaching downlines and treated them as individuals rather than just as participants of a group. This was due to the MLM sales leaders considered their downlines as having different needs, abilities, and aspirations from others (Nuttawuth, 2010). Hence, the downlines who received MLM sales leaders' special attention were more likely to work harder to meet their sales leaders' high expectation. Also, individualized consideration deals with fundamental transformational leadership behaviors of treating individuals as important contributors to the MLMO (Shibru & Darshan, 2011). In this context, downlines need to be always motivated as productive in sales activity due to the degree of MLMO performance related tightly with the extent of MLM sales leaders' performance.

In general business context, managers are considered as effective leaders for those articulate high expectations to subordinates and communicate important purposes in simple ways such as language, symbols, and images to focus their efforts. (Dubinsky, Yammarino, Jolson, & Spangler, 1995). As such, MLM sales leaders represented the appeal of challenging downlines by symbols and metaphors. In other words, inspirational motivation MLM sales leaders expressed the importance and value of desired goals in simple ways and displayed high levels of expectations (Nuttawuth, 2010). At the same time, inspirational motivation indicates that the ability of MLM sales leaders to empower downlines to accept and obtain the objectives or goals of the mission with high work standards and expectations. Transformational leaders who practice inspirational motivation always encourage followers in generating enthusiasm and challenging people (Shibru & Darshan, 2011). The leaders can inspire by explaining the meaning and elaborating the challenges to the subordinates how their works contribute to the achievement of the vision (Colbert et al., 2008). Basically, the situation is applicable to MLM sales leaders with great inspirational motivation tend to envision of the future, visualize the good future life, and able to guide the followers to achieve the goals by overcoming the challenges. At the same time, the downlines feel that they could complete their mission based on the belief and trust expressed by their MLM sales leaders (Gumuskuoglu & Ilsev, 2009).

Innovation and creativity are in the heart of intellectual stimulation factor and leaders who use intellectual stimulation will be able to challenge the status quo and stimulate their followers' effort to be innovative (Shibru & Darshan, 2011). Basically, leaders with intellectual stimulation challenged their followers' ideas and values for solving problems through using non-traditional thinking to deal with traditional problems (Nuttawuth, 2010). In MLM business

context, MLM sales leaders often listened to downlines' ideas even if different from theirs and downlines will be given new ways of looking at old problems. From the downlines' perspective regarding intellectual stimulation practice which has been applied to them, they may alter their way of thinking, willingness to point out any ideas, awareness of problem-solving increased, and tend to have enhanced thought processes. Leaders who apply intellectual stimulation will encourage creative thinking among subordinates to solve the existing or current problems. They motivate their followers to think out of the box to reframe problems in new ways (Bass, 1997) and it refers to the supports given to followers rethink their conventional practice and ideas towards fostering creative and innovative to old problems (Menguc & Auh, 2008). Rafferty and Griffin (2004) mentioned that intellectual stimulation is to motivate the subordinates to enhance their solution quality through creating the interest and awareness of them to think, conceptualize, and analyze about the problems comprehensively. In addition, leaders with higher level of intellectual stimulation tend to challenge assumptions, take risks, and solicit subordinates' ideas (Piccolo & Colquitt, 2006). It enables to stimulate subordinates restructuring the old problems with new creative and innovative mechanism.

1.2. Channel Performance

Performance is seen as continuous and flexible process involves management level people to work closely to achieve the required results (Armstrong, 2006). Performance is the final result produced from activities involving strategic management process which it has ability to improve organization's performance (Wheelen & Hunger, 2010). From another point of view, performance is an evaluation of the salespersons' job activities and accomplishments relative to the organization's objectives. In MLM business practice, MLM sales leaders and downlines typically view performance both in terms of product sales and new recruits. Both sales and recruits per year were used to measure performance (Sparks & Schenk, 2006) similarly for evaluating the MLM sales leaders' performance.

As such, in this study, performance of MLM sales leaders is measured by channel performance. To be more particularly, channel performance (economic benefit) refers to the extent to which relationship between the downlines and uplines is productive (good personal sales), profitable (good one's network sales), and rewarding (resulting in a broader network of downlines) (Skarmeas et al., 2002; Msweli-Mbanga, 2001; Bucklin & Sengupta, 1993). There is a limited attention received for the study of channel performance in network marketing field (Salciuviene, Reardon, & Auruskeviciene, 2011) and this study to carry out the channel performance as important outcome in the context of MLM industry in Malaysia.

There were studies stated that the extent of supervisory support (upline support) was able to give impacts on downlines' overall performance (Babin & Boles's, 1996; Wotruba & Rochford, 1995). Also, change success of organization could be affected based on the degree of supervisory support (Weber & Weber, 2001). Those studies revealed that the guidance from upline and supervisor is able to influence the performance among downlines in order to achieve greater performance for MLMO. Nevertheless, there was a study presented the finding which showing negative relationship between upline support and sales performance (Filzah, Cheng, & Jasmani, 2012). Based on the findings, upline support does not really refer to sales leaders' support, which means it, refers to the downlines for whose ranking is slightly higher and not at the top position. Hence, the result showed that sales performance was not optimistic even upline support given to the downlines. In this regard, such circumstance enables this research to study further about the support given by MLM sales leaders to downlines in leading them to higher stage of performance simultaneously to increase profitability of MLMO in the context of channel performance.

In addition, many studies generally much focused on salespeople's performance (Salciuviene, Reardon, & Auruskeviciene, 2011) and only little previous research that scrutinized the downlines' performance in MLMO (Msweli-Mbanga, 2001). Furthermore, the role and performance among MLM sales leaders has received limited attention from scholars, especially in MLM industry of Malaysia. In this regard, this research examines the determinants of MLM sales leaders which potentially to enhance channel performance.

1.3. Statement of the Problem

To attain greater performance, MLMO need the active and productive sales force led by MLM sales leaders. However, not all MLMO are on the right stage and capable to achieve that goal (Chris Lytle, 2012). Sales leaders, the mainly focused in MLMO, are considered as 'heart and soul' of the billion dollars MLM industry (Lawrynuik, 2002). MLMO performance is much relying on the conventional marketing strategies which basically depend on attractive reward schemes and product credibility, and the sales leaders who have very important roles in influencing downlines or groups toward goal setting and goal achievement (David Conrad, 2013). Even though the reward schemes are lucrative, and the benefits of products and services are outstanding, MLMO performance hardly stands on the higher position without effective or persuasive sales leaders who are able to inspire, mediate, motivate, and direct change the sales force or downlines (Northouse, 2013). On the other hand, profitability of MLMO is basically generated based on the performance of downlines, whereby they put hopes, trust, and confidence on their MLM sales leaders to guide them in achieving financial freedom. The qualitative research of Lawrynuik (2002) studied the factors contributing to success of high-performing female sales leaders in the network marketing industry. The research found that high-performing female sales leaders maximize the opportunity to build their network marketing business through their milieu of relationships with clients and recommended training program to support sales leaders in future study. In addition, the research by Cecelia Ong and Ernest (2007) focused on the reasons for Malaysian joining and staying in MLMO as well as Koe and Soo (2010) studied the factors of willingness to pursue MLM business as a career path among youth in Malaysia. Their empirical studies mainly emphasized on the downlines' perspective towards prospects of joining MLMO in Malaysia. Similarly, a study found about the determinants of downlines' satisfaction of MLMO operating in Malaysia (Loi, 2015). It reveals that the research

area of MLM sales leaders is still roomy and imperatively, this study is intended to explore quantitatively pertaining to the importance of transformational leadership to influence channel performance of MLM business in Malaysia.

1.4. Theoretical Framework

Transformational leadership has been examined that investigate in this study and it illustrates how it interacted with channel performance. As suggested by the review of the relevant literature, this study has theoretically framed four antecedents' variables which are positively influencing channel performance. The antecedents' variables include charismatic role modeling, individual consideration, inspirational motivation, and intellectual stimulation which are related to transformational leadership. The most common measures of performance were changes in sales, firm survival, change in employees, and profitability in various studies (Brush & Vanderwerf, 1992), but MLM sales leaders are not necessary to involve themselves directly in boosting the sales activities whereas their performance will be evaluated through contribution of downlines or sponsoring groups. Thus, dependent variable in this study is channel performance which has been identified as economic benefit.

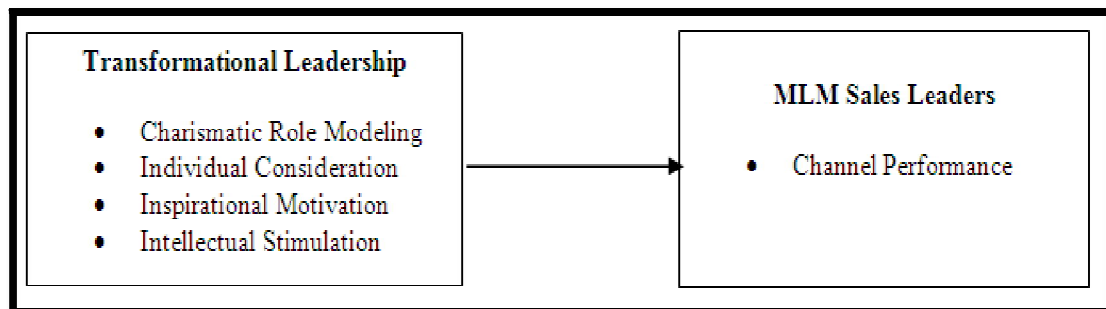


Figure 1: Theoretical Framework

1.5. Research Design

This is the research study based on hypothesis testing. Data was collected through the well-structured questionnaires. The survey questionnaires were distributed via mail to the direct downlines for MLM sales leaders of MLMO in Malaysia. For measurement scale of this study, Likert scale was chosen to examine how strongly subjects agree or disagree with statements on a five-point Likert scale and data collected were analyzed using Statistical Package for Social Science (SPSS) software, Version 20. There were 320 sets of questionnaires to be distributed to the selected respondents based on the MLMO registered with Direct Sales Association of Malaysia (DSAM, 2013). The sample size is greater than 30 and less than 500 are applicable to most of studies (Roscoe, 1975) and the study is considered comfortable if having at least 300 cases for factor analysis (Tabachnick & Fidell, 1996).

2. Findings and Discussions

2.1. Response

A total of 320 questionnaires were mailed to the respondents. After being screened and for usability and reliability, from a total of 215 survey questionnaires returned, five were discarded due to the incomplete responses in terms of more than 50% missing data occurred (Hair, Black, Babin, & Anderson, 2010). Hence, 210 survey questionnaires in total were useful for subsequent data analysis with rate of useable response as at 65.63%. The response rate of 67.19% was achieved from direct downlines for MLM sales leaders as the respondents. The rate of return questionnaires distribution is displayed in Table 1.

Distributed Questionnaires	320
Returned Questionnaires	215
Returned and useable questionnaires	210
Returned and unusable questionnaires	5
Unreturned Questionnaires	105
Response rate	67.19%
Rate of useable response	65.63%

Table 1: Response Rate of Returned Survey Questionnaires

2.2. Factor and Reliability Analysis

Channel Performance	1
My sales leader achieved annual sales target set by Multi-Level Marketing Organizations (MLMO).	0.94
My sales leader provided feedback and comments to management.	0.93
My sales leader increased territory market share.	0.92
My sales leader contributed to my sales unit's profits.	0.92
My sales leader made effective presentations to downlines and prospects in recruitment activities.	0.91
My sales leader built effective relationships with downlines.	0.90
My sales leader understood MLMO services and their application.	0.92
My sales leader understood downlines' needs and work processes.	0.93
My sales leader kept expenses at acceptable levels.	0.87
I expect good profits from this business relationship.	0.88
I expect a good level of sales with this business relationship.	0.91
I expect to achieve high growth with this business relationship.	0.91
Reliability	0.98
Eigenvalue	9.99
Percentage Variance Explained	83.28

Table 2: Factor and Reliability Analysis on High-Performing MLM Sales Leaders

Table 2 showed the outcome of factor analysis on 12 questions for channel performance variable, with factor loading ranging from 0.87 to 0.94. No items to be dropped due to anti-image correlation for all items were more than 0.5. The results of factor analysis on the 12 items in tapping channel performance showed only one factor having very high loading on increasing territory market share by MLM sales leaders. This factor captured 83.28% of the variance in the data. The measure of sampling adequacy (MSA) is 0.96 and the Bartlett test of sphericity is significant. Reliability (Cronbach's alpha) for this factor is 0.98. The result of factor analysis of 24 questions in tapping transformational leadership showed one factor in 24 items with factor loading ranging from 0.83 to 0.89 (Table 3). The measure of sampling adequacy (MSA) was 0.96, whilst the Bartlett of sphericity is significant. This indicated that there is sufficient number of significant intercorrelation for factor analysis. There were no items to be dropped according to the anti-image correlation which all items above 0.5. These factors cumulatively captured 74.00% of the variance in the data with explanatory power as expressed by their eigenvalues 17.76. The reliability (Cronbach's alpha) was 0.98.

Charismatic Role Modeling	1
My sales Leader makes me feel good to be around him/her.	0.87
I am ready to trust his/her capacity and judgment to overcome any obstacles.	0.87
My sales leader increases my optimism for the future.	0.87
My sales leader encourages me to express my ideas and opinions.	0.87
My sales leader has a sense of mission which he/she transmits to me.	0.86
My sales leaders' commands taken and gain respect from downlines.	0.85
Individual Consideration	
I felt satisfied when I met the agreed-upon standards for good work.	0.85
My sales leader makes me feel we can reach our goals without him/her if we have to.	0.84
I earn credit with him/her for doing my job well.	0.88
You can count on him/her to express his/her appreciation when you do a good job.	0.85
My sales leader gives personal attention to downlines who seem neglected.	0.83
My sales leader always treats each downline individually.	0.85
Inspirational Motivation	
My sales leader sets high standard for my works.	0.87
My sales leader's vision spurs me on	0.89
My sales leader develops ways to encourage me.	0.86
In my mind, the person I am rating is a symbol of success and accomplishment.	0.86
My sales leader talks optimistically about the future.	0.86
My sales leader is an excellent source of inspiration.	0.85
Intellectual Stimulation	
My sales leader has provided me with new ways of looking at things which used to be a puzzle for me.	0.86
My sales leader's ideas have forced me to rethink some of my own ideas which I had never questioned before.	0.87
My sales leader enables me to think about old problems in new ways.	0.87
My sales leader emphasizes my use of intelligence to overcome obstacles.	0.87
My sales leader requires that I back up my opinions with good reasoning.	0.83
My sales leader I am rating introduces new projects and new challenges.	0.86
Reliability	0.98
Eigenvalue	17.76
Percentage Variance Explained	74.00

Table 3: Factor and Reliability Analysis on Transformational Leadership

2.3. Descriptive Analysis

From the Table 4, the mean scores of antecedents' variables range were between 4.25 and 4.40 (above average). The element of channel performance (dependent variable) was the highest (4.40) which above the average mean scores. The second highest mean scores were followed by intellectual stimulation (4.36) charismatic role modeling (4.35), individual consideration (4.35), and inspirational motivation (4.34). All these elements attached with transformational leadership indicating that there were MLM sales leaders are committed to build their business intentionally inclusive of assisting their downlines in achieving the financial freedom.

	Mean	Std. Deviation
Channel Performance	4.40	.59
Charismatic Role Modeling	4.35	.53
Individual Consideration	4.35	.53
Inspirational Motivation	4.34	.52
Intellectual Stimulation	4.36	.54

Table 4: Descriptive Statistics of Antecedent Variables (N=210)

2.4. Correlation Analysis

The results of the correlation analysis of variables are summarized in Table 5. The relationship between, transformational leadership, is significantly correlated with channel performance. The antecedent variables are charismatic role modeling (measured by the CRM, $r = 0.72$, $n = 210$, $p < 0.01$), individual consideration (measured by the IC, $r = 0.72$, $n = 210$, $p < 0.01$), inspirational motivation (measured by the IM, $r = 0.68$, $n = 210$, $p < 0.01$), and intellectual stimulation (measured by the IS, $r = 0.68$, $n = 210$, $p < 0.01$). In other words, there were strong (charismatic role modeling and individual consideration) and moderately strong (inspirational motivation and intellectual stimulation), positive correlation between transformational leadership and channel performance, with high levels of transformational leadership associated with high levels of channel performance.

Variables	Mean	St. D	CP	CRM	IC	IM	IS
CP	4.40	0.59	1	0.716**	0.716**	0.682**	0.685**
CRM	4.35	0.53	0.716**	1	0.932**	0.938**	0.935**
IC	4.35	0.53	0.716**	0.932**	1	0.940**	0.914**
IM	4.34	0.52	0.682**	0.938**	0.940**	1	0.912**
IS	4.36	0.54	0.685**	0.935**	0.914**	0.912**	1

Table 5: Correlation Analysis

** Correlation Is Significant at the 0.01 Level (2-Tailed)

CRM = Charismatic Role Modeling, IC = Individual Consideration,
IM = Inspirational Motivation, IS = Intellectual Stimulation,

2.5. Multiple Regression Analysis

To test the hypotheses, the multiple regression analyses was tested to determine the variance of channel performance explained by the transformational leadership as antecedent factors. MLM sales leaders as the dependent variable were measured by the channel performance. The results are summarized in Table 6 and Hypotheses H1 postulated relationship between transformational leadership on the channel performance as listed below:

- Hypothesis 1: There is a positive relationship between transformational leadership and the channel performance.

2.5.1. Corollary Hypotheses

- Hypothesis 1.1: MLM sales leaders with the charismatic role modeling are positively related to the channel performance.
- Hypothesis 1.2: MLM sales leaders with the individualized consideration are positively related to the channel performance.
- Hypothesis 1.3: MLM sales leaders with the inspirational motivation are positively related to the channel performance.
- Hypothesis 1.4: MLM sales leaders with the intellectual stimulation are positively related to the channel performance.

The regression explains 52.4 percent of the variance in the transformational leadership on the channel performance. It is highly significant at the 0.001 level. From the results shown, inspirational motivation (IM) and intellectual stimulation (IC) do not show significant relationships with channel performance, but charismatic role modeling (CRM) and individual consideration (IC) have the significant relationship with channel performance ($\beta = 0.43$, $p < 0.05$ and $\beta = 0.45$, $p < 0.01$). Therefore, H1.1 and H1.2 are accepted while H1.3 and H1.4 are not supported.

Transformational Leadership	CRM	IC	IM	IS
CP	0.43*	0.45**	- 0.17	0.20
R	0.73			
R Square	0.53			
Adjusted R Square	0.52			
F	58.55***			

Table 6: The Transformational Leadership to Channel Performance

Note: Significant Levels: *** $P < 0.001$; ** $P < 0.01$; * $P < 0.05$; + $P < 0.10$

CP = Channel Performance, CRM = Charismatic Role Modeling, IC = Individual Consideration,

IM = Inspirational Motivation, IS = Intellectual Stimulation

3. Conclusions and Recommendations

The overall findings of this study contributed to the theory on the whole body of research in channel performance whereby leading us to support the theoretical framework. MLM sales leaders have high levels performance once they are equipped with the characteristics of transformational leadership, especially they shared a vision and sense of mission with the followers (charismatic role modeling) and gave personal attention to the followers and makes each feel valued and important (individual consideration). The findings illustrate that the phenomenon of the channel performance could be achieved by MLM sales leaders for who own those identified characteristics or make a practice on it.

The research provides support for a resource-based explanation of MLM in Malaysia. The findings emphasize on the importance of transformational leadership is superior for MLM sales leaders to bring forward the MLM business to higher stage of performance as comparatively MLM business is no longer focusing on conventional marketing tools and strategies, such as compensation plan, reward scheme, door to door promotion, and so forth. The future research may include other party to participate in collecting the inputs such as top management because they are the specific group of people who able to provide different angle of views and opinion to examine the discrepancies of the research results. More importantly, they also can enhance the firm performance by monitoring management and providing resources (Hillman & Dalziel, 2003).

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