

**A STUDY ON THE ORGANIZATIONAL ENGAGEMENT OF
DIRECT SALESPEOPLE: A CASE STUDY ON
THAI DIRECT SALES INDUSTRY**

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Abstract

This research is about the organizational engagement of direct salespeople of Thai direct sales industry which are Amway, Thailand, Zhulian (Thailand) Ltd., Giffarine Skyline Unity Co., Ltd., and Smart International Network Co., Ltd. in Bangkok and its boundary. The research aims to study factors related to the organizational engagement of direct salespeople in Thai direct sales industry, to study levels of the organizational engagement towards direct sales organization in Thai direct sales industry, and to give the findings to the executives of the companies for making their human resources management more efficient or for finding ways of persuasion to make the subordinates satisfy in their work and engage in their organization. There are 400 samples and questionnaire is the tool in collecting data. Statistics used in data analysis are percentage, mean, standard deviation, Pearson Correlation Coefficient, t-test analysis, and one way ANOVA.

In this research there are 4 hypotheses involving with the 4 factors; personal characteristics, job characteristics, work experiences, and the awareness of direct sales business. The first hypothesis is that the different personal characteristics of direct salespeople affect the different organizational engagement. The rest all three factors; job characteristics, work experiences of direct salespeople and the awareness of direct sales business of direct salespeople, relate to organizational engagement.

The result was found that personal characteristics factor; gender, age, marital status, occupation, income from full time employees, experience in direct sales, and salary and average remuneration per month from direct sales work, relate to organizational engagement. The level of education doesn't relate to organizational engagement. Job characteristics factor and the factor of work experience relate to the organizational engagement in a positive way at a medium level. The awareness of direct sales business factor relates to the organizational engagement in a positive way at a high level. The level of direct salespeople's organizational engagement in general is in "Agree" level. The recommendation of this research in terms of job characteristics, it is suggested to build activities which support work progress for direct salespeople. In terms of work experience, it is suggested to give direct salespeople the opportunity to share their ideas or to have parts in management. In terms of the awareness of

direct sales business, it is suggested to show the importance of product development and maintain the product quality at a maximum level. In terms of organizational engagement, it is suggested to support the direct salespeople to take part in and continuously inform them the company's turnover for their progress and for the benefit of the company.

Keywords: Organizational Engagement, Direct Salespeople, Direct Sales Business

1. Introduction

According to Thai economy, consumers are more careful to spend money and financial institutions consider more carefully to allow credits to customers. Thai economy in year 2014 has grown only 0.7% from year 2013 (Bank of Thailand, 2014: paragraph 1-2). This makes Thai consumers adjust themselves by being part time employees after full time work in order to cover their expenses. Being direct salespeople is one of their interests due to gaining high income with no risk and no high investment (Arbita Boriphan, 2009).

However, running a business always changes by external factors. Companies have to adapt themselves to catch up with the changes. The quality of human resources is the significant variable to build competitive advantages. It is that the human resources have to engage in their organization. Many consulting companies in human resources found that the level of human resources' organizational engagement significantly relates to levels of competence, of growth, of stability of that company in this kind of business. From the researcher's experience, the researcher found that a group of entrepreneurs face the problem of human resources management when their direct salespeople have been persuaded to work with other companies.

According to the previous problem, a study of human resources' organizational engagement interests executives and academicians. Personally, the researcher as a direct saleswoman, she is interesting in studying this problem. The objectives are to study factors relating to direct salespeople's organizational engagement in Thai direct sales industry, to study the level of direct salespeople's organizational engagement in Thai direct sales industry, and to give the findings to the executives for their more effective human resources management. Then, they can find ways to create job satisfaction and organizational engagement for higher level.

2. Literature Review

2.1 Organizational engagement

Mowday et al. (1979) has defined organizational engagement that it is the way to express something more than usual loyalty. The engagement is firm relationship and it can push people to contribute themselves willingly for the growth of their organization. Also this good feeling makes them perform well and then benefit to their organization. People who have organizational engagement will always have behavior that matches the objective of their organization.

Hazzan (2014) has studied the organizational engagement at a secondary school. In terms of organizational participation, he found that leaders have to plan, design policies, set goals, then assign jobs to concerning people. Also, leaders must persuade subordinate to agree with them and to follow them. They have to give chance to everyone in the organization to share their ideas, and join activities in order to build unity and inspiration. Moreover, they have to let subordinates take their parts in every project all the way from the beginning to the end. Hazzan has suggested the theory of Organizational Engagement Model (OEM) to superiors for treating their subordinates. He has recommended them to build incentive to teamwork and then the teamwork will be proud of their success. There are 2 parts of the need theory: the inside need and the outside need. The inside one includes pride and the value of oneself. The outside one includes admiration from colleagues. He also emphasizes that communication is important to every organization. It can create good interaction, friendship, and connection in organizations.

The concept of employees' organizational engagement is psychology concept. It was interested after the Gallup Organization has been named as a research institute and a consultative organization started to study this concept in 1985. Later, Kahn (1990), the psychologist, has suggested the theory of engagement in a workplace and defined the employees' engagement as the expression of emotion, feeling, and body. From the study, it has been summarized that the theory of Kahn is the basic thought which was given to many consulting organizations, for example, The Gallup Organization, Hewitt Associate, ISR, Dr. ED Gubman, and Development Dimensions International Inc. The researcher can summarize that the employees' engagement is both the physical and mental contribution to assigned jobs. This will make the jobs done creatively and make the jobs valuable more than expectation.

2.2 Organizational engagement factors

Steers (1977) has said that there are 3 factors affecting organizational engagement. They are personal characteristics, job characteristics, and work experience. In terms of personal characteristics, he means gender, age, level of education, marital status, number of years working in that organization, and the level of job position. In terms of job characteristics, he means autonomy, variety, job identification, opportunity for optional interaction, and feedback which are under each employee's responsibility. In terms of work experience, he means working environment that employees get, for example, being important to an organization, group attitude, organization dependability, and expectation to get response from an organization.

Mowday, Porter, and Steers (1982) have presented that there have been 4 factors affected organizational engagement; personal characteristics, job or role-related, work experiences, and structural characteristics. Personal characteristics include gender, age, year of working, education, and marital status. In terms of job or role-related, the importance of job under the employee's responsibility, challenging job, participation in job administration, chances to progress, freedom when working, and ambiguous in work roles. Organizational trust, being important to an organization, the system of work performance consideration are included in work experiences. Decentralization system, participation in owning the business, and in making a decision are included in structural characteristics.

Edward L. Gubman (1998) has said that there are 7 factors that can create organizational engagement. The first one is shared values or sense of purpose. It is the way to adapt employees' value to match the value of the organization. This will help employees to show all their ability in working, and to work right to the goals. The second one is the quality of work life. It is the satisfaction in working environment, for example, tools, office supplies, and facilities. Participation in projects and activities of the company are included. The third one is job tasks. It is area of work which is challenging and interesting. The fourth one is relationship. It is the satisfaction in interpersonal; superiors, colleagues, and customers. The fifth one is total compensation. It is the satisfaction in wages, fringe benefit, and other rewards. The sixth one is opportunities for growth. It is chance to learn the growth and the success in job. The last one is leadership. It is the trust and the respect in the superiors.

Burke Institute Research (2003), the consulting company in human resources development, has mentioned about Employee Engagement Index (EEI). It is an important component in creating engagement components. The EEI is consisted of company, work group, career or profession, customer, job, and manager.

Kaewkan Jamjarus (1999) has said that the factor related to direct business is to create reliability in direct salespeople's mind. Then, they will be confident to be members of the company. This mentioned reliability means the reliability in the company, in the quality of products, in its marketing strategies, and in themselves. Notchanok Ounrearn (2002) has said that the related factors suppose to be based on factors inside organization and factors outside organization. The companies have to be ready in order to survive and step forward in terms of marketing. The management team of every type of business realizes and tries to find different marketing strategies or integrated one in order to maintain their market share and to grab consumers in the market.

According to the organizational engagement factors which the researcher previously mentions, the researcher has divided factors into 5 ones to study: personal characteristics, job characteristics, work experiences, the awareness of direct sales business, and organizational engagement.

2.3 Direct sales businesses

The meaning of direct sales by World Federation of Direct Selling Association: WFDSA is the way to present consumer products directly to customers at their houses or their workplaces or other places which are far from retail shops. The direct salespeople will explain the details of products or demonstrate how to use the products. That is the major strategy to present selling. (Jirawan Duangbai, 1999)

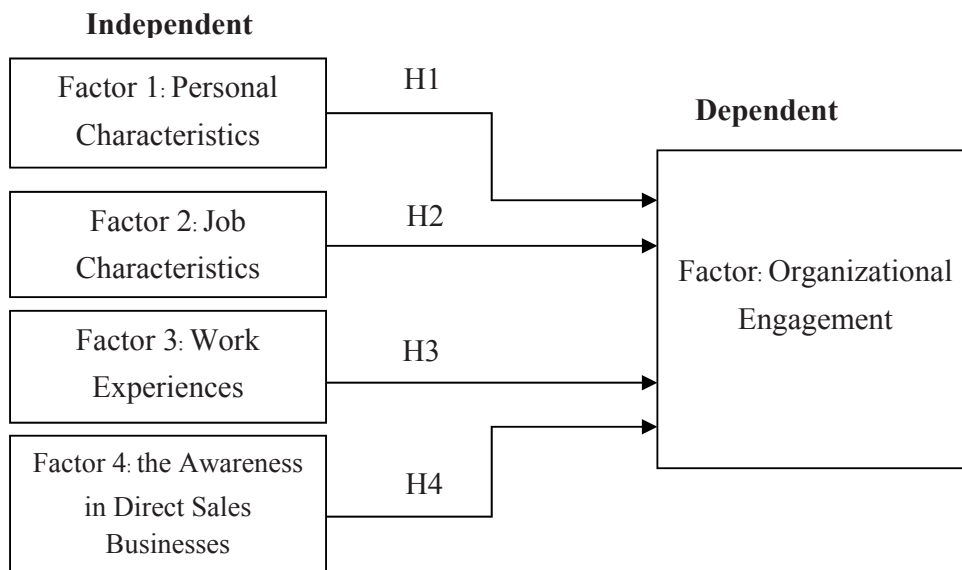
The type of network business has been continuously developed from the past until now. According to that, many systems of marketing strategy have been designed to match each company's need. These companies try to create good motivation to attract direct salespeople. Now it has been founded that many companies choose integrated marketing

strategies more (Kititsak Boonrasee, 2008). Marketing system plans or network business plans in paying dividend have been summarized into 8 plans; Stair Step, breakaway, Matrix, Uni-Level, Binary, Trinary, Matching, and Party Plan

3. Conceptual Framework and Research Hypothesis

For this case study, the researcher's conceptual framework is independent variable and dependent variable. In terms of independent variable, the researcher picks 4 factors; personal characteristics, job characteristics, work experiences, and the awareness of direct sales businesses. In terms of dependent variable, the researcher picks 1 factor; organizational engagement.

Figure 1: The 4 hypotheses used in the study.



Hypothesis 1: Different direct salespeople's personal characteristics relate to different organizational engagement.

Hypothesis 2: Direct salespeople's job characteristics relate to organizational engagement.

Hypothesis 3: Direct salespeople's work experiences relate to organizational engagement.

Hypothesis 4: Direct salespeople's the awareness of direct sales businesses relates to organizational engagement.

4. Research Methodology

This research is the type of analytical research. The population, which the researcher has picked, are from 4 companies; Amway Thailand, Zhulian (Thailand) Ltd., Giffarine Skyline Unity Co., Ltd., and Smart International Network Co., Ltd which is the researcher's business. The researcher is not sure about the number of the population because the number has changed all the time.

The sample size has been set by using the calculation method of Roscoe (Kanlaya Vanichbuncha, 2002). The confidence level is 5% and the permissible error is 5%, then the sample size is 385 samples. To be precise as much as possible, another 15 samples have been added. So, the total population, which was selected by quota sampling, is 400. They are from 4 companies; 100 samples from each company. This method is used when we don't know either the population number or the details of each population type (Supanee Mangkalee, 2009).

Close-ended questionnaire is used as a tool. It consists of 5 parts: 8 questions for personal characteristics part, 15 questions for job characteristics part, 10 questions for work experiences part, 10 questions for the awareness of direct sales businesses part, and another 10 questions for organizational engagement part.

Statistic used in this research is frequencies, percentage, mean, and standard deviation. While Pearson Correlation Coefficient, t-test analysis, and one way ANOVA are used for hypothesis test. The researcher has compared the difference of every pair of mean by using the method called Least Significant Difference.

5. Results

In terms of personal characteristics, the researcher found that most population who are 210 population or 52.5% are male. Most, who are 156 population or 39%, are less than 30 years old. Most who are 191 population or 47.75% have got bachelor degrees. Most, who are 199 population or 49.75%, are single. Most who are 165 population or 41.25% are employees at private companies. Most, who are 141 population or 35.25%, have income less than or as much as 10,000 baht from full time job. Most, who are 159 population or 39.75%, have experiences in direct sales for 1 – 5 years. Most, who are 153 population or 38.25 %, have wages and remuneration in average per month less than or as much as 10,000 baht.

In terms of job characteristics, it was found that most opinion towards the job characteristics of direct salespeople in Thai direct sales business is in "Agree" level which its Mean equals to 3.65.

In terms of work experiences, it was found that most opinion towards the work experience of direct salespeople in Thai direct sales business is in "Agree" level which its Mean equals to 3.44.

In terms of the awareness of direct sales business, it was found that most opinion towards the awareness of direct sales of direct salespeople in Thai direct sales business is in "Agree" level which its Mean is 4.01.

In terms of organizational engagement, it was found that most opinion towards the organizational engagement of direct salespeople in Thai direct sales business is in “Agree” level which its Mean is 4.00.

Table 1: Summary of hypotheses testing results

Hypotheses	Statistic Test		Results
	Mean (\bar{x})	Simple Correlation (r)	
Hypothesis 1: Different direct salespeople’s personal characteristics relate to different organizational engagement.			
Gender	4.07	-	Rejected H ₀
Age	4.34	-	Rejected H ₀
Level of education	4.12	-	Failed to Rejected H ₀
Marital status	4.05	-	Rejected H ₀
Occupation	4.24	-	Rejected H ₀
Income from full time job	4.58	-	Rejected H ₀
Experience from direct sales job	4.64	-	Rejected H ₀
Wages and remuneration	4.6	-	Rejected H ₀
Hypothesis 2: Direct salespeople’s job characteristics relate to organizational engagement.	-	0.574	Rejected H ₀
Hypothesis 3: Direct salespeople’s work experiences relate to organizational engagement.	-	0.511	Rejected H ₀
Hypothesis 4: Direct salespeople’s the awareness of direct sales business relate to organizational engagement.	-	0.796	Rejected H ₀

6. Summary of Hypothesis Test

Table 2: The difference of organizational engagement level which is divided by personal characteristics.

Personal characteristics factor	Gender	Age	Education level	Marital status	Occupation	Income from full time jobs	Experience in direct sales jobs	Salary and average remuneration per month from direct sales jobs
Organizational engagement	t	f	f	t	f	f	f	f
The policy and the purpose of organizations	3.545*	25.901*	1.870*	-1.430*	5.299*	20.477*	35.354*	29.776*
Participation for the progress and benefit of organizations	2.299*	39.209*	1.290*	-2.775*	10.568*	32.042*	58.985*	51.499*

The need to be members of organizations	2.366*	28.415*	0.188*	-1.430*	8.918*	25.190*	43.722*	37.247*
Total	3.184*	42.333*	0.961*	-2.125*	10.640*	35.477*	65.525*	57.041*

The statistical significant level is at 0.05

According to Table 2 and Hypothesis 1: different direct salespeople's personal characteristics are related to different organizational engagement, the researcher found that personal characteristics, for example, gender, age, marital status, occupation, income from full time job, experience from direct sales job, and wages and remuneration in average per month from direct sales job, relate to organizational engagement at the statistical significance level of 0.05. Then this hypothesis is accepted. However, the level of education doesn't relate to organizational engagement. Then, the researcher rejects this hypothesis. Personal characteristics depend on each person so they show different behaviors and different opinions. On the other hand, the level of education doesn't affect to direct sales business. Every direct salesperson has the same chance to be successful in the business.

Table 3: Pearson's Correlation Coefficient value between the job characteristics of direct salespeople and organizational engagement.

Job characteristics factor	Organizational engagement		Findings
	r	p	
Being independent in working	0.418*	0	medium
The importance of job characteristics	0.453*	0	medium
The variety of jobs	0.470*	0	medium
The challenge of jobs	0.383*	0	medium
The progress of occupation	0.491*	0	medium
The feedback of jobs done	0.171*	0.001	low
Chance to interact with others	0.436*	0	medium
Total	0.574*	0	medium

The statistical significance level is at 0.05.

According to Table 3 and Hypothesis 2: direct salespeople's job characteristics relate to organizational engagement, the researcher found that direct salespeople's job characteristics relate to organizational engagement at the statistical significance level of 0.05. It is a medium positive relationship and r value is at 0.574. Then, the hypothesis is accepted. This means more opinion levels on job characteristics of direct salespeople create more organizational engagement. This is because they work independently and are responsible for variety of challenging work at their knowledge and ability. Besides, they have been told about their performance and have chance to communicate with others. These make the direct salespeople have more organizational engagement.

Table 4: Pearson's Correlation Coefficient value between direct salespeople's work experience and organizational engagement.

Work experience factor	Organizational engagement		Findings
	r	p	

The importance to organization	0.395*	0	medium
The stability and reliability of organization	-0.140*	0.005	low
The response from organization	0.500*	0	medium
The dependability of organization	0.479*	0	medium
The attitude towards colleagues and organization	0.538*	0	medium
Total	0.511*	0	medium

The statistical significance level is at 0.05.

According to Table 4 and Hypothesis 3: direct salespeople's work experiences relate to organizational engagement, the researcher found that direct salespeople's work experiences relate to organizational engagement at the statistical significance level of 0.05. It is a medium positive relationship and r value is at 0.511. Then, the hypothesis is accepted. This means more opinion levels on work experiences of direct salespeople create more organizational engagement. This is because the direct salespeople do a job which is valuable and beneficial to the organization. They are also parts in making important decision. Moreover, they realize that they can rely on their superiors. Their superiors support them for their success and give them chances to brush up their knowledge related to their work. These make the direct salespeople have good attitude towards their colleagues and organization. These make the direct salespeople have more organizational engagement.

Table 5: Pearson's Correlation Coefficient value between the direct sales people's awareness in direct sales businesses and organizational engagement.

The direct salespeople's awareness factor in direct sales businesses	Organizational engagement		Findings
	r	p	
The confidence in organization	0.710*	0	high
The reliability in the products of organization	0.743*	0	high
The reliability in the marketing strategy of organization	0.588*	0	medium
The reliability management team of organization	0.684*	0	medium
The confidence in organization	0.710*	0	high
Total	0.796*	0	high

The statistical significance level is at 0.05.

According to Table 5 and Hypothesis 4: direct salespeople's awareness of direct sales business relates to organizational engagement, the researcher found that direct salespeople's the awareness of direct sales business relates to organizational engagement at the statistical significance level of 0.05. It is a high positive relationship and r value is at 0.796. Then, the hypothesis is accepted. This means more opinion levels on the awareness of direct sales businesses create more organizational engagement. This correlates to the hypothesis. This is because the direct salespeople have a strong believe in the image, stability, products, marketing plan, and a management team of the organization. They also believe in the sustainable growth. These make the direct salespeople have more organizational engagement.

7. Conclusion and Recommendations

According to the 3 objectives as mentioned at the beginning of the study, the first and the second objective are for the conclusion and the third objective is for the recommendation as follows:

7.1 Conclusion

First objective: It is to study factors related to the organizational engagement of direct salespeople in Thai direct sales industry. The researcher has concluded that personal characteristics, which are gender, age, marital status, occupation, income from full time job, work experience from direct sales job, and wages and remuneration in average per month from direct sales job, relate to organizational engagement of direct sales people. Moreover, job characteristics, work experience, and the awareness of direct sales business relate to organizational engagement. It is right to the theory of Steers (1977). He said that there were 3 factors which effect to organizational engagement: personal characteristics, job characteristics, and work experiences. Moreover, it relates to the research of Kaewkan Jamjarus (1999) in the direct salespeople's awareness in direct sales businesses.

Second objective: It is to study levels of the organizational engagement towards direct sales organization in Thai direct sales industry. The researcher has concluded that the overall organizational engagement of direct salespeople in Thai direct sales industry is in "Agree" level. When considering each point, the researcher found that the organizational engagement has the highest mean in terms of participation for progress and benefit. It is also right to the theory of Mowday, Porter, and Steers (1982). They have said that the participation of organization members in administrative, in business owner, and in making decision effect to organizational engagement. It is also related to the theory of Edward L. Gubman (1998). He has said that participation in activities of the organization for progress and success effects to organizational engagement.

7.2 Recommendation

Third objective: to give the findings to the executives of the companies for making their human resources management more efficient or for finding ways of persuasion to make the subordinates satisfy in their work and make them engage in their organization to build sustainable growth. So all the following are suggested to the executives. In terms of job characteristics, the researcher suggests creating concrete activities to reinforce the direct salespeople's work progress. In terms of work experience, the researcher suggests opening communication channels for direct salespeople. So they can share their ideas or have chance to be parts in management. In terms of the awareness of direct sales business, the researcher suggests developing products and maintaining the product quality to the maximum level. This will continuously satisfy the direct salespeople and the consumers. In terms of organizational engagement, the researcher suggests enhancing the direct salespeople to have parts in the organizational management and continuous perceiving the profit of organization. This will be beneficial to the organization and make the organization go forward.

The following are suggestions for the business owners. They can use these as their administrative strategies in their direct sales businesses.

1. Policies and administration

Organizations should always inform employees about administrative policy and the purpose of organizations. This makes direct salespeople understand and perceive the value of the organizational purpose. In order to let the employees understand clearly that every job relate to successful results, organizations have to create the status of leadership behavior. This will always reflect the value of organizations. Besides, the organizations should specify the policy inside the units of direct sales people by giving more right and more chance to direct salespeople and by creating policy to be more concrete.

2. The stability in working

Organizations should hold meetings for anyone who are interested in doing direct sales business. In the meetings they should explain these beginners on its strong points and on how to run this kind of business. The beginners should work in a team with professional leaders. They can learn some techniques or keys which are beneficial to their business. The growth of organizations should be informed the direct salespeople in order to build motivation in working.

3. Welfare

Organizations should create interpersonal connection in order to show sincerity and attention to their livelihoods.

4. Job characteristics to follow

Organizations should always have clear plans and the training on important marketing strategy for team leaders. This will make direct salespeople more successful and will create more organizational engagement.

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