

**The Relationship Among Organizational Involvement,
Commitment, and Success: A Case Study of Amway Corporation**

by

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Chapter 1

Introduction

In recent years there has been growing interest and participation in a relatively new form of business organization: the direct sales company. Although such pioneering firms as Fuller Brush, Avon, Mary Kay Cosmetics, and Tupperware are now well established businesses, there have been significant increases recently in the number of such organizations. These include such companies as Olde Worlde, Fortunate You, Herbalife, and Amway.

One of the more interesting aspects of direct sales companies is their organizational structure. Direct sales organizations have two major components: a traditionally-organized administrative and production component that includes a professional managerial staff, company executives, rank-and-file employees, and the production facilities; and an innovative new component, the distributor organizations which market and distribute the products and recruit new distributors.

The financial success and growth of direct sales companies is closely linked to effective human resource management within their distributor organizations. Direct

sales companies provide services and distribute products through a network of distributors that specialize in person-to-person contacts. One of the more interesting features of the direct sales companies is their use of various motivational strategies for promoting successful distributor performance and commitment to the organization. Since the company relies so heavily on its distributor organizations, it is important that the distributors are motivated to perform and committed to the organization.

Dorothy Peven (1968) has called attention to such organizations in her study of Tupperware. As Peven has noted, direct sales companies, like Tupperware or Avon, attempt to enhance the success of their organizations by combining instrumental and emotional forms of involvement for their members. As Peven's work has revealed, such organizations rely on religious revival techniques to indoctrinate their members. This strategy for socializing new and existing members provides the means for promoting emotional attachment to the organization. This links together the instrumentally-rational involvement individuals traditionally have had with utilitarian organizations and an emotional, value-rational type of involvement that is characteristic of normative organizations like churches or political parties (Weber, 1978; Weiner and Vardi, 1980).

An important change in the evolution of direct sales companies was the development of multi-level distributor organizations. Sometimes referred to as 'pyramid' companies, multi-level direct sales companies differ from the earlier companies such as Tupperware and Avon in the manner that they recruit new members. Unlike the traditional direct sales companies that rely on a national (or international) sales organization with a network of field managers that recruit for individual sales districts, all the distributors in a multi-level direct sales company are encouraged to recruit new

members. This results in a dynamic distributor organization that is able to offset distributor attrition with increased recruitment.

This recruitment strategy is reinforced by the organization's financial incentive system. Upward mobility in the distributor organization is achieved by a combination of personal product sales and sponsorship of successful distributor groups. Until a new recruit can generate a certain level of product sales, their contact with the company is through the distributor that sponsored them. After they are able to recruit enough distributors, so that through their combined efforts they are able to reach the prescribed level of product sales, the original recruit establishes formal ties with the company and the original sponsoring distributor gets a continuing bonus based on the group's sales performance.

While one need hardly look any further than the annual sales reports for these organizations to see that this formula has been successful for the larger organization, can the same be said of the success of the individual distributor in such organizations? Is there a relationship between increasing distributor commitment to such organizations and the level of success they experience in them? What factors influence the relationship between organizational commitment and successful distributor performance in multi-level direct sales organizations?

One company that has been quite successful in pioneering this organizational form and which represents an excellent research site for examining the questions mentioned above is the Amway Corporation. Amway is a multi-level direct sales company that specializes in personal and home care products. It has evolved in just 25 years from a low-budget company serving a limited regional market into a billion dollar corporation with markets in over 45 countries and territories and approximately one million independent distributors (Amway Corporation Annual Review, 1986:8).

Although some of Amway's remarkable success might be attributed to product quality, consumer loyalty, and the organization's dynamic and inclusive distributor recruitment policy, it seems possible that much of Amway success may be attributed to the organizational commitment of its distributors. As was previously mentioned, Amway Corporation attempts to enhance distributor commitment to the organization by providing material and non-material incentives, thereby promoting what Weber (1978) referred to as instrumental and value rational and affective forms of social action.

In his book, *Economy and Society*, Max Weber proposes 4 major forms of social action: instrumental and value rational, affective, and traditional. As Weber notes,

"Action is instrumentally rational when the end, the means, and secondary results are all rationally taken into account and weighed. This involves rational consideration of alternative means to the end, of the relations of the end to the secondary consequences, and finally of the relative importance of different possible ends" (Weber, 1978:24).

Value rational social action takes place when the behavior of an individual is "determined by a conscious belief in the value for its own sake of some ethical, aesthetic, religious, or other form of behavior, independently of its prospects of success" (Weber, 1978:25).

Affective social action satisfies the emotional needs of an individual, and is associated with non-material rewards that are primarily ego-gratifying for the individual. As Weber, proposes, value-rational and affective types of social action "have a common element, namely that the meaning of the action does not lie in the achievement of a result ulterior to it, but in carrying out the specific type of action for its own sake" (Weber, 1978:25).

These different types of social action are associated with the types of organizational involvement that might be exhibited by participants in complex organizations. This study will focus on the impact these rationales for participating in an organization have on organizational commitment and successful task performance.

Relevance of the Present Study

The popularity, among both organizational behavior researchers and managers, of promoting organizational commitment in order to increase the performance of lower participants enhances the relevance and significance of studying the relationship between organization commitment and successful distributor performance, as well as the impact that the nature of a distributor's organizational involvement has on that relationship. The popularity of the concept of organizational commitment is related to the current belief, among both managers and organizational researchers, that the human resource component of an organization has the potential to contribute significantly to the achievement of the organization's goals and improve the organization's overall effectiveness (Guest et al., 1986; Johns, 1983; and Steers et al., 1985).

One theme that is prevalent in this area is the view that successful task performance will increase when the individual identifies with the values of the organization. William Ouchi (1981) in his book *Theory Z* and Peters and Waterman (1982) in their book *In Search of Excellence* and others (Daft, 1983; Guest et al., 1986; Johns, 1983; and Steers et al., 1985) have all emphasized the importance of a superordinate goal or set of goals that appeal to the members of an organization, for enhancing their commitment to the organization and, subsequently, their level of successful task performance.

Most, if not all, research on organizational commitment has been directed at organizations that have been characterized by predominately one type of member involvement. Members were predominately involved with the organization in either a calculative or normative manner, e.g. work organizations or various types of vol-

untary associations. Amway Corporation actively promotes both forms of involvement among its members. Consequently, Amway is an appropriate research site for comparing the impact of different types of organizational involvement on the relationship between organizational commitment and successful task performance.

Although the present study focuses on a single organization, the theoretical insights provided by the research are relevant for understanding the role of organizational commitment in other direct sales organizations, as well as in more traditional types of complex organizations.

The present study will focus on the following research questions: What is the relationship between organizational commitment and successful Amway distributor performance? What effect does the nature of an Amway distributor's organizational involvement have on the relationship between organizational commitment and successful distributor performance? Does emotional attachment to Amway promote successful distributor task performance? By answering such questions, this study will help to further specify the relationship between organizational commitment and successful task performance in complex organizations.

Statement of the Problem

Traditionally, organizational commitment has been proposed as an important factor leading to desired behavioral consequences (Angle and Perry, 1983). Organizationally-committed individuals remain in an organization, perform reliably, and are even willing to make contributions to an organization's operation which go beyond what is expected of them (Schein, 1980; Steers, 1977).

This study will examine the role that organizational commitment plays in promoting successful individual performance in complex organizations, as well as some of the factors that might affect the relationship between organizational commitment and successful individual performance. The main focus of the study will be on the role that emotional, affective attachments play in promoting organizational commitment and successful individual performance in bureaucratic organizations.

It is proposed here that the relationship between organizational commitment and successful task performance among Amway distributors is influenced by the nature of the distributor's organizational involvement¹ with Amway.

Specifically, it is proposed that high levels of organizational commitment will be associated with the highest level of successful task performance when distributor's are both calculatively and morally involved with Amway. The relationship between organizational commitment and successful Amway distributor task performance will be lower when distributors are predominately calculatively involved with Amway, and will be lowest when distributors are predominately morally involved with Amway.

¹ In the present study, organizational involvement is theoretically defined as the cognitive-affective reactions of organizational participants to organizational incentives. A more elaborate explanation and rationale for this definition may be found in the present literature review of organizational involvement.

Chapter 2

Literature Review and Conceptual Hypotheses

The Different Faces of Amway: A Historical Overview

Saints or sinners? Most of what has been written about Amway Corporation has taken one side or the other. Very little has been written about Amway from the middle ground. While writers like Charles Paul Conn (1977; 1979; 1982; 1985) and Rodney Smith (1984) have written up-beat, complimentary, sometimes apologetic and often promotional books about Amway; other writers like Phil Kerns (1982) and Steve Butterfield (1985) have written critical and uncomplimentary insider accounts of deceit, manipulation, and exploitation within Amway.

Several attempts have been made to examine Amway from a more value-neutral perspective. Lester (1974), in an unpublished master's thesis in Anthropology, presented a relatively balanced view of Amway and its distributors. More recently, two other studies of Amway Corporation and its distributors have been conducted. Lane

(1980) has studied the relationship between distributor's self-esteem and the type of management system found in an Amway distributor organization. While Lester and Lane have focused their research on individual distributors, Juth-Gavasso (1985) has conducted a macro-level study of organizational deviance which focuses on Amway's corporate structure and the nature of the direct selling industry.

These different views of Amway will be examined in the first section of this chapter. By comparing and contrasting these views a composite image of Amway will be developed. This broadened perspective will help focus the present study and highlight areas of concern for future research on Amway and its distributors.

An important requirement for any new organization that hopes to survive is the successful pursuit of legitimacy: the public perception that the organization is acceptable. Amway Corporation has actively pursued this goal in many different ways, but one of the most successful avenues for promoting the legitimacy of the organization has come from an outsider: Charles Paul Conn. In books like *The Possible Dream* (1977), *The Winner's Circle* (1979), *An Uncommon Freedom* (1982), and *Promises to Keep* (1985), Conn has promoted the view that Amway Corporation is a business opportunity anyone can pursue, and one that results in financial gain, personal growth, and other positive outcomes for both the individual and their community, and ultimately, society as a whole.

In his first book about Amway, *The Possible Dream* (1977), Conn presents the history of the company and describes how the organization operates. He also focuses on the co-founders and co-owners of the company, Rich DeVos and Jay Van Andel, and describes their relationship to the company, the distributor force and each other. Conn also examines the expansion of Amway into international markets. The success of this expansion illustrates, according to Conn, the universal appeal of the values espoused by the company. As Conn proposes:

"The success of Amway in foreign markets is important because it demonstrates that, for all the Americanism that pervades the rhetoric of the company back home, the basic principles of Amway are not so much American as they are common to all men everywhere. Hard work, sacrifice for a later reward, a dollar's worth of product for a dollar's price, personal service to customers - those are not uniquely American principles. They have a broader base than that, and they are the principles that make Amway work" (Conn, 1977:107).

Although, as Conn contends, the primary motivation for participating in any business organization is financial gain, Amway also provides other rewards to its distributors. According to Conn, Amway offers the opportunity for an individual to be his or her own boss, to perform a challenging job, to receive personal recognition for accomplishment in the business, to find warmth and friendship, and to promote certain economic, political, and religious ideals.

In his second book, *The Winner's Circle*, Conn presents profiles of the major successful distributors in Amway. He begins by presenting the "basic elements of the Amway concept: (1) a belief in the supremacy of individual effort; (2) confidence in the free-enterprise system; (3) a high priority on financial independence; and (4) an emphasis on sharing with other people" (Conn, 1979:15).

After Conn presents a variety of brief biographical profiles of some of the more financially successful Amway distributors, he comments on the reactions that Amway insiders and the general public have had toward the more successful, elite distributors in Amway. As the objects of much corporate folklore, elite Amway distributors are greatly admired and even adored by aspiring lower level distributors. This admiration and adoration is not shared, however, by Amway's critics. Amway's critics typically view the elite distributors with much cynicism and suspicion. Conn admonishes Amway's critics to be more open-minded about the success enjoyed by the elite distributors. According to Conn, although it is easy to be cynical, being cynical is often personally impoverishing. As Conn proposes: "it is much better to allow ourselves a bit of honest admiration for the person who has something we want, who has it because he worked for it . . . and to use his example as a motivating influence for

ourselves. That is the kind of healthy hero-worship one finds in Amway" (Conn, 1979:135).

In his third book on Amway, *An Uncommon Freedom*, Conn continues the theme he used for *The Winner's Circle*. He presents success stories of the leading figures in Amway. Conn proposes that Amway represents a means for pursuing the 'uncommon freedoms,' or as he puts it, "the freedom to be what one wishes to be, to live where one wishes to live, to support the causes one believes in, to explore the full and exciting range of one's potential" (Conn, 1982:10). Conn also proposes that Amway Corporation is the ideal vehicle for upward mobility, both socially and financially. As in his earlier books about Amway, Conn then presents more examples of the Horatio Alger stories that make up the corporation's folklore concerning the distributor force.

In his fourth and latest book on Amway, *Promises to Keep*, Conn claims that because of his long relationship with the company as an interested but detached observer, he is uniquely qualified to describe Amway. An important point, however, should be kept in mind about Conn's claim to be a detached but interested observer. Although Conn is not a distributor or an employee of Amway, he is still not unbiased. As a professional writer, he has a vested interest in writing popular books that will also sell well. The more favorable the perspective he presents, the greater the number of book sales Conn will obtain from Amway distributors.

In addition to the books, Conn also speaks at numerous Amway rallies and conventions. These talks are, in general, verbal summaries of the books he has written about Amway. They are intended to be motivational in nature and to build distributor's enthusiasm, confidence, and commitment to Amway. Conn's rally presentations are also available on audio cassettes. Distributors are encouraged by their upline sponsors to purchase these tapes and books in order to help them build

a successful distributor organization. As long as elite Amway distributors persuade aspiring lower level distributors that purchasing Conn's books and the rally tapes of his motivational talks will enhance their chances for success in Amway, Conn has a virtually guaranteed 'best seller' every time he writes another favorable book about Amway.

According to Conn, Amway stirs up so many people both inside and outside the organization because of the way Amway relates to its people. As Conn proposes, "Amway is news because Amway is people. It is the people of Amway, the way those people are recruited and motivated and changed by Amway, that have made this formerly obscure company a part of the national consciousness" (Conn, 1985:17). This perspective is also shared by Amway's critics, but not in the same way Conn intends.

After Conn presents the history of the company and describes how it works, he then directs his attention to some of the questions and criticisms that are most often raised about Amway and its distributors. Contrary to the public image of the company, Conn proposes that the Amway distributor force is made up of a diverse group of people. Conn examines the composition of the distributor force along a variety of dimensions: geographically, residentially, racially and ethnically, religiosity, age, and education. Along all of these dimensions, Conn proposes, Amway is characterized by diversity.

Another concern people express regarding Amway is the issue of leadership succession at the top. What will happen after DeVos and Van Andel are no longer able to lead? Conn examines the question and describes what steps have been taken to insure a smooth transition of power. The children of DeVos and Van Andel have been trained to assume control of the company and are already in place as executive vice presidents in the areas of production and marketing.

One of the most common criticisms of Amway has been the charge that Amway represents a religious or political cult. This charge stems, in large part, from Amway's use of large rallies and conventions to train and motivate new and existing distributors. These gatherings bring together a large number of distributors and prospects and are characterized by a high level of emotion and enthusiasm. As Conn proposes, though,

"The view of the Amway rally as some sort of sinister force doesn't fit the facts. The meetings can be colorful and at times even boisterous, and a person attending for the first time might suffer from sensory overload compounded by culture shock. It is a bit unnerving to find oneself surrounded by hundreds of people having that much fun and expressing that much excitement without use of intoxicating spirits or other chemical aid. But the comparisons to religious revival meetings and mass brainwashing sessions do not describe the mood and tone very well. The atmosphere is not so much 'intense' as it is 'celebratory'. These people are having fun; strange as it seems, they are simply enjoying themselves immensely while conducting a business meeting" (Conn, 1985:76).

Similarly, Conn rejects the view that Amway is either a fundamentalist religious or a conservative right-wing political organization. As Conn asserts, "Its primary purpose is not political, religious, or altruistic; its purpose is to put dollars into people's pockets to enable them to buy material things" (Conn, 1985:93-4). Although, according to Conn, material gain is the primary incentive for participation in Amway, Conn also rejects the common criticism that Amway distributors are overly materialistic. He proposes that as long as people work hard for what they achieve, acquiring expensive material possessions is consistent with the moral and ethical values promoted by Amway. Conn suggests, as does the company itself, that Amway is the golden rule in action. Distributors are concerned for one another's well-being and are interested in helping people achieve their goals and dreams.

A less-biased view of Amway has been presented by Rodney Smith (1984). Smith presents a basically favorable but realistic view of Amway that does not overlook Amway's shortcomings and problems. According to Smith, the primary incentive for joining and continuing to participate in organizations like Amway is financial gain. As he proposes: "the major motivation for entering and succeeding in a multi-

level business is perceived economic need. Simply stated, people are not making enough money to satisfy their desire for economic improvement" (Smith, 1984:13).

Smith also examines the risks involved in participating in organizations like Amway. As he summarizes, achieving success in such businesses requires significant investments of time and energy. This causes some people to avoid such organizations. Other people are skeptical about the perceived loss of status associated in retail selling positions. And, just as is the case in any business venture, there is the risk of failure.

Smith also considers the issue of potentially deceptive business practices within Amway. As an attorney, Smith treats the issue of deceptive business practices cautiously. Many individual's first direct exposure to Amway is the experience of being deceived into attending an 'opportunity' meeting. Labeled the 'curiosity' approach, prospects are invited to attend an unnamed business opportunity meeting. The prospecting distributor resists the prospects' attempts to discover the true nature of the meeting, and will only tell them that they will find out at the meeting. The prospect may wait as long as an hour before eventually finding out that the meeting is about Amway. Smith warns that such practices as the 'curiosity' approach to sponsoring new recruits into Amway may actually constitute illegal behavior in some states and might lead to the possibility of a lawsuit against the distributor or the company.

Smith favors a more direct approach whereby the prospecting distributor tells the prospect exactly what they can expect at the meeting and what company they represent. This has been the direction that Amway has been moving in the last several years. As Smith proposes, "if the truth is not good enough to convey the whole picture to a business prospect, nothing will suffice to sponsor and retain that potential recruit" (Smith, 1984:72).

Smith attributes much of the success of Amway to the acceptance of the marketing plan and the products by the consuming public. As he proposes, the reason for Amway's expansion is obvious - "The Amway idea of selling readily consumable, relatively low-priced but high-quality products through a lucrative multi-level marketing system was quickly accepted by the public" (Smith, 1984:116).

Smith also attributes much of Amway's financial success to the mission of the company. And as DeVos and Van Andel have themselves noted, the mission of Amway is the preservation of free enterprise and individual freedom. Smith contends that the belief in and commitment to that mission on the part of DeVos and Van Andel "has stimulated a similar commitment on the part of many of Amway's distributors, and provided them with a business and a mission of their own" (Smith, 1984:129).

One major criticism that Smith directs at multi-level marketing (and indirectly at Amway) is the role of motivational techniques in promoting commitment and productivity. Smith proposes that the new distributor should invest in only those sales aids that are necessary to sponsor and/or engage in retail selling. Others have also raised serious criticisms concerning such practices. As a recent article in *Forbes* magazine noted, some of Amway's elite distributors have advised the distributors in their organizations to invest in certain non-Amway products and services (motivational books, tapes, and rallies, expensive clothing and jewelry) in order to increase their chances of succeeding financially in Amway. It is likely that while movement away from such practices would hurt the profitability of distributors that engage in them, it would probably also help reduce attrition among new recruits, and eventually improve the reputation of the company as a whole.

Another aspect of Amway criticized by Smith has been the role of material 'dreams' in motivating Amway distributors. As Smith notes,

"dreams and vision are necessary ingredients in any successful multi-level business, but there must be something more, since a person will not long survive on dreams alone ... In multi-level marketing, there must be dreams, but they must be molded and formed by rationality, strategic planning, and professional management" (Smith, 1984:158).

Despite the criticisms of multi-level marketing in general, Smith rates Amway's record as outstanding in relation to the guidelines that have been set up for multi-level marketing companies by the Direct Selling Association. According to these guidelines, multi-level marketing companies should be evaluated according to four criteria: (1) the product line; (2) the management of the company; (3) the compensation plan; (4) the company's commitment to quality sales and training assistance. While there are some multi-level marketing companies that do not rate highly on the above guidelines, Smith feels that Amway is not such a company and he recommends it highly to anyone interested in getting involved in a multi-level marketing company.

Morgan (1981) has presented a very different point of view. In an article appearing in *The Washington Post*, Morgan proposes that Amway is not only in the business of selling soap and other consumer goods, but is also in the business of selling free enterprise and combatting liberal ideology in politics. As Morgan asserts, Rich DeVos and Jan Van Andel: "spearhead a crusade that uses articles, advertisements, direct mail, interviews, speeches, grass-roots organizations and corporate gifts to sell Americans on the virtues of individual initiative, free enterprise, and 'the system'" (Morgan, 1981:A1).

After documenting the extensive political involvement of DeVos and Van Andel, Morgan goes on to question the political ambitions and activities of the distributor force. According to Morgan, Amway may very well represent a new form of political organization for the 1980s: "the militantly political business enterprise ready and willing to mobilize its resources and its manpower on behalf of the causes to which it is committed" (Morgan, 1981:A2).

As was mentioned earlier in this chapter, some of the harshest criticisms of Amway have come from insiders. Disillusioned former distributors that are attempting to tell the untold Amway story to potential new recruits. These critics assert that they are telling their stories, not so much with the purpose of preventing anyone else from joining, but so that prospects have a more realistic view of what they are being offered. One such critic is Phil Kerns (1982). In his book, *Fake It Till You Make It*, Kerns focuses on the problems associated with the way in which some distributor organizations motivate new recruits and promote commitment among existing members. As a distributor himself, Kerns was able to examine firsthand, various practices that some critics and Amway distributors have found disturbing. Kerns focuses his critique on two major areas of concern. To begin with, he was concerned with what he considered to be the misrepresentation of Amway as a Christian business. As Kerns notes, "At practically every event we attended, there was someone who would figure out a way to bend, twist and malign the scriptures for financial gain" (Kerns, 1982:49). Kerns questions why a business would rely so often on religious values and ideology in order to appeal to new recruits and to motivate existing ones. He concludes, that as far as he is concerned, the reason such an approach is pursued by so many distributor organizations is that it helps to legitimate the other questionable activities of the elite distributors.

This leads into the other problem on which Kerns focuses. Over the past decade, Kerns and others have pointed to what may be one of the most serious problems facing Amway Corporation: the practice followed by certain lines of sponsorship within Amway of marketing non-Amway goods and services to lower-level distributors. The *Forbes* magazine article cited previously refers to such lines of sponsorship as 'Black Hats'. These elite distributors promote high levels of recruiting activity (de-emphasizing retail sales) and absolute compliance with one's sponsor in order to

market many non-Amway peripheral items on which the 'Black Hats' make a large profit. This practice creates and maintains a large market for non-Amway related goods and services on which the 'Black Hats' make a large profit. As mentioned previously, these items include motivational books and tapes, expensive rally tickets, designer clothes and jewelry, and even automobiles and motorhomes. As Kerns concludes, the business that is supposed to be your own, in many distributor organizations is not at all one's own business.

Distributors who question such 'Black Hat' practices are admonished to conform. In the 'Black Hat' lines of sponsorship, conformity and loyalty to upline directives is evidence of one's desire to succeed. This attitude can be seen in the following Amway distributor comment: "If this organization tells you to put decals on your rear end and lick every white line on the highway from here to Chapel Hill, N.C. you should say, 'How fast do you want me to do it?'" (Stolberg, 1981:A2).

Those distributors that still resist upline directives become the targets of a psychological guilt campaign designed to coerce them into conforming with upline directives. Those distributors who resist are seen as being unwilling to do what it takes to succeed and are 'negative' thinkers and /or 'losers'.

Eventually, in such lines of sponsorship, when disloyal downline distributors, such as Kerns, continue to question the authority of their uplines to engage in such practices and then advise their own downline distributors not to go along, the upline elites will bypass the deviant distributor and attempt to salvage those downline distributors who might still be loyal to the upline elites.

In his book, Kerns outlines the efforts he made to bring what he perceived to be the major problems in Amway to the attention of Amway's corporate executives in Ada, Michigan. As Kerns mentions, although Amway officials have expressed concern about the problems he has highlighted, they have not, according to Kerns,

taken any visible steps to reduce the problems. This same point was also made by a variety of distributors interviewed by the researcher in the present study.

There are several possible reasons for Amway's reluctance to intervene in the activities of the elite distributors. To begin with, as the *Forbes* article pointed out, the 'Black Hats' represent so much business volume that the company is virtually powerless to apply sanctions to elite 'Black Hat' distributors who exploit their distributor organizations for personal profit at the expense of the rank and file members. Another factor constraining Amway's control over the potentially unethical practices of distributors are the economic and political philosophies of the co-owners/co-founders, DeVos and Van Andel. Their sincere support for free enterprise may well constrain them from sanctioning 'Black Hat' distributor groups.

Unhappy about Amway's inability or unwillingness to come to grips with these problems, Kerns decided to leave Amway. After leaving Amway, Kerns decided to inform others of the deceptive practices occurring in some Amway groups. He reasoned that at least this way potential recruits could make more of an informed and intelligent decision about becoming an Amway distributor.

This same rationale prompted Steve Butterfield (1985) to write an account of his experiences as an Amway distributor. In his book, *Amway, The Cult of Free Enterprise* Steve Butterfield proposes that "what is needed is a book that examines how Amway is put together, what it does to the mind, and what impact it is likely to have on the American political process" (Butterfield, 1985:6).

Butterfield attempts to dispel what he considers to be the myths promoted by Amway supporters. One of the first myths challenged by Butterfield concerns the compositional diversity of the Amway distributor force. Although Amway does not publish figures on the composition of the distributor force, it is possible to deduce the information by using the company's monthly distributor publication, *The Amagram*.

Using this source, Butterfield proposes that although Amway has some minority distributors, the majority of Amway distributors are middle-class white Anglo-Saxon protestant males. As he contends, while there has been an increase in the percentage of black distributors in Amway during the past several years, this probably is a function of the overall increase in the percentage of middle class blacks in America.

For Butterfield, the major element in Amway's equation for a successful distributorship is what is referred to as 'correct duplication'. As he proposes,

"committed distributors are ones who 'duplicate properly', that is, they do precisely what they are told ... (they) are expected to attend every function put on by their upline. The functions are crucial, because it is by means of them that 'correct duplication' takes hold throughout the group" (Butterfield, 1985:31).

Rather than the model of autonomy and freedom which it purports to be, Amway, Butterfield proposes, is built on strict conformity to directives and orders passed down by one's superiors. However, as was previously mentioned, this practice is probably more closely associated with certain lines of sponsorship than with the company as a whole.

According to Butterfield, successful performance in Amway is a matter of developing the right beliefs and values. The use of positive thinking materials (books, tapes, and rallies) help promote a proper attitude. This, in turn, promotes a strong expectancy among distributors that their efforts will lead to successful performance. New recruits are encouraged and taught to depend on their upline sponsors for approval and friendship. Self-identity is redefined in terms of one's level of sales. As he proposes:

"Amway begins to change your life the first time you approach your friends and family members to sell the products or recruit them into the business. Hitherto you related with them as friend, brother, sister, son, daughter. Now you are relating as salesperson to customer. As soon as you list all your friends in a notebook as potential customers and distributors, they become prospects ... If you sponsor a friend, then the relationship is upline to downline - a completely prefabricated business association in which honest friendship gradually becomes impossible" (Butterfield, 1985:53).

Another contradiction that is inherent in the Amway system, according to Butterfield, is the use of the concept of 'love.' Like the myth of freedom, Amway love is conditional and programmed to promote higher sales. As he asserts,

"Genuine love is the willingness to give, intelligently, without expecting anything in return. Nothing could be further from the reality of the Amway system. Distributors on the bottom are certainly programmed to give, and give and give, but it is not an intelligent choice, it is a conditioned response. The leaders give in order to increase their bonus checks and propagate the gospel that maintains their territories. Love is an aspect of their total ideology. The ultimate goal is not love at all, but power" (Butterfield, 1985:94).

According to Butterfield, although the structure of the Amway organization offers the potential for upward social mobility to members of any class, in reality Amway is a basically static system that mirrors the corporate world. As he puts it: "Amway offers a vehicle for a few people to enter the upper middle class economic bracket who might otherwise have remained 'non-professional' workers; but overall the business reinforces class differences and defends extremes of wealth" (Butterfield, 1985:133).

This raises the question of how many people actually experience upward mobility in Amway. Using the information presented in *The Amagram*, Butterfield examines this issue. According to Butterfield,

"The percentage of Amway people who will ever make it to Direct in any given year, then, is between 1 and 2 percent of the total. In the structure of the system, the size of the distributor force is about 75 to 100 times greater than the number of directs. So 98 to 99 percent of all Amway distributors are not, nor can they ever be, at a level where they make enough to replace the income of a single wage-earner in the family" (Butterfield, 1985:135).

Using the same reports from 1981, the number of distributors reaching the level of Diamond and above was in 120 out of 250,000 new distributors. This makes the chances of becoming a Diamond or above, .048. As Butterfield estimates, "For one person to change class using the Amway vehicle, at least 2,038 new active people must be brought in, trained, motivated, programmed and supplied" (Butterfield, 1985:135). This leads Butterfield to propose that since approximately 97 percent of all 'active' distributors are subsidizing their Amway business with money from another job, the only explanation for their continuing involvement with the company

is their normative commitment to the company's values. As he proposes, "what motivates that 97%, clearly, is the ideology taught throughout the business by means of mass rallies, books, tapes, television commercials, magazines, conventions, tours, and propaganda events of all kinds ..." (Butterfield, 1985:136).

Butterfield takes his criticisms of Amway one step further. As the title of his book proposes, Butterfield contends that Amway is a free enterprise cult. According to Butterfield, "Modern cults ... resemble certain features of totalitarian parties: leader worship, regimentation, adherence to a single point of view, intolerance of dissent, the demand that members express active agreement with the leader and give their whole lives to the organization" (Butterfield, 1985:148).

According to Butterfield, the principle product Amway is selling is not soap and personal care products, but free enterprise. He contends that the free enterprise system has been eroded by large corporations and that the only way for it to survive is for companies like Amway to do everything they can do to promote it.

As has been mentioned several times previously, it is important to note that it is likely that many of Butterfield's criticisms are more appropriately directed at certain lines of sponsorship. The extent to which such practices are followed throughout the company as a whole is an empirical matter, but it seems unlikely that the excesses of the unethical distributor organizations are typical of the company as a whole. This issue is addressed by Juth-Gavasso (1985) later in this section of the literature review. It will also be considered in the discussion of the data analysis in the present study. This discussion will draw upon the comments of Amway distributors who participated in the present study in order to further clarify the issue of organizational deviance in Amway.

As was mentioned previously, discussion and criticism of Amway Corporation have been presented from inside and outside the organization. Besides the material

written about Amway by newspaper and magazine journalists, there have also been several studies conducted by social scientists that have examined various dimensions of Amway. The present review of the literature on Amway Corporation will briefly examine three studies that have been conducted on Amway.

Lester (1974) examines Amway from the perspective of a cultural anthropologist. Lester's study of Amway is a phenomenological analysis of the distributor organization's belief system. Lester proposes that the Amway distributor organization can be characterized as a *nomie* system: a unified plausibility structure that allows members to enjoy a coherent and consistent system of beliefs. According to Lester, the concept of a 'unified plausibility structure' refers to the extent to which an individual shares his or her views with others with whom they are associated. Building a 'unified plausibility structure' in a modern society characterized by a high division of labor is problematic. As she proposes: "a unified view of the world is very difficult to come by. ... The rage of the individual who is suffering anomie and who is unable to take a satisfactory existentialist view of his plight may lead, and often, it appears, does lead, to ardent acceptance of a full-blown system within which he can order his experience and bring a sense of meaning to his life" (Lester, 1974:7). According to Lester, the success of Amway can be linked, in part, to the distributor organization's ability to offer members a 'unified plausibility structure'.

Although as Lester (1974) notes, Amway may serve as a *nomie* system, thereby providing a sense of order and unity for its distributors, Coser (1974), in his book entitled *Greedy Institutions*, suggests that this 'order' may be at the cost of the individual's personal autonomy. As he proposes,

"total commitments might reduce the anxieties that spring from competing role-demands and the pull of differing loyalties and allegiances. But when the desire for wholeness leads to an enlistment in greedy organizations, it may end in an obliteration of the characteristics that mark the private person as an autonomous actor" (Coser, 1974:18).

Lester contends that much of the basis for this belief system can be found in Amway's emphasis on positive thinking literature. And as she points out, "positive thinking is an intensely patriotic, conservative tradition which is ardently capitalistic and see spirituality as intrinsically interwoven with material wealth, successful family life, and the 'American Way' in general" (Lester, 1974:29).

According to Lester, the belief system in Amway combines with economic success to reinforce the world view they offer. Economic success, in a Calvinistic fashion, provides evidence of a favorable relation with God. The combination of economic, political, and religious rationales for involvement help to increase the distributor's commitment to the organization and promotes much greater motivation than merely economic incentives alone. As Lester puts it, "because working toward an increased income and the acquisition of 'stuff' is viewed as knowing God, he (the distributor) is willing to work many more hours each week than he ever devoted to past jobs, so that it is almost inevitable that the system will be self-validating" (Lester, 1974:45).

Like Butterfield, Lester is critical of the Amway form of freedom. She notes that for the Amway distributor, 'freedom' refers to a condition of non-interference from outsiders in relation to how Amway distributors become wealthy (and more generally on the activities of the business community as a whole), and not the liberty to choose one's own lifestyle. As Lester notes, "there is no place in Amway's scheme for the unusual, unless a person's eccentricities appear to enhance his success at making money" (Lester, 1974:32).

Lester concludes her analysis of Amway by suggesting that it is probably likely that systems like Amway will become more and more prevalent. This is due, not so much because they represent successful business opportunities, but because they

provide a sense of order and security for individuals who are uncomfortable with the anomie of modern society.

Based on the work of Maslow (1965), Lane conducted a study to determine the extent to which Amway distributor organizations approximate an Eupsychian management system. This form of management style is characterized as promoting self-growth among participants. Lane's study of Amway focuses on the impact of a growth promoting management system on the self-esteem of organizational participants.

Lane's findings provide support for some of the criticisms that have been directed at Amway from a variety of sources. Lane discovered a negative correlation between self-esteem and the management style associated with participation in Amway. According to Lane, "It was concluded that the Amway system closely approaches eupsychian. Distributors have positive self-esteem. Distributor self-esteem tends to drop slightly as distributors remain in the business, attend more meetings and spend more hours in the business" (Lane, 1980:3).

As Lane reports, it is only when a distributor experiences personal success in Amway that their participation results in increased self-esteem. As she notes, "self-esteem rises slightly as distributors have a higher business volume, set higher goals, and have other employment. Self-esteem is very high when distributors achieve goals and are satisfied with their other employment" (Lane, 1980:3).

In an extensive study of Amway's corporate structure, Juth-Gavasso (1985) examines the impact of a variety of macro, structural factors on the occurrence of deviant, illegal, and unethical activity in the direct selling industry. In order to test her model of corporate criminality, Juth-Gavasso relied on data drawn from court documents associated with a variety of suits brought against Amway, The FTC in-

vestigation of Amway Corporation, as well as more subjective sources such as her own marginal participation as an Amway distributor.

According to Juth-Gavasso, the intent of her study was to "develop a theoretical model which would explain the creation and maintenance of organizational deviance in a direct selling organization" (Juth-Gavasso, 1985:i). Among the factors examined in building a model of deviance in the direct selling industry were: 1. the environment of the organization; 2. the goals of the organization; 3. the structure of the organization; and 4. the pressures, constraints, and controls which affect the actions and decisions of an organization.

Juth-Gavasso's model of deviance in the direct-selling industry is based partially on Merton's (1968) concept of deviance as a calculative process whereby the benefits of deviance are weighed against the potentially negative consequences with which it is associated. As Juth-Gavasso proposes:

"... factors in the social structure produce pressures within each organization to achieve certain goals. If these goals cannot be obtained through normative or legal channels and if the controls or constraints impeding illegal behavior are not present or not fully operative, decisions may be made by the organization to engage in unlawful conduct. If no countervailing force arises to impede the illegal actions they tend to feed back into the organization to be reproduced" (Juth-Gavasso, 1985:i).

Juth-Gavasso has identified a number of factors that she proposes increase the criminogenic nature of the direct selling industry in general and Amway Corporation specifically. According to Juth-Gavasso, the research she conducted showed clearly

"that no single factor is responsible for organizational deviance. Decisions by an organization to engage in illegal or deviant behavior are the outcome of a rational process whereby the advantages, or outcomes, of the illegal act are assessed to be greater, or more beneficial, than the potential risks of detection and prosecution. If the deviant or illegal actions go unchecked they tend to feed back into the organizational processes and become normative patterns of behavior within the organization" (Juth-Gavasso, 1980:267-8).

Juth-Gavasso has identified the following factors that create and sustain organizational deviance in a direct selling organization:

1. Direct selling's emphasis on culturally approved success goals;
2. The business organization's need for profit;
3. Competition and the need for constant recruitment;

4. Low profitability;
5. A reward structure which emphasizes sponsoring over selling;
6. A policy of non-selective recruitment;
7. Training and guidance of distributors is carried out by other distributors;
8. Distributor organizations can number into the thousands;
9. The independent contractor status of distributors;
10. Recruits and customers are typically friends and relatives of the distributor;
11. Direct selling activities typically take place in private settings.

Much of what Juth-Gavasso proposes as the dominant explanation for organizational deviance in the direct selling industry is structural in nature. Specifically, Juth-Gavasso focuses on the symbiotic organizational linkages between the Amway corporate structure and the collection of distributor organizations which are represented by the Amway board of distributors. The loose nature of the control exerted over the distributor organizations along with other structural factors previously mentioned, perpetuate illegal and unethical behavior within the distributor force.

An important gap in the model Juth-Gavasso uses to explain illegal and unethical behavior in Amway, which she acknowledges, is the role of corporate culture in perpetuating and legitimating organizational deviance. This represents an important area of future research on the nature of organizational deviance in the direct selling industry.

Amway's Personnel and Organizational Characteristics

Summarized

Based on the previous literature and the author's own contact with the organization, several important characteristics may be highlighted. To begin with, Amway Corporation is a very dynamic organization. This is due to the inclusive nature of its recruiting policies and the multiple incentives associated with building large distributor organizations. Amway's dynamic nature has contributed significantly to both the number of distributors recruited and the expansion of the distributor force into other countries. As a result of its rapidly growing size, as well as other factors previously mentioned, with the exception of the last few years, Amway has experienced dramatic yearly increases in its level of product sales. This can be seen in Figure 1 on page 83.

Amway's level of recruitment and sales must also, however, be traced back to its approach to socializing new and existing members. Amway's revival-like rallies and its corporate ideology that promotes free-enterprise, individual-effort, financial independence, moral values, and sharing with others, are also quite important in explaining the financial success of the company. These aspects of the company are also among its more controversial dimensions.

As was previously mentioned, Peven (1974) has pointed to the role of religious revival techniques in socializing personnel in direct-sales organizations. Contrary to the assertions of Conn (1985), the Amway rally environment is characterized by a strong religious revival atmosphere. This strategy for indoctrinating personnel has a powerful impact on insiders as well as outsiders. As Peven noted in her study of Tupperware,

"Because the personnel of the national sales companies seem honestly and sincerely to believe in what they are saying and doing, an observer may very well become caught up with their enthusiasm and forget the fact that these people are attempting to manipulate the relationships between themselves and others for a material purpose" (Peven, 1974:106).

In an article examining the impact of 'crowd joy' on organizational participants, Lofland (1982) has labelled the impact of a religious revival-like atmosphere on organizational personnel and prospective new recruits as an 'ersatz revival pattern'. Lofland refers to Peven's article on Tupperware and points out that the crowd joy produced by the 'ersatz revival pattern' helps the organization build commitment and morale in a dispersed and unsupervised workforce.

According to Lofland (1982) 'joy' refers to "the emotion evoked by well-being, success or good fortune or by the prospect of possessing what one desires" (Lofland, 1982:356). It is characterized by "variation in the amount of overt motor activity combined with displays of emotion socially defined as joyous" (Lofland, 1982:357). The concepts of crowd joy and the 'ersatz revival pattern' have strong ties to the Amway rally experience. Lower level distributors experience the 'joy' associated with the anticipation of future successes and the acquisition of higher pin levels, as well as the recognition and adoration of other Amway distributors.

As this last idea suggests, individual success (and thereby the success of the organization) is encouraged through the use of hero-worship of successful distributors. This is reinforced by the promotion of a 'positive-thinking' philosophy among distributors. As critics of the company (and the multi-level marketing concept in general) have pointed out, at least one of the side effects of promoting a positive thinking philosophy among distributors is the virtual elimination of internal criticism and dissension concerning company policies and procedures. As Steve Butterfield has remarked, these two aspects of Amway has virtually eliminated any revolutionary potential within the distributor force. Compliance to organizational norms is a 'litmus test' of a distributor's desire to succeed.

Another important explanation of continuing membership among distributors was suggested by Lester. Amway Corporation is a *nomie* system that provides a coherent system of meaning for its participants. The high division of labor in a modern, complex society promotes anomie as role strain and conflict become more prevalent. Participation in Amway simplifies the complexities of modern society by providing the distributor with a 'unified plausability structure'. This represents an important non-material incentive for those individuals looking for greater order and control in their lives. The same rationale has been used to explain the attachments formed to the military by 'lifers' and to other total institutions, e.g. prisons, mental institutions, by their members (Goffman, 1961).

Another controversial aspect of Amway's strategies to attract and maintain a highly committed distributor force has been its blending of material and non-material incentives. Integrally related to the notion of Amway as a *nomie* system that provides order and control for its participants, Amway's blending of material and non-material incentives is closely associated with conservative, political and religious beliefs and values. This has led some critics to view Amway as a religious cult and others to see it as a political cult. This blending of religious and political domains into a business organization serves at least two purposes for Amway. To begin with, it has provided a convenient substitute for financial success for lower level distributors. Even if they are not succeeding financially, they can at least 'feel good' about contributing to the organization's attempts to solve the problems of the larger society. Secondly, this strategy has helped the co-owner/founders of Amway to build up a grass-roots political movement with strong ties to conservative religious organizations. This makes the distributor organization a powerful group that can be mobilized to promote Amway's political and economic agenda for American society. Given this last aspect

of Amway's organizational characteristics, it is easy to see why the critics of Amway are so concerned about the effects the organization may have on American society.

Review of Pertinent Social Science Literature

Organizational Commitment

Much attention has been directed at the issue of organizational commitment (Angle and Perry, 1983; Mowday et al., 1979; Steers, 1977). The popularity of the concept can be traced back to the belief that organizationally-committed individuals can be expected to remain in an organization, perform reliably, and contribute significantly to organizational goals (Schein, 1980).

Although most researchers agree that it is important to study organizational commitment, there is substantial disagreement as to how the concept should be theoretically and operationally defined. An examination of the literature on organizational commitment suggests two distinct models of commitment: behavioral and attitudinal. The behavioral model is based on the investments members consciously and unconsciously stake on their participation in an organization and focuses on an individual's intention to remain in the organization despite various inducements to leave (Becker, 1960). The attitudinal model is based on the degree of an individual's identification with organizational values and goals and focuses on a variety of desired behavioral outcomes that go beyond just the intention to remain in an organization. According to Scholl (1981): "whereas the attitudinal school uses the commitment

concept to explain performance and membership, the behavioral school generally confines itself to the employee membership decision" (Scholl, 1981:590).

Steers (1977) has also noted this distinction and compares the difference between the two approaches to the concept of active and passive loyalty to an organization. Steers (1977) proposes that: "... highly committed employees will tend to perform well to the extent that : (1) organizations stress high achievement orientations concomitantly with good employee relations; (2) passive commitment (often called loyalty) can be translated into active commitment; and (3) employees possess the requisite skills and organizational roles" (Steers, 1977:55-6).

This section of the literature review will examine the major approaches that have been used to study organizational commitment. The main focus will be directed at comparing and contrasting the different approaches in order to support the approach used in the present study and to guide the development of research hypotheses to be tested in this study.

One of the most well-known and frequently tested behavioral models of commitment was proposed by Becker (1960). The concept of organizational commitment is used, according to Becker, to "account for the fact that people engage in consistent lines of activity" (Becker, 1960:33). In defining the concept, Becker proposes that:

"the committed person ... (acts) in such a way as to involve other interests of his, originally extraneous to the action he is engaged in, directly in that action. By his own actions prior to the final bargaining session he has staked something of value to him, something originally unrelated to his present line of action, on being consistent in his present behavior. The consequences of inconsistency will be so expensive that inconsistency is no longer a feasible alternative " (Becker, 1960:35).

Becker emphasizes the implicit nature and incremental pace of the commitment process associated with 'side-bets' or investments. He identifies a variety of sources of 'side-bets.' Generalized cultural expectations may create 'side-bets' for an individual and thereby constrain future actions. Or 'side-bets' may be promoted by the operation of impersonal bureaucratic arrangements (Becker, 1960).

One of the advantages of basing organizational commitment on the concept of investments or 'side-bets.' according to Becker, is that the two concepts are conceptually and empirically distinct. As Becker notes, "The idea of the 'side-bet' allows us to specify the elements of commitment independently of the consistent line of behavior they are used to account for and thus avoid tautology. Though it may not always be easy to find empirical indicators of the 'side-bets' constraining people's activities, 'side-bets' and consistent activity are in principle distinguishable ..." (Becker, 1960:40).

As some authors have noted (Angle and Perry, 1983; Hrebiniak and Alutto, 1972), Becker's definition is based on an exchange model and is behaviorally-oriented. According to this model, organizational members are instrumentally-rational and make decisions based on a costs/benefits analysis. Although the 'side-bets' approach to explaining organizational commitment could be tested by examining any type of consistent behavior in organizations, the approach has focused almost exclusively on an individual's decision to remain in an organization. As a result, attempts to operationalize the 'side-bets' model of commitment have focused on member's intention to remain in an organization despite a variety of inducements to leave.

One of the earliest and more well-known attempts to empirically test the 'side-bets' model was conducted by Ritzer and Trice (1969). In their study of 419 male personnel managers, commitment was measured by asking respondents if they would leave the organization or occupation for: no increase, a slight increase, or a large increase in: pay, freedom, status, responsibility, or an opportunity to get ahead. A variety of investments or 'side-bets' were examined to determine the degree of impact they had on the decision to remain in either the organization or occupation. After looking at age, education, marital status, and number of children, Ritzer and Trice found very little support for the 'side-bets' model. The relationships were weak and

not statistically significant and not even in the predicted direction. Ritzer and Trice reject the importance of the 'side-bets' model in favor of a more psychological model of commitment. As they propose: "Organizational commitment seems to arise only when the occupation has no really meaningful base to which one may commit himself. The less subjectively meaningful the occupation, the more difficult it is for anyone to commit himself to it, and the more likely one is to commit himself to his organization" (Ritzer and Trice, 1969:478).

Ritzer and Trice propose that the impact of the subjective meaningfulness of an occupation on the likelihood that an individual will be committed to either a particular organization or to their occupation may be seen in the difference in the meaningfulness of lower status occupations (janitor or clerk) and higher status occupations (doctor or lawyer). The suggestion seems to be that there is a direct relationship between the objective elements (task activities, job scope, autonomy, etc.) of an occupation and an individual's experience of subjective meaningfulness in that occupation. The implications of this model of organizational commitment is that commitment to a specific organization will be high in low status occupations and low in high status occupations.

As they summarize, organizational commitment "arises from a realization by the individual that the occupation has little to which he can commit himself. In order to make his working life meaningful, an individual must commit himself to something. If the occupation is weak structurally, the organization remains as the major alternative to which the individual may commit himself" (Ritzer and Trice, 1969:478).

Ritzer and Trice do concede that although the basic process of commitment is psychological in nature, the 'side-bets' model is also relevant in explaining the factors that affect an individual's level of commitment to an organization.

One problem associated with the Ritzer and Trice study which has since plagued other attempts to test the 'side-bets' theory of commitment has been the way in which organizational commitment has been operationalized. It has been suggested that organizational commitment is a multi-dimensional concept (Angle and Perry, 1983; Gouldner, 1960; and Steers, 1977). Thus, a major problem with the Ritzer and Trice study (as well as most if not all other attempts to test the 'side-bets' model) is the use of only one dimension to measure the concept of commitment.

Another criticism that should be raised concerning the Ritzer and Trice study is their explanation of the psychological nature of organizational commitment. It seems unlikely that organizational commitment is primarily a function of the absence of occupational satisfaction. Seen from this perspective, organizational commitment becomes something of a residual category which increases when there are no other activities to which an individual wishes to be committed. It seems more reasonable and likely that organizational commitment is less a function of the absence of occupational satisfaction than it is the presence of member identification with the goals and values promoted by an organization.

In another test of the 'side-bets' model Shoemaker et al. (1977) studied organizational and occupational commitment among federal and state forest and park rangers in Virginia. They concluded that structural factors explained more variance in organizational commitment than it did occupational commitment. They also found, however, that attitudinal variables explained more variance in both types of commitment than did the structural variables. Snizek and Little (1984) reexamined this data in a longitudinally designed follow up study. They found that structural and attitudinal factors accounted for about the same degree of variance in organizational commitment, but that structural factors accounted for greater variance in occupational commitment than did attitudinal factors.

Another behaviorally-based view of commitment has been proposed by Salancik (1977). Based on the work of Kiesler (1971), Festinger (1957,1964), and Lewin (1947), Salancik offers what he refers to as a working definition of organizational commitment: "commitment is the binding of the individual to behavioral acts" (Salancik, 1977:4). According to Salancik, the degree of commitment of an individual is determined by the extent to which an act is binding and constrains and determines future behavior. Salancik identifies four dimensions of behavioral acts that make them binding: explicitness, revocability, volition, and publicity. In general, the more explicit, the less revocable, the greater the individual volition and the more public an act, the greater the degree of commitment that will result.

While organizational commitment should increase an individual's compliance with organizational directives and norms as well as increase their level of goal directed behavior, Salancik points to an important factor that might moderate the desirable consequences of commitment. In a manner similar to Dubin et al. (1975), Salancik's view of the impact of one's central life interest on their level of organizational commitment emphasizes the salience of group membership for the likelihood of compliance. As he proposes:

"A person will act on the implications of commitments as a function of the salience of the implications and commitments and strength of the commitment. If the implications of some behaviors are not salient, their impact will be less than if they are salient. If a certain social group is not salient, the commitments to that group will be less relevant to current behavior than if the group is salient" (Salancik, 1977:29).

As was previously proposed, one shortcoming of the behavioral models of organizational commitment has been a lack of attention to value rational and affective dimensions of an individual's attachment to an organization. Value rational forms of attachment are at the core of the attitudinal model of organizational commitment. One of the major attitudinal models of commitment that is derived primarily from a value rational perspective has been proposed by Rosabeth Moss Kanter. Based on

her research on utopian communities, Kanter (1968; 1972) has described organizational commitment as: "the willingness of social actors to give their energy and loyalty to social systems, the attachment of personality systems to social relations which are seen as self-expressive" (Kanter, 1968:499). She defines organizational commitment as "the process through which individual interests become attached to the carrying out of socially organized patterns of behavior which are seen as fulfilling those interests, as expressing the nature and needs of the person" (Kanter, 1968:500).

Kanter identifies three dimensions of organizations which relate to different types of commitment: group continuation, social control, and group cohesion (1972). Each type of commitment is promoted by different factors and result in different consequences for the organization. The antecedents and outcomes of each of these types of commitment will be briefly examined.

The concept of continuation commitment is similar to Becker's concept of 'side-bets.' Continuation commitment results in an instrumental attachment to the organization and increases an individual's intention to remain in the organization. It is promoted by two processes: sacrifice and investment. By foregoing alternative attachments and contributing resources to a particular organization, the individual enhances the value of attachment as well as the costs associated with leaving. This type of commitment produces calculative involvement and is based on what Clark and Wilson (1961) refer to as material incentives.

Commitment to group cohesion results in an affective bond with the other members of a group or organization. It is promoted by two processes: renunciation and communion. Renunciation involves giving up ties to other groups which might weaken the attachment of an individual to the focal group or organization. Communion is a process by which group or organization members enhance their affective attachment to other members. This type of commitment produces emotional in-

involvement and is based on what Clark and Wilson (1961) have referred to as solidary incentives.

The importance of affective social involvement with the other members of an organization for promoting organizational commitment has also been proposed by Sheldon (1971). In her study of Ph.D. scientists working in a private laboratory, Sheldon found that social involvement promoted the commitment of the scientists to the organization. According to Sheldon, social involvements operated as investments that mitigated the negative impact of professional commitment on organizational commitment.

Social control commitment results in the internalization of a group or organization's beliefs, values, and norms. It is promoted by two processes: mortification and transcendence. According to Kanter (1972):

"The mortification process attempts to convince the person that true meaning and worth derive from opening his self-concept to direction by the group. They provide a new set of criteria for evaluating the self and choosing behavior; they reduce all people to their common human denominator and transmit the message that the self is adequate, whole, and fulfilled when the person can finally give up to the new moral standards of the new community" (Kanter, 1972:236).

Transcendence is a process that promotes an individual's attachment to the broader purposes of the organization. As Kanter notes, transcendence develops out of features of an organization's ideology. As such it can be said to be associated with the purposive goals of an organization. Social control commitment promotes moral involvement and is based on what Clark and Wilson (1961) referred to as purposive incentives. Although Kanter's model of organizational commitment was derived from her research on alternative lifestyle communities, it is still quite useful for developing a comprehensive understanding of the factors that influence organizational commitment in other types of organizations.

Another important distinction between different types of determinants of organizational commitment which closely parallels the behavioral/attitudinal distinction

already discussed has been the distinction drawn between individual and organization based antecedents of commitment (Angle and Perry, 1983; Hrebiniak and Alutto, 1972). According to Hrebiniak and Alutto, commitment to an organization is based on the perceived favorableness of the rewards an organization has to offer in exchange for the contributions the individual member has to offer. Both individual and role-related factors must be considered in order to explain commitment.

In a similar manner, Angle and Perry have distinguished between member-based and organization-based models of commitment. As Angle and Perry (1983) propose, "the member-based model focuses on what the member brings to the organization as well as what he or she does there" (Angle and Perry, 1983:127). The organization-based model of commitment focuses on the ability of an organization to satisfy the needs and goals of its members. Angle and Perry explain the rationale behind the organization-based model of commitment in terms of the norm of reciprocity. As they propose, "members will offer their commitment in reciprocation for the organization's having held up its end of the psychological contract" (Angle and Perry, 1983:128). Angle and Perry propose that reciprocity is most identifiable in relation to extrinsic rewards and that organizational commitment, therefore, should be more closely associated with extrinsic than intrinsic rewards.

In their research, Angle and Perry compare the explanatory power of the two models of commitment which they have identified and also compare the role of intrinsic and extrinsic satisfaction in promoting organizational commitment. While both models, in the study they conducted, explained some of the variance in organizational commitment, Angle and Perry found more support for the organization-based model. Whereas 'side-bet' factors accounted for 11% of the variance in organizational commitment, organization-based factors accounted for 58% of the variance in organizational commitment. Similarly, while intrinsic satisfaction ac-

counted for some variance in organizational commitment, extrinsic satisfaction accounted for substantially more variance in organizational commitment. They propose that: "rather than offering an 'either-or' explanation of the impacts of intrinsic and extrinsic factors on commitment, the present research simply demonstrates that ... the prevalent belief that commitment is basically related to intrinsic need fulfillment is not upheld" (Angle and Perry, 1983:142-3). The important implication, according to Angle and Perry, of this finding for managers seeking to increase the commitment of their subordinates is that much of what can be done to increase commitment rests in the hands of management.

As can be seen from the present review of the literature on organizational commitment, a variety of theorists have proposed models of organizational commitment that have emphasized the distinctions between different types of commitment (Gouldner, 1960; Kidron, 1978; Kuhn and Geis, 1984). Gouldner, for example, proposed that "commitment to the specific values of an organization is distinct from commitment to the organization as a whole" (Gouldner, 1960:468). As Gouldner notes, there has been so much interest in determining the factors that influence the level of commitment an individual experiences, that in comparison, relatively little attention has been directed at the different forms of commitment.

Recently, a study conducted by Kidron (1978) demonstrated the importance of examining the impact of calculative and moral involvement on the relationship between commitment and successful task performance. Kidron proposes a distinction between different types of commitment, based on Etzioni's concept of organizational involvement. This research is particularly germane to the present study since it represents an initial attempt at empirically examining the relationship between organizational involvement and commitment.

Following Etzioni (1961,1975), Kidron distinguishes between calculative and moral commitment to an organization. As he proposes:

"One aspect of organization commitment is the willingness of the individual to remain with a particular system given an alternative job that provides slightly better outcomes for the individual. This appears to indicate calculative involvement. A second aspect of organization commitment involves the individual's incorporation of organizational values and goals into his own identity. This aspect of organization commitment might be tagged moral commitment" (Kidron, 1978:241).

Kidron's study focuses on the impact of the Protestant work ethic on the relationship between calculative and moral commitment. Based on the work of Weber (1947), Kidron proposes that an individual influenced by the Protestant work ethic: "is committed to the values of hard work, to the work itself as an objective, and the work organization as the inevitable structure within which those internalized values can be satisfied" (Kidron, 1978:240). Although Kidron found empirical support for the relationship between moral commitment and the Protestant work ethic, he did not find any empirical support for a relationship between calculative commitment and the Protestant work ethic. He concludes by pointing out that: "it seem important to recognize that value orientations may be associated with stronger moral identification with the organization, but not necessarily with willingness to remain in a given system" (Kidron, 1978:246).

Although Kidron's model of organizational commitment draws upon the types of involvement identified by the compliance model proposed by Etzioni (1961; 1975), the distinction he proposes between different types of organizational commitment cannot be traced back to Etzioni's model. Etzioni's compliance model promotes a unidimensional model of organizational commitment that is based solely on the value identification of organizational participants. According to Etzioni, high moral involvement is identical to organizational commitment. This linkage between organizational involvement and commitment represents an important issue for the present

study and will be discussed at the end of the section of the literature review on organizational involvement.

Another approach to analyzing organizational commitment that follows Etzioni's involvement typology has been proposed by Kuhn and Geis (1984). They emphasize the usefulness of studying religious organizations in order to better understand the commitment process. They define organizational commitment as "the link between personal meaning and organizational commitment" (Kuhn and Geis, 1984:9). This approach is similar to Angle and Perry's (1983) emphasis on member-based and organization-based models of commitment.

Kuhn and Geis propose three styles or types of commitment to an organization: core, calculative, and cog commitment. The first two types parallel Kidron's distinction between calculative and moral types of commitment, and as was mentioned above, also reflect the distinction Angle and Perry make between member and organization based types of commitment processes. The third type, cog commitment, resembles what Etzioni (1961; 1975) refers to as alienative involvement. As Kuhn and Geis propose, "cog commitment is present in an individual when work is seen only as a necessary routine. Little meaning is present, little emotion is felt" (Kuhn and Geis, 1984:87).

One particularly interesting aspect of Kuhn and Geis' work on the concept of organizational commitment is their development of a typology of commitment strength. Kuhn and Geis identify 6 commitment strength types that range from high attachment to an organization to high rejection. On the negative side of the commitment strength continuum Kuhn and Geis identify adversaries, disaffecteds, disengageds. On the positive side they identify partisans, adherents, and routiners. The descriptions of these commitment strength types are quite interesting, informative, and worth presenting.

Adversaries operate both inside and outside of an organization and actively seek to destroy it regardless of the personal consequences. Disaffecteds are less committed to the destruction of an organization but will actively pursue such goals when it will benefit them personally. Disengageds and routiners potentially represent the greatest threat to an organization. The disengageds perform at substandard levels, have little or no personal interest in the organization and have a damaging impact on the level of motivation of their coworkers. Routiners are just slightly more positive than neutral. They complete their work but are only motivated by external rewards and are primarily interested in maintaining the status quo. Adherents are interested in promoting and protecting the organization. They are motivated by both intrinsic and extrinsic rewards, but are primarily interested in the personal gain associated with supporting the organization. Partisans exhibit the maximum level of commitment to an organization. Similar to what have been termed 'true believers', they are totally interested in promoting the organization regardless of the personal consequences.

One point that seems to consistently surface in much of the work that has been done on organizational commitment is the need to incorporate calculative and moral dimensions of commitment. One model that has incorporated this approach has been proposed by Mowday, Steers, and Porter (1979). According to Mowday et al. organizational commitment may be defined as: "the relative strength of an individual's identification with and involvement in a particular organization. It can be characterized by at least three related factors:

1. A strong belief in and acceptance of the organization's goals and values;
 2. A willingness to exert considerable effort on behalf of the organization;
 3. A willingness to maintain membership in the organization"
- (Mowday et al., 1979:226).

This model of organizational commitment emphasizes the importance of distinguishing between active and passive loyalty to an organization. Its incorporation of behavioral and attitudinal dimensions of organizational commitment enhances the relevance and appropriateness of using this model of commitment in the present study. And, as will be discussed in the next chapter, Mowday et al. have also developed a highly reliable scale to measure the three dimensions of their theoretical definition of organizational commitment.

Contributions of the Literature Reviewed for the Present Study

As can be seen from the literature reviewed on organizational commitment, a large proportion of the theoretical definitions of commitment to an organization emphasize the need to distinguish between not only levels of organizational commitment, but also between different types of commitment. Types of commitment vary between different theorists, but can generally be broken down into behavioral and attitudinal models of commitment to an organization.

The literature previously reviewed points to the importance of examining organizational commitment as a multidimensional concept. One approach that effectively incorporates the behavioral/attitudinal dimensions of organizational commitment is the distinction between calculative and moral involvement in an organization. The use of calculative and moral involvement to analyze the nature of organizational commitment, first by Kidron (1978) and then by Kuhn and Geis (1984), represents a point of departure for the present study. The present research on the relationship among organizational involvement, commitment and success will build on these previous studies of this relationship.

The theoretical definition of organizational commitment to be used by the present study is that of Mowday, Steers, and Porter (1979). As was mentioned above, there are two major reasons for using this approach. First, this approach incorporates both the value commitment and commitment to remain dimensions of overall organizational commitment. In addition to this, the Mowday et al. approach has been reliably operationalized.

Organizational Involvement

In this section of the literature review, attention will be directed to the development of the concept of organizational involvement and its relationship to organizational commitment. This section will begin with an examination of Etzioni's compliance model. Discussion, criticisms, and empirical tests of the compliance model (related to organizational involvement) will then be considered. The focal concern of the section will be directed towards clarifying the concept of organizational involvement and the nature of its relationship to organizational commitment. Attention will then be directed toward the use of organizational incentives to measure organizational involvement.

In his book, *A Comparative Analysis of Complex Organizations*, Amitai Etzioni (1961; 1975) analyzes complex organizations by comparing the nature of the compliance of lower participants. According to Etzioni, "compliance is a relationship consisting of the power employed by superiors to control subordinates and the orientation of the subordinates to this power" (Etzioni, 1961:xv). He defines power as "an actor's ability to induce or influence another actor to carry out his directives or any other norms he supports" (Etzioni, 1961:4). Power-means include physical,

material, and symbolic rewards and deprivations. Etzioni proposes that organizations may be classified into three types of power structures: coercive, remunerative, and normative. Although organizations use all three kinds of power, most emphasize one type of power over the other two types. He contends that this is due to the fact that the different types of power have a tendency to neutralize each other when used in combination. This is an important point for the present study and Etzioni does note that it might be possible to make and support the opposite position. As he proposes, "it might be claimed that the larger the number of personal needs whose satisfaction the organization controls, the more power it has over the participants" (Etzioni, 1961:7). As will be discussed later, this proposition is similar to the position advocated by an incentive analysis of organizations.

The type of power exercised in a particular organization determines in part, the nature of the lower participant's orientation to the organization. Etzioni refers to this orientation as organizational involvement. According to Etzioni, "involvement refers to the cathetic-evaluative orientation of an actor to an object, characterized in terms of intensity and direction" (Etzioni, 1961:9). Intensity ranges from high to low, while direction ranges from positive to negative. He proposes that lower participants may exhibit three types of involvement: alienative, calculative, and moral. Alienative involvement is high in intensity and negative in direction. Moral involvement is high in intensity and positive in direction. Calculative involvement is low in intensity and neutral in direction.

In developing the concept of organizational involvement, Etzioni draws on the work of Morse (1953) and Breton (1960). For Morse, involvement is defined as "the degree to which the employee derives satisfaction from and identifies with the company in which he is employed" (Morse, 1953:16). Breton proposes a similar concept in his development of the relationship between an organization's reward-allocation

structure and member participation in the organization. As Etzioni notes, an organization's reward-allocation structure comes close to his concept of power-means used to achieve compliance from lower participants, and participation is similar to the way he uses the concept of organizational involvement.

According to Etzioni, moral involvement may be divided into two types: pure and social. And as he proposes: "both are intensive modes of commitment but they differ in their foci of orientation and in the structural conditions under which they develop. Pure moral commitments are based on internalization of norms and identification with authority; social commitment rests on sensitivity to pressures of primary groups and their members" (Etzioni, 1961:10-11). Although he proposes that moral involvement is the same thing as organizational commitment, it would also seem possible that moral involvement is actually an antecedent factor that promotes organizational commitment. Whether or not organizational commitment will develop in the absence of moral involvement is an empirical question that will be addressed in the present study. The theoretical justification for this position will be examined later in this section.

According to Etzioni, the types of power and involvement are closely associated. The use of coercive power is associated with alienative involvement. Remunerative power is associated with calculative involvement. Normative power is associated with moral involvement. The nature of lower participant's involvement is also affected by other factors, including the individual's personality structure, secondary socialization, and membership in other collectivities. Another factor that might influence the organizational involvement of lower participants is the nature of the incentive system used by an organization. The relationship between involvement and incentives is important to the present study and will be examined in the next section of the literature review.

While it is possible to change the involvement patterns of lower participants through such means as socialization or changes in the organization's recruitment criteria, the major influences on involvement patterns, according to Etzioni, are the perceived legitimacy of the directives or power-means used by the organization to achieve compliance from lower participants and the degree to which those directives satisfy or frustrate the lower participant's need-dispositions (Etzioni, 1961:15). Elaborating on this relationship, he proposes that: "Involvement is positive if the line of action directed is conceived by the subordinate as both legitimate and gratifying. It is negative when the power is not granted legitimacy and when it frustrates the subordinate. Involvement is intermediate when either legitimation or gratification is lacking" (Etzioni, 1961:16).

Etzioni proposes that organizational effectiveness is affected by the relationship between the type of power exercised by an organization and the nature of its lower participant's involvement patterns. As he contends, congruence between types of power-means and involvement patterns enhances organizational effectiveness. Incongruent compliance structures reduce the effectiveness of most organizations. He takes this position one step further, hypothesizing that there is a dynamic tendency for organizations to shift their compliance structures from incongruent to congruent types. Furthermore, he proposes that organizations with congruent compliance structures will resist changes that would result in an incongruent compliance structure.

If organizations are less effective when they use an incongruent compliance structure, what factors might explain their existence? One explanation Etzioni proposes is that organizations have only limited control over the selection of power-means. Also, as was previously mentioned, there are external factors that influence the involvement of lower participants over which the organization has little or no

control. Another explanation proposed by Etzioni, focuses on the existence of competing and sometimes conflicting goals pursued by complex organizations. In order to achieve competing or conflicting goals, some organizations develop what Etzioni refers to as dual compliance structures. In such organizations, two compliance patterns occur with the same or similar frequency. Etzioni contends that in most cases dual compliance structures: "result in some waste of power resources through neutralization, and some loss of involvement because of the ambivalence of lower participants exposed to conflicting expectations. Such ambivalence is generated, for example, when lower participants are expected to be calculatively and morally committed at the same time" (Etzioni, 1977:55).

Although the present study is unable to directly test Etzioni's dynamic hypothesis concerning the evolution of organizational structure, it will be possible to examine it indirectly by examining, at a micro level, the impact of dual compliance patterns on the effectiveness of individual performance in a complex organization.

Discussion and Critique of the Compliance Model

At this point attention will be directed to a discussion and critique of Etzioni's compliance model in order to better understand the concept of organizational involvement.

In their book, *The Social Psychology of Organizations*, Katz and Kahn (1978) examine, among other things, the commitment and involvement of people in organizations. Katz and Kahn propose that the potency of an individual's involvement in an organization is related to the degree to which their personality or self is included in their work role. As they propose: "Segmental involvement of individuals is the

basis of organizational structure. Organizations and offices differ, of course, in the totality of involvement which they require, and individuals differ in the magnitude of involvement which they find acceptable" (Katz and Kahn, 1978:120).

Katz and Kahn suggest that since individuals are involved in many different organizations, the priorities they place on the competing demands of those organizations might well serve as an operational test of their involvement. They refer to this dimension of involvement as the priority of commitment. Like Etzioni, they emphasize the relationship between involvement and an individual's acceptance of the organization's symbols of authority and rules. Such acceptance has symbolic meaning to both the individual and his or her fellow participants. The acceptance of the organization's authority and rules is recognized by the individual and by others as a sign of membership.

Gould (1979) has also elaborated on the concept of organizational involvement. Gould has proposed an equity-exchange model of organizational involvement based on the work of Barnard (1938) and March and Simon (1967). As he contends, the basic supposition of the model is that "individuals exchange their contributions or involvements in organizations for certain rewards or inducements which that organization can provide them" (Gould, 1979:53). This perspective draws on a well-established theoretical tradition that can be traced back to the work of Homans (1958) and Blau (1964).

Gould also contends that another factor influencing individual's organizational involvement is their perceptions concerning the equity of inducements they receive. As he notes, "equity is experienced when one's inputs and outcomes in regard to an organization are related, and their ratio is within the bounds of an acceptable standard" (Gould, 1979:55).

Based on the work of Etzioni (1961) Gould defines organizational involvement as "the willingness of a person to engage in activities which are consistent with and support the organization's objectives" (Gould, 1979:54). Calculative involvement, according to Gould, is associated not only with the allocation of economic or material rewards, but may apply to both extrinsic and intrinsic inducements. As Gould notes, "the important characteristic of calculative involvement appears to be that inducements and involvements are free to fluctuate and find an equilibrium" (Gould, 1979:54). Moral involvement, on the other hand, is closely related to organizational identification or commitment and is relatively unaffected by changes in the availability of inducements. Like Etzioni, Gould notes that moral involvement is quite stable since it results from the internalization of the organization's values and goals.

Schein (1980) has also proposed a connection between the type of power exercised by an organization and the nature of the inducements or incentives it has to offer its lower participants. In a manner similar to Gould's equity-exchange concept, Schein proposes that organizations with what Etzioni has labeled 'congruent' compliance structures have established acceptable 'psychological contracts' with their members. As Schein notes, "what the organizations get in the way of involvement is in line with what they give in the way of rewards and the kind of authority they use" (Schein, 1980:46).

Schein's treatment of dual compliance structures represents a departure from Etzioni's compliance model. Unlike Etzioni's tendency to view dual compliance structures as inherently less effective than single compliance structures, Schein proposes that dual compliance structures are potentially more effective and are becoming increasingly more prevalent. As he proposes:

"as business and industry have become more complex and more dependent on high-quality performance from both managers and workers, a trend has begun toward making the psychological contract more utilitarian-normative. By this I mean that companies are seeking to establish new kinds of relationships with their members. These new relationships to some degree abandon

purely utilitarian conceptions in favor of normative ones. Members are increasingly expected to like their work, to become personally committed to organizational goals, and to become creative in the service of these goals; in exchange, they are given more influence in decision-making, thus reducing the authority of management" (Schein, 1980:47).

It is likely that the rationale behind this trend is that organizations assume that moral involvement will augment calculative involvement. Members will perform in reliable and even innovative ways because they are being compensated materially for their contributions and, possibly even more importantly, because they identify with the values and goals of the organization. Whether or not this assumption is empirically valid will be tested in the present study.

Champion (1975) has also emphasized the existence of dual compliance structures. He contends that the notion of congruent and incongruent compliance structures does not rule out the existence of dual structures. Etzioni's model represents an ideal typification of compliance relationships. As Champion notes, "It is only for illustrative purposes that Etzioni has depicted the types as mutually exclusive. In reality, they are not" (Champion, 1975:71).

While it can certainly be stated that Etzioni's compliance typology is among the most widely cited typologies of organizations, it is not without its critics. In the next section we will examine some of the criticisms of Etzioni's compliance model and after that we will examine some of attempts to empirically test the model.

One theorist that has criticized Etzioni's compliance model has been Perrow (1979). In his book, *Complex Organizations, A Critical Essay*, Perrow contends that there are at least two problems with the compliance model. According to Perrow, Etzioni's model is tautological in nature. He proposes that the model appears "to have only described various aspects of the organization with similar terms" (Perrow, 1979:161). Perrow also proposes that "equally as serious as the tautology involved is the neglect of wide ranges of differences within the types. Some churches and schools, for example, are run like factories; some like prisons" (Perrow, 1979:161).

But, according to Etzioni, Perrow has missed the point. As Etzioni points out, in both the original and revised editions of *Complex Organizations*, "an organization's name is a poor indicator of its mission or compliance structure ... The point is, once the power structure is empirically established, it and not the organization's title 'predicts' the involvement of the participant's and, vice-versa, involvement and not titles 'predicts' power" (Etzioni, 1975:73). Etzioni also rejects the position that the compliance model is invalid because it is tautological in nature. As Etzioni explains: "although the analytic classification of an organization is indeed tautological with its specific compliance base ... in that names of analytic variables and what they denote must be parallel, the consequences of such a compliance base for other variables are not 'derivable' from the compliance characterization" (Etzioni, 1975:74).

A somewhat more substantively significant criticism of the compliance model is presented by Clegg and Dunkerley (1980). In their book *Organization, Class, and Control*, Clegg and Dunkerley note that "the most basic problem is that Etzioni perceives organization effectiveness operating independently of individual and organization interests and choice" (Clegg and Dunkerley, 1980:149). The same criticism is directed to the functionalist paradigm in general by Gouldner (1954) in his study of the role of consent of lower participants in determining the effects of increasing bureaucratization on the performance of organizational participants. This problem is due, according to Clegg and Dunkerley, to Etzioni's functionalist bias. There is no inevitable reason, Clegg and Dunkerley reason, why business organizations must have remunerative calculative compliance structures in order to be the most effective. Relying predominantly on such a compliance structure may even be problematic for the effective functioning of business organizations.

Related to this problem is the issue of the conceptual complexity of the model. Perrow (1967) and Champion (1975) have both pointed to the need for typologies

that go beyond unidimensional attempts to understand organizations. As Clegg and Dunkerley point out, even though Etzioni's compliance typology is relatively complex for a unidimensional scheme, it might be helpful if the typology included other important factors that affect compliance relationships. Perrow (1972) suggests that such factors should be conceptually independent of organizational goals or structure.

Victor Allen (1975) has posed other criticisms of Etzioni's compliance model. One of Allen's criticisms concerns the nature of the relationship between the types of power exercised in an organization. As he notes, "the question concerning the causal relationships between the three types of power is not even posed, let alone answered, in Etzioni's model" (Allen, 1975:153). Allen also is critical of the manner in which Etzioni identifies lower participants in an organization. According to Allen, Etzioni's definition of lower participants is inconsistent and primarily designed to complete his model. And in a vein similar to Perrow (1972) and Champion (1975), Allen also emphasizes the need for greater analytical complexity in Etzioni's compliance model. He proposes that the Etzioni's model should include an organization's external environment among the factors that influence the compliance of lower participants to organizational directives.

Empirical Tests of Etzioni's Compliance Model

In the next section, some of the empirical tests of Etzioni's compliance model will be examined. Special attention will be directed at the way in which organizational involvement is operationalized. In order to provide some support for the present research, the operational definitions of organizational involvement used in the

following studies will be compared with the operational definition of organizational involvement used in the present study.

Etzioni, in the revised edition of his book, *Complex Organizations*, presents a variety of empirical tests of his compliance model. The first such test that he presents is a study of the compliance structures of five hospitals conducted by Julian (1968). Julian measures involvement "on the basis of responses indicating perception of and orientation toward staff sanctions" (Etzioni, 1975:69). It is important to note, at least in terms of the present research, that Julian acknowledges that his measure of involvement is just one of the possible approaches that might be employed. As he notes, "this measure is, of course, only one indicator of involvement. To be sure, participants may vary in their involvement in various facets of the same organization" (Julian, 1968:13).

As Etzioni reports, Julian's research supports the compliance model. Based on Julian's identification of patients as the focal lower participants, all 5 hospitals were found to be predominately normative organizations. Julian also found that patients in all 5 hospitals were predominantly positively involved. In testing the congruency aspect of the model, Julian's data also showed that the degree of power exercised also affected the degree of involvement. The least coercive of the hospitals also had the highest levels of positive involvement. Interestingly, Julian's research suggests that regardless of the type of power exercised, the total amount of power exercised is inversely related to involvement. The greater the amount of sanctions employed, even normative ones, the lower the level of positive involvement.

One problem with Julian's research may be the identification of lower participants. It seems likely that the hospitals would exhibit more of a utilitarian compliance structure if the data were to include the hospital staff (e.g. orderlies, secretaries, nurse's assistants, and the like) in addition to the patients.

This criticism is supported by another test of the compliance model conducted by Franklin (1972). As Etzioni (1975) reports, Franklin studied the compliance structures of 6 organizations, including two newspapers, a general hospital, a small manufacturing plant, a creamery, and a public service company (Etzioni, 1975:72). In Franklin's study, lower participants were defined as non-supervisory personnel. Sample members were randomly selected from complete lists of non-supervisory personnel. The dominant power-means employed by the organizations was determined by asking respondents to identify whether their supervisor preferred utilitarian or normative means of control. Involvement was measured in terms of lower participant's commitment to the organization's norms and goals and their intentions to remain in the organization. By subtracting the utilitarian power scores from the normative ones, Franklin came up with a 'power mix' score. Because all of the organizations were predominantly utilitarian in nature, comparisons between power types were limited to more and less utilitarian organizations.

Like Julian, Franklin also found support for Etzioni's compliance model. Franklin found that lower participants in the less utilitarian organizations were more committed to the norms and goals of the organization and also reported a greater intent to remain than the lower participants in the more utilitarian organizations. He also found that turnover rates were higher in the more utilitarian organizations, suggesting the presence of negative involvement. Franklin also found a difference between white and blue-collar employees. According to his findings, normative power had a greater impact on white-collar than blue-collar employee's commitment to the organization's norms and goals.

In another study of Etzioni's compliance model, Azim and Boseman (1975) examine the relationship between power and involvement within a university setting. In their study, Azim and Boseman set out to test two sets of hypotheses. The first

set focused on the relationship between the type of power exercised in various graduate departments in a large midwestern state university and the nature of the graduate student's involvement in those departments. The second set of hypotheses focused on the issue of whether or not graduate schools employ a predominately normative compliance structure.

Azim and Boseman measured power by asking the graduate students to identify what types of power-means were employed by the faculty. The students were asked to state the extent of their agreement or disagreement to the following statements: "The faculty members of my department: (a) Have a very warm and genuine interest toward doctoral candidates (normative power); (b) Accommodate the interests of a doctoral candidate as long as they do not conflict with their own interests (remunerative power); and (c) Rigidly impose their viewpoints and expectations on doctoral candidates (alienative power)" (Azim and Boseman, 1975:683).

Involvement was measured by asking the students to state the extent of their agreement or disagreement to the following statement: "As a result of my interacting with faculty members of my department (a) I feel alienated (alienative involvement), (b) I adjust my behavior whenever necessary to avoid conflict (calculative involvement), and (c) I feel very dedicated to learning (high commitment involvement)" (Azim and Boseman, 1975:683).

These operationalizations of power and involvement may very well represent a serious problem for Azim and Boseman's study. The measures they use seem, at best, to be only loosely related to Etzioni's model. It might be argued that Azim and Boseman's measure of power is actually a measure of faculty involvement with the department, and that their measure of involvement actually represents student's attitudes concerning their relationship with the faculty and strategies for successful degree completion. To a certain degree, however, their measure of involvement

resembles Gould's (1979) equity-exchange model of involvement that emphasizes the likelihood that lower participants will adjust their behavior in relation to the presence or absence of inducements. If Azim and Boseman are not measuring the concepts they have intended to measure, this certainly raises serious questions about their results.

Notwithstanding this problem with their research, Azim and Boseman found support for their first set of hypotheses but not for the second set. Although their analysis supported the relationship between the use of coercive power and the prevalence of alienative involvement, it also suggested that calculative involvement is as much a reaction to coercive power as it is to remunerative power. As for the second set of hypotheses, Azim and Boseman found that graduate schools are characterized by a dual compliance structure emphasizing remunerative-normative power-means.

Incentives as a Basis for Organizational Involvement

As Etzioni's discussion of organizational involvement suggests, there may be other factors that influence the nature of lower participant's involvement in an organization besides their emotional evaluation of the power-means employed by the organization. Among what would seem, potentially, to be the more fruitful of these factors are the incentives used to reward lower participants for their performance. Etzioni also suggests the plausibility of this factor in his reference to Breton's (1960) study of the relationship between an organization's reward-allocation structure and member participation. Although there would seem to be little doubt that an incentive analysis of coercive organizations would not be particularly fruitful, it seems just as likely that an understanding of the impact of organizational incentives would be quite

helpful in explaining the involvement patterns of lower participants in remunerative and normative organizations.

The impact of incentives on organizational participation and involvement has been examined by political scientists, industrial psychologists, occupational and organizational sociologists, and management researchers. Some of the more influential of these include the work of Barnard (1938), and Clark and Wilson (1961). Other work which has direct relevance for the present research include Zald and Jacob, (1978) and Knoke and Wright-Isak, (1982). In this section the possible contributions of an incentive analysis of organizations to the development of the concept of organizational involvement will be considered. The examination will focus on the usefulness of organizational incentives as a basis for operationalizing organizational involvement in the present study.

One of the early considerations of the impact of incentives on organizational involvement or participation which has greatly influenced the development of the concept was the work of Barnard (1938). According to Barnard, incentives provide the basis for organizational participant's cooperation with organizational directives and contribution towards organizational goals. As he proposes, "the contributions of personal efforts which constitute the energies of organizations are yielded because of incentives" (Barnard, 1938:139). Barnard proposed that incentives could be divided into objective and subjective categories and that commercial organizations specialized in the objective (or material) incentives, whereas political and religious organizations specialized in the subjective (intangible and non-material) incentives. But as is being proposed in the present research, he also emphasized the point that "if account be taken on the different kinds of contributions required from different individuals, both methods are used in all types of organizations" (Barnard, 1938:142).

Barnard proposed a variety of general and specific incentives or inducements that an organization might employ to promote cooperation among its participants. These included material incentives, personal non-material opportunities, desirable physical conditions of work, ideal benefactions, associational attractiveness, adaptation of conditions to habitual methods and attitudes, the opportunity of enlarged participation, and the condition of communion. Of these various incentives, Barnard proposed that ideal benefactions were among the most powerful and the most neglected of the incentives employed by organizations. Ideal benefactions refer, according to Barnard, to: "the capacity of organizations to satisfy personal ideals usually relating to non-material, future, or altruistic relations. They include pride of workmanship, sense of adequacy, altruistic service for family or others, loyalty to organization in patriotism, etc., aesthetic and religious feeling" (Barnard, 1938:146).

This and other non-material incentives are important to an organization since they help augment an organization's reserve of material incentives and help the organization meet its participant's demands for incentives. As Barnard suggests, it is important for an organization to be economical in the distribution of incentives. And as Barnard and others have noted, "if an organization is unable to afford incentives adequate to the personal contributions it requires it will perish unless it can by persuasion so change the desires of enough men that the incentives it can offer will be adequate" (Barnard, 1938:149).

Based largely on the work of Barnard (1938), Clark and Wilson (1961) propose that an organization's incentive system "may be regarded as the principal variable affecting organizational behavior" (Clark and Wilson, 1961:130). Beginning with Barnard's assumption that organizational members must be induced to cooperate towards achieving the organization's goals, Clark and Wilson propose that one of the principle tasks of organizational executives is to tailor the organization's incentive

system to meet the needs of present and potential contributors. Changes in an organization's incentive system, they propose, reflect the influence of several factors. These factors include changes in the composition of present and potential members, changes in perceptions of what incentives are possible and/or available, and changes in the organization's stage of development.

As Clark and Wilson (1961) note, an incentive analysis of an organization is based on certain assumptions or premises concerning the nature of incentives. To begin with, incentives are scarce and unequally distributed throughout the population. Secondly, "an organization's incentive output must not exceed its available incentive resources ... " (Clark and Wilson, 1961:132). And third, it is possible to distinguish between different types of incentives. According to Clark and Wilson, there are three types of incentives: material, solidary, and purposive. Material incentives are tangible in nature and may be evaluated in terms of their monetary value. Solidary incentives are intangible and relate to the affective bonds formed between members and include socializing, congeniality, identification, and a sense of community. Purposive incentives are also intangible but are directed at accomplishing the stated goals of the organization. Purposive incentives appeal to an individual's "sense of satisfaction of having contributed to the attainment of a worthwhile cause" (Wilson, 1973:34).

Wilson (1973) also elaborates on the nature of solidary incentives. Wilson distinguishes between specific and collective solidary incentives. As he notes, specific solidary incentives are "intangible rewards arising out of the act of associating that can be given to, or withheld from specific individuals" (Wilson, 1973:34). The value of specific solidary incentives is tied to the fact that they are scarce and only certain individuals receive them. They are supplementary in nature and are often a source of conflict within an organization. Collective solidary incentives, according to

Wilson, are "intangible rewards created by the act of associating that must be enjoyed by a group if they are to be enjoyed by anyone" (Wilson, 1973:34). Even though solidary incentives, according to Wilson (1973), are less flexible than material incentives, they are often just as important and may initially be even more important since they are more immediately available to new members.

Wilson also distinguishes between different types of purposive incentives. Purposive incentives may be divided into three types: goal-oriented, ideological, and redemptive. Goal-oriented purposive incentives are associated with a single specific purpose or set of purposes for a particular segment of society. An organization that employs an ideology-oriented purposive incentive, according to Wilson, "espouses a systematic critique and program; the goals it favors are seen by it as having an important interrelationship and being derived from fundamental assertions about the nature of man and society" (Wilson, 1973:46). Such purposive incentives tend to be political or theological in nature. Redemptive-oriented purposive incentives are associated with efforts to change society and its institutions and the lives of the organization's members. Wilson also proposes that ideology-oriented and redemptive-oriented purposive organizations attract participants who are "prepared to make deep and lasting commitments to the cause, if not the particular organizations" (Wilson, 1973:47).

As Clark and Wilson (1961) note, organizations may and most often do combine the different types of incentives in order to obtain the broadest appeal possible in an effort to promote greater contributions of effort and resources from their members. And as Barnard also proposed, the mixture and adjustments of incentives in any given organization reflects the leadership's efforts to accommodate changes in the composition of organizational members, and the availability and desirability of various incentive resources available to the organization.

Despite the particular mix of incentives employed by any given organization, Wilson proposes that potential new members will generally be attracted by the dominant reward or rewards which the organization has to offer. This reward may be said to represent the organization's primary incentive. This incentive will often be augmented by other supplementary incentives.

As was also suggested by Barnard, Clark and Wilson emphasize the pragmatic aspect of the evolution of an organization's incentive system. As they note, "when an organization fails to provide the material incentives which motivate their members, solidary and purposive rhetoric becomes the principal source of inducements for members ... " (Clark and Wilson, 1961:140). This explanation of the evolution of incentive systems is particularly appropriate in the case of Amway Corporation. Amway has achieved an intermingling of material and non-material incentives held together by a corporate ideology which emphasizes the interplay between material incentives, esprit de corps, and long range purposive goals which include the promotion of conservative social, political, and religious goals. Even though as Clark and Wilson propose, it is difficult to maintain purposive incentives in a utilitarian organization, Amway has been able to accomplish this task by promoting an ideology which is deeply imbedded in what Williams (1970) has labeled the dominant American value system, focusing on such values as individualism, materialism, patriotism, humanitarianism, and idealism.

There are major parallels between Clark and Wilson's incentive model and Etzioni's compliance model. Etzioni (1975), Wilson (1973), and Zald and Jacobs (1978) have all acknowledged the similarities between the two models. Even though alienative involvement in coercive organizations is not represented in the Clark and Wilson model, calculative involvement in remunerative organizations is identical to Clark and Wilson's conceptualization of material incentives employed by utilitarian

organizations. Etzioni's distinction between pure moral and social moral involvement can be seen in Clark and Wilson's conceptualization of purposive and solidary incentives.

As previously mentioned, Zald and Jacobs (1978) have noted the overlap between Etzioni's compliance model and the incentive analysis of Clark and Wilson. Zald and Jacobs have attempted to identify the underlying dimensions that are shared by the two models. Zald and Jacobs define an organizational sanction or incentive as "a reward or deprivation given (or promised-threatened) for participation in organizations and for compliance with organizational norms and behavior expectations" (Zald and Jacobs, 1978:407). Zald and Jacobs propose that incentives represent the delivery of valued outcomes to organizational participants. They propose that there are four underlying dimensions of incentives that are related to their utility. These include: (1) the direction of utility - negative or positive value of the sanction; (2) expected utility - the probability that an incentive will be forthcoming; (3) transferability - the extent to which the reward or punishment is fungible (extrinsic versus intrinsic value); and (4) collective - the extent to which the incentive must be supplied to every member ... or is supplied to individuals. (Zald and Jacobs, 1978:408).

One of the more important aspects of Zald and Jacob's discussion of incentive/compliance systems is their focus on the strength of an organizational incentive and the motivational predisposition of organizational participants. Motivational predisposition refers to the extent to which participants are dependent on the organization for acquiring valued incentives and/or their ability to acquire the incentives elsewhere. As Zald and Jacobs propose:

" ... when participants cannot substitute around or do without the inducement they receive from the organization and when alternative sources of supply are nonexistent, then an organization has a powerful incentive; as the demands made on participants are increased dramatically, few participants will leave the organization. On the other hand, where participants have access to the

inducements from other sources or if they can substitute for or do without such goods, then an increase in the time effort demanded by the organization will result in massive defections by participants" (Zald and Jacobs, 1978:419-20).

The relationship between organizational incentives and individual motives has also been examined by Knoke and Wright-Isak (1982). Knoke and Wright-Isak propose what they refer to as a predisposition/opportunity model of organizational participation. They focus on three dimensions of individual motivation to contribute to an organization: rational choice, normative conformity, and affective bonding. According to Knoke and Wright-Isak, whether or not an individual will invest resources and participate in a given organization is dependent on the fit between an individual's motivational predisposition and the incentive opportunities offered by an organization. As Knoke and Wright-Isak note, the incentive system of an organization operates as a social control mechanism which promotes member contributions to the organization by inducements which match member's motivational predisposition.

Like Clark and Wilson, Knoke and Wright-Isak focus on three types of incentives: utilitarian, normative, and affective. In a manner quite similar to Gould's equity-exchange analysis of organizational involvement, Knoke and Wright-Isak distinguish between the cost-benefit calculations associated with a utilitarian incentive (the rational choice element of the actor's motivational predisposition) and the absence of cost-benefit calculations associated with normative incentives. As Knoke and Wright-Isak comment, with normative incentives, "participation can be encouraged by norms defining such involvement as a moral obligation - in effect, a civic duty" (Knoke and Wright-Isak, 1982:232).

Affective incentives correspond to the affective bonding dimension of an individual actor's motivational predisposition. As Knoke and Wright-Isak propose:

"Interpersonal relationships form the core of any set of affective incentives. Activities are designed to bring an emotional response that will establish affective bonds: social parties and conventions, joint recreational activities, personal contact with a charismatic leader, formal ceremonies to

confirm loyalty and in-group solidarity, testimonial events all serve to motivate commitment on an emotional level" (Knoke and Wright-Isak, 1982:233).

As has been previously mentioned, both normative (purposive) and affective (solidary) incentives are important supplementary inducements used to promote distributor commitment within Amway Corporation. As Clark and Wilson and also Knoke and Wright-Isak have asserted, no organization is limited to a single incentive to motivate member contributions. As Knoke and Wright-Isak propose, "more than one type of incentive can be offered simultaneously to attract new adherents as well as to maintain support of current participants" (Knoke and Wright-Isak, 1982:233).

Knoke and Wright-Isak point to a variety of factors that affect the 'fit' between the motivational predisposition of organizational members and the incentives offered by an organization. To begin with, an organization may selectively recruit new members who are favorably predisposed toward the organization's incentives. Secondly, members are socialized to support the incentives offered by the organization. And as Knoke and Wright-Isak propose, "members acquire additional motives for involvement in mixed incentive systems through exposure to the other incentive offerings and through interaction with members who have alternative motivational attachments ..." (Knoke and Wright-Isak, 1982:242).

Knoke and Wright-Isak differ significantly from Etzioni in that they propose that the evolution of organizational incentive systems is typically from a pure towards a mixed incentive system. They also take their analysis of incentive systems beyond the work of Clark and Wilson by elaborating on the types of mixed incentive systems that might develop. Knoke and Wright-Isak identify 8 types of incentive 'mixes': a nonincentive system (which would parallel Etzioni's category of coercive organizations), three 'pure' incentive systems (utilitarian, normative, affective), three mixed incentive systems: partisan (utilitarian and normative incentives), solidarity

(utilitarian and affective incentives), and service (normative and affective incentives), and a 'full' incentive system which combines all three types of incentives.

Organizational Involvement and Incentives

As has been proposed, there are some conditions under which it is more appropriate to identify and measure the nature of the attachment of organizational participants to a given organization not on the basis of their reaction to the power-means employed by the organization to achieve their compliance, but on the basis of the nature of the incentives utilized by an organization to attract new members and to keep existing ones. In order to identify the situations in which it is more appropriate to rely on incentives to measure involvement, it will be useful to compare Etzioni's compliance model and the incentive analysis model proposed by Clark and Wilson.

For the purposes of the present research the distinctions between Etzioni's compliance model and the incentive system model proposed by Clark and Wilson may be even more enlightening than the similarities. As Wilson (1973) proposed, even though an incentive analysis of organizations would be appropriate for any type of organization, such an analysis is particularly suited to analyzing voluntary associations. As Wilson proposes, "My view is that when dealing with voluntary associations, the concept of inducement is more fruitful than that of compliance chiefly because the relationship between member and executive is not generally seen by either one as a 'subordinated actor' behaving 'in accordance with a directive supported by another actor's power'" (Wilson, 1973:52).

Wilson (1973) also suggests other reasons why an incentive analysis is best suited to analyzing voluntary associations. Specifically, he points out that it is in

voluntary associations that "the effects of incentive systems are most clearly visible, for by definition members cannot be coerced into joining ... and most members ... do not earn their livelihood by their participation" (Wilson, 1973:13). This explanation is particularly relevant to the choice of an operational definition of organizational involvement in the present research. In many respects, the many suborganizations that combine to form Amway Corporation meet these requirements. The majority of Amway's distributors do not make their principal livelihood as a result of their participation in Amway. They have other full-time jobs. Furthermore, membership in Amway is completely voluntary. Anyone may join or leave the organization at any time. And as was previously mentioned by Clark and Wilson, the perception of a superior/subordinate relationship between upline and downline distributors does not exist. And the rejection of such an authority relationship is supported by the elite distributors and the company itself.

Distinguishing Organizational Commitment and Involvement

It is the position of this study that organizational involvement and organizational commitment are theoretically and empirically distinct concepts. The theoretical confusion associated with distinguishing these two concepts is, in part, due to Etzioni's limited unidimensional theoretical definition of organizational commitment. As the literature reviewed illustrates, organizational commitment should be treated as a multidimensional concept that includes both behavioral and attitudinal components.

Another related problem associated with distinguishing between organizational involvement and commitment can also be traced back to Etzioni's compliance model.

By characterizing organizational involvement in terms of both direction and intensity, Etzioni's treatment of the concepts obscures the theoretical distinctiveness of commitment and involvement. As was mentioned previously, intense moral involvement is only one dimension of organizational commitment. As has been suggested by the commitment literature reviewed for the present study, it is quite possible that an individual may be calculatively involved and organizationally committed, without exhibiting any significant moral involvement with that organization.

It is proposed here that organizational involvement refers to the *nature* of an individual's attachment to an organization, whereas organizational commitment refers primarily to the *strength* of the individual's attachment to the organization. Although it is possible to distinguish between different *types* of organizational commitment, it seems reasonable to propose that the nature of an individual's commitment (behavioral or attitudinal) is directly related to the nature of their involvement with the organization.

Ultimately, the issue of conceptually distinguishing between organizational involvement and commitment is an empirical matter. In this regard, an additional dimension of the relevance of the present study is the opportunity it provides for testing this relationship.

Individual Success

One of the major influences on the dominance of the success theme in American society (as well as on the rise of industrial capitalism in general) has been the Protestant ethic. As Weber (1978) noted in his essay *The Protestant Ethic and the Spirit of Capitalism*, the American national character is marked by the 'bourgeois'

view which "... glorifies success in business and acquisition as symptoms of spiritual achievement ..." (Weber, 1978:150). In its earlier form, according to Weber, the Protestant ethic was ascetic in nature and combined two major elements: work as a safeguard against 'unclean living', and secondly, as an end in itself. It is in this second aspect of work that Weber's concept of one's 'calling' emerges. As Weber proposes, according to the Protestant ethic, "... divine providence has prepared for everyone without distinction a particular calling, which he must recognize and in which he must work, and this calling is ... a commandment by God to the individual to work to his Glory" (Weber, 1978:145).

The acquisition of material wealth through ascetically working at one's 'calling' was seen as one's moral obligation to God as well as a sign of God's favor. According to Weber, the Protestant ethic promoted the spirit and practice of capitalism. But as capitalism developed, there was a gradual erosion of the ascetic character of the Protestant ethic. And as Weber proposes, "In the United States, where it has been given most freedom, acquisitiveness, stripped of its religious and ethical meaning, tends today to be associated with purely competitive passions, which often give it the character of a sporting contest" (Weber, 1978:171).

Even though there was an erosion of the religious and ethical dimensions of the Protestant ethic (representative of its evolution into a generalized success theme) in American society; during the 1970s and 1980s the popularity of the theological dimensions of individual material success experienced a resurgence. With the rise of television evangelism, there has been a corresponding increase in the prominence of the message that 'God wants his children to be materially blessed'. Material prosperity is again exhibiting a theological dimension, operating as both a means of serving God and as a sign of God's favor.

In his book, *The American Idea of Success*, Richard Huber examines the various cultural definitions and themes that have been associated with the concept of success. In general, according to Huber (1971), there have been two major approaches to understanding success in American society: a materialistic, wealth and power-oriented approach and a more idealistic, humanitarian approach that emphasized the notion of 'true success'. While the materialistic definition was most often measured in financial terms, the idealistic approach defined 'true' success as: "happiness, the joy of living, developing yourself by doing your best with the faculties that God has given you, leading a self-respecting life with a noble character, peace of mind, service to others, or the love and respect of family, friends, and community" (Huber, 1971:96-7).

Another writer that has focused on two contrasting definitions of success is Burns (1976). In his book, *Success in America, The Yeoman Dream and the Industrial Revolution*, Burns proposes that what many writers view as the traditional definition of success in America, financial and material achievement, is actually a revised theme. According to Burns, in the pre-industrial period, success was defined not in terms of wealth and fame, but competence, independence, and morality. This 'yeoman' dream, emphasized "wealth somewhat beyond one's basic needs, freedom from economic or statutory subservience, and the respect of the society for fruitful, honest industry" (Burns, 1976:13). Burns contends that it was due primarily to the impact of the industrial revolution that the traditional success theme evolved from the 'yeoman' dream to an emphasis on financial riches and an elevated social status.

Burns traces out several changes that combined to lead to the eventual downfall of the traditional definition of success: the first change took place as the theological implications of the morality component was replaced with a more secular interpretation. As Burns notes, goodliness replaced Godliness. The next step in the evolution of the traditional definition of success was ushered in with the beginning of the in-

dustrial revolution. It was at this point, Burns proposes, that material success began to upstage competence, independence, and morality as the dominant elements of the success theme in American culture. As Burns points out, "loss of prestige, loss of wealth, loss of independence, (and) loss of mobility all combined to negate the mechanic's dream of yeomanry" (Burns, 1976:127). As material wealth gained a foothold as the dominant element in the success theme, the focus on competence gave way to an emphasis on the role of competition. Previously held concerns about the problems of excessive self-interest became over-shadowed by the social Darwinist view that the fittest survive and succeed. And as Burns notes, the social Darwinist perspective provided a convenient explanation for the large numbers of materially unsuccessful members of society: they were individually incompetent.

Although this message may be seen in various examinations of the success theme in American society, Huber (1971) rejects the position that this idea was promoted by the writers of success tracts. According to Huber, professional success writers ignored the social Darwinist argument since it was primarily at odds with the dominant theme in their writings: Christianity and humanitarianism. However, as Huber also notes, it is necessary to distinguish between the intent of the success writers and the uses their materials later served. Although, according to Huber, the professional success writers were politically neutral, after the 1860s, the influence of their writing was conservative in almost all cases.

As a conservative influence, the success theme served the function of reinforcing and supporting the status quo in American society. As Huber proposes, 'true success' was an opiate of the people. It redirected their attention away from the material success they were unable to achieve and toward a more achievable alternate set of goals. According to Huber,

'From a humanitarian viewpoint, 'true success' was comforting and merciful. From a political viewpoint, it was an adaptive mechanism which drained away discontent by raising a goal which

was above material success and which could be measured by the individual rather than the community. Further, the suspicion that the rich are miserable with their riches was an illusion which the poor used to reconcile themselves to their poverty" (Huber, 1971:397).

The dominant success theme, according to Huber, emphasized material achievement and was expressed in terms of status and fame. One of the major consequences of this emphasis was its impact on the relationship between work and leisure. As Huber proposes, "success was the result of work transformed into the symbols of leisure" (Huber, 1971:440). The nature of one's leisure symbolically represented the extent of one's success. In this formula for the success model, leisure is less a 'liberator for self-fulfillment' than it is a 'slave of status'. (Huber, 1971:440).

Gordon has also examined the relationship between the experience and the symbols of success. As he (1983) proposes, there has been a shift in how success is experienced. Although it was traditionally an inner experience, it is in contemporary times, according to Gordon, an outward experience or spectacle. The symbolism of success is pervasive, he asserts, and "the definition of the ultimate form of that success is, generally, more materialistic than ever before" (Gordon, 1983:260). The drive for material success and the symbolic trappings associated with it can be seen as somewhat narcissistic. As he proposes, "organizational participants get trapped in a narcissistic power dynamic that is protected by the myth of the role of competition in the enterprise and in capitalism, and are thus driven by the symbolism of success" (Gordon, 1983:266).

Gordon also criticizes the means that are sometimes encouraged for organizational participants to adopt in their pursuit of success. Specifically, Gordon proposes that personal development approaches to success like Dale Carnegie seminars and the like "exploit the individual's anxiety and advance the belief that success depends on psychological manipulation rather than, say, task accomplishment" (Gordon, 1983:266). While there is in all likelihood, some positive consequences of adopting a

positive mental attitude, as Gordon asserts, it is no substitute for goal-directed task activity. This is particularly evident among Amway distributors. A positive attitude will be important in helping a distributor cope with rejection as they attempt to sponsor and sell products, but it will not serve as a substitute for selling products and sponsoring new recruits.

Huber has also criticized the impact that success values have had on perceptions of acceptable means for becoming successful. The 'success complex' in American society, Huber concludes, promotes an acceptance of a material standard of success that inevitably leads to the adoption of any means which will achieve the end. According to Huber,

"If the idea of success placed so much pressure on the individual to get ahead, then was it not doing so by misrepresenting the nature of opportunity in America and helping to create a world in which failure was shameful and happiness improbable? Success values encouraged neurotic or criminal behavior in some people whose level of aspiration was set above their level of potential. It was a source of anxiety, humiliation, and guilt" (Huber, 1971:448).

This negative consequence of the 'success complex' can be seen operating in some distributor organizations in Amway Corporation. The guilt element, as was previously mentioned, has unfortunately played a significant role in the more authoritarian, 'Black-Hat' lines of sponsorship in Amway. Although it might be more anxiety-reducing for the individual to accept a less demanding set of expectations, Huber points to the possible impact such a cultural change might have on the productivity of the society as a whole, and questions if the individual benefits of such a change are worth the potential societal costs.

Huber's analysis of the American idea of success parallels, to some degree, the work of Merton (1968). In his book, *Social Theory and Social Structure*, Robert Merton also examines the success theme in American culture. As Merton noted, "the moral mandate to achieve success thus exerts pressure to succeed, by fair means if possible and by foul means if necessary" (Merton, 1968:223). This 'moral mandate'

to succeed, according to Merton, emphasizes the individual's moral obligation to be successful. Opportunities for material success are open to all Americans and, consequently, failure to achieve material success is a result of an individual's loss of ambition. Merton, like Huber and Burns, proposes that "contemporary American culture continues to be characterized by a heavy emphasis on wealth as a basic symbol of success, without a corresponding emphasis upon the legitimate avenues on which to march toward this goal" (Merton, 1968:193).

As can be seen in the work of Merton and Huber, much of the emphasis of the success theme in American culture can be traced back to the role of values in determining cultural expectations. The impact of values on American society has been examined most extensively by Robin Williams (1970). Williams compares achievement and success and, like Merton, emphasizes the relationship between means and ends in distinguishing between the two concepts. According to Williams, Whereas achievement refers to valued accomplishments, success lays the emphasis upon rewards. Amoral success striving may not have gone to the lengths suggested by some observers, but the important point is that once success goals are divorced from the ultimate values of society, the way is opened for a corrosion of regulative norms" (Williams, 1970:455-6).

Despite this warning about the potentially negative consequences of an over-emphasis on success, Williams views the relationship between task performance, achievement, and success as a basically positive force in the American cultural tradition. As Williams states,

"In the United States, the available evidence suggests that, even though success is often regarded as an end in itself and sometimes there is almost no positive relation between success and moral virtue, yet the success pattern is still linked to achievement, achievement is still associated with work, and work is still invested with an almost organic complex of ethical values. Thus, success is still not a primary criterion of value in its own right but rather a derivative reward for active, instrumental performance" (Williams, 1970:456).

Williams, like most other observers of American society, points to the emphasis on money as a dominant measure of success and self-worth. As Williams notes, "there is a strong tendency to use money as a symbol of success. Money comes to be valued not only for itself and for the goods it will buy, but as symbolic evidence of success and, thereby, of personal worth" (Williams, 1970:457).

This theme can also be traced even further back to some of the work of Charles Horton Cooley (1899). In an essay examining the impact of personal competition on the individual and society, Cooley emphasized the relative nature of cultural definitions of success. The variations in expectations across groups and organizations produce strains and conflicts in an individual's perception of what constitutes success. Cooley reasons that this requires choices to be made between different kinds of success.

Despite the differences in beliefs about what constitutes success, wealth seems to be the dominant standard for defining success in American society. One reason for this, according to Cooley, is the symbolic and highly convertible nature of money. Wealth can be converted into many forms of power and this reinforces its attractiveness as a measure of success. However, Cooley criticizes what he perceives to be American society's preoccupation with only wealth as a meaningful measure of success. According to Cooley, "We must, then, conclude that the standard of success which our age presses most strongly upon our attention is a narrow and, in some sense, a low one. It needs to be raised and diversified. The standard of success should be the symmetrical reflection of all the needs of human nature, not the exaggerated image of a few of them" (Cooley, 1899:172).

For Cooley, 'true success' can only be achieved when the individual is motivated by higher order needs. From this perspective, "success begins to take on a social or moral character and the object striven for becomes more and more the production

of some effect upon the minds of others, the achievement of respect, honor, power, love, or beneficence" (Cooley, 1899:167).

Cooley also discusses the relationship between success and personal ability and integrity. Although there may be those individuals that propose that success is more often a result of deviant than approved means, Cooley asserts that "the man who endeavors to be honest, according to the standards inculcated in the society of which he is a part, is more likely to attain worldly success, other things equal, than one who does not. It is not so much a matter of causation as of correlation: success and honesty have normally a common root in a sound mind" (Cooley, 1899:135).

But as both Burns and Merton, as well as many others, have proposed, all things are not equal. Opportunities to achieve material prosperity are limited. For those that cannot or do not achieve society's material goals by acceptable means, there is always the option to pursue alternative, deviant means or to redefine success in some compensatory fashion that emphasizes social and/or moral definitions of success.

Success and Amway

As the previous review of literature on success suggests, there are a variety of ways in which success may be defined. The same observation may also be made of the different views of success held by Amway distributors. Although there are a wide variety of different goals associated with participating in Amway that may appeal to one group of distributors but not another, there are also many goals which Amway distributors hold in common. Success in Amway may be associated primarily with being one's own boss. Or it may be equated with helping others to attempt to reach their financial goals. Like beauty, beliefs about what constitutes 'success' are often

quite subjective. And while it would certainly be informative and interesting to examine a variety of subjective beliefs about what constitutes success in Amway, such an objective is beyond the scope of the present study.

The present study will focus, instead, on the readily measurable objective indicators of successful distributor task performance in Amway: the 'pin' level achieved by distributors, the level of distributor's retail sales of Amway products, and the size of a distributor's personal group. These objective measures focus on what might be considered successful task performance. As Williams (1970) noted, there is a strong tie between achievement and performance in one's business activities and perceptions of success. And even if successful task performance is not defined by an individual distributor as personal success, it is certainly a measure of success that is relevant at the organizational level.

Organizational Involvement, Commitment, and Success in Amway

As was discussed in the beginning of this Chapter, Amway Corporation is a successful multi-level direct sales company that specializes in personal and home-care products. Amway Corporation actively promotes high moral involvement on the part of its distributors, in hopes of increasing their loyalty to Amway and their level of successful task performance as distributors. The activities of Amway, and other similar organizations, raises the following question: How effective is the strategy of combining moral and calculative involvement in order to increase the level of suc-

successful task performance among lower participants in a complex, bureaucratic organization?

The social science literature reviewed in the present study suggests two different answers to this question. The works of Weber (1947) and Etzioni (1961, 1975) indicate that moral involvement is inappropriate and likely to be ineffective in a bureaucratic, remunerative organization. The works of Barnard (1938), Clark and Wilson (1961), Schein (1980), and Zald and Jacobs (1978) suggest a different answer to the question posed above. As previously discussed, their research demonstrates that combining calculative and moral involvement in bureaucratic, remunerative organizations may well enhance the level of contributions made by lower participants.

Another major conceptual dimension to the present study is the role of organizational commitment in promoting successful task performance in bureaucratic organizations. As previously noted, literature reviewed in the present study supports the positions that organizational commitment is a multi-dimensional concept. Hence, it has been proposed (Kidron, 1978; Kuhn and Geis, 1984) that organizational commitment can be divided into moral and calculative dimensions. This approach to explaining organizational commitment appears to suggest that organizational commitment generally will result in high levels of successful task performance, provided lower participants are both morally and calculatively involved in the organization.

The present study empirically examines the above hypothesis by focusing on the effects of calculative and moral involvement on the relationship between organizational commitment and successful task performance among a sample of Amway distributors. The level of success achieved by Amway Corporation (global retail sales and overall distributor organization growth), and the prominent role of moral involvement and organizational commitment among distributors, enhances the significance and relevance of selecting Amway Corporation as the organization in which

to study the relationship among organizational involvement, commitment, and success.

The hypothesized relationship among organizational involvement, organizational commitment, and distributor success may be seen in Figure 2 on page 84. Let us now turn to a detailed enumeration of each of the conceptual hypotheses tested in the present study.

Conceptual Hypotheses

Organizational Commitment and Amway Distributor Performance

It is proposed in the present research that there is a positive relationship between organizational commitment and successful Amway distributor performance. The following hypotheses will be used to test this proposed relationship:

- H1: There is a positive relationship between the level of organizational commitment of Amway distributors and the overall level of success they achieve as Amway distributors.
- H1a: There is a positive relationship between the level of value commitment of Amway distributors and the overall level of success they achieve as Amway distributors.
- H1b: There is a positive relationship between the level of commitment of Amway distributors to remain in Amway and the overall level of success they achieve as Amway distributors.
- H2: There is a positive relationship between the level of organizational commitment of Amway distributors and the 'pin' level they achieve as Amway distributors.
- H3: There is a positive relationship between the level of organizational commitment of Amway distributors and the size of Amway distributors' personal groups.

H4: There is a positive relationship between the level of organizational commitment of Amway distributors and the number of Amway distributors they have personally sponsored.

H5: There is a positive relationship between the level of organizational commitment of Amway distributors and the PV level of their personal groups.

H6: There is a positive relationship between the level of organizational commitment of Amway distributors and their own personal PV level.

Organizational Involvement and Commitment

In order to test the relationship between organizational involvement and commitment, the following hypotheses will be tested:

H7: There is a positive relationship between organizational involvement and organizational commitment among Amway distributors.

H8: There is a positive relationship between the level of calculative involvement of Amway distributors and their level of organizational commitment to Amway.

H9: There is a positive relationship between the level of moral involvement of Amway distributors and their level of organizational commitment to Amway.

H10: There is a positive relationship between the level of calculative and moral (combined) involvement of Amway distributors and their level of organizational commitment to Amway.

Involvement, Commitment, and Successful Distributor Performance

The present study proposes that the relationship between organizational commitment and successful distributor performance is influenced by the nature of the organizational involvement of Amway distributors. The following hypotheses are proposed:

H11: There is a positive relationship between the level of overall success and organizational commitment of Amway distributors when they are calculatively involved.

- H12: There is a positive relationship between the level of overall success and organizational commitment of Amway distributors when they are morally involved.
- H13: There is a positive relationship between the level of overall success and organizational commitment of Amway distributors when they are both calculatively and morally (combined) involved.
- H14: The strength of the relationship between organizational commitment and overall distributor success depends on the level and nature of organizational involvement. The relationship will be strongest for distributors exhibiting combined involvement, will be somewhat less strong for calculatively involved distributors, and will be weakest when distributor's organizational involvement is moral in nature.

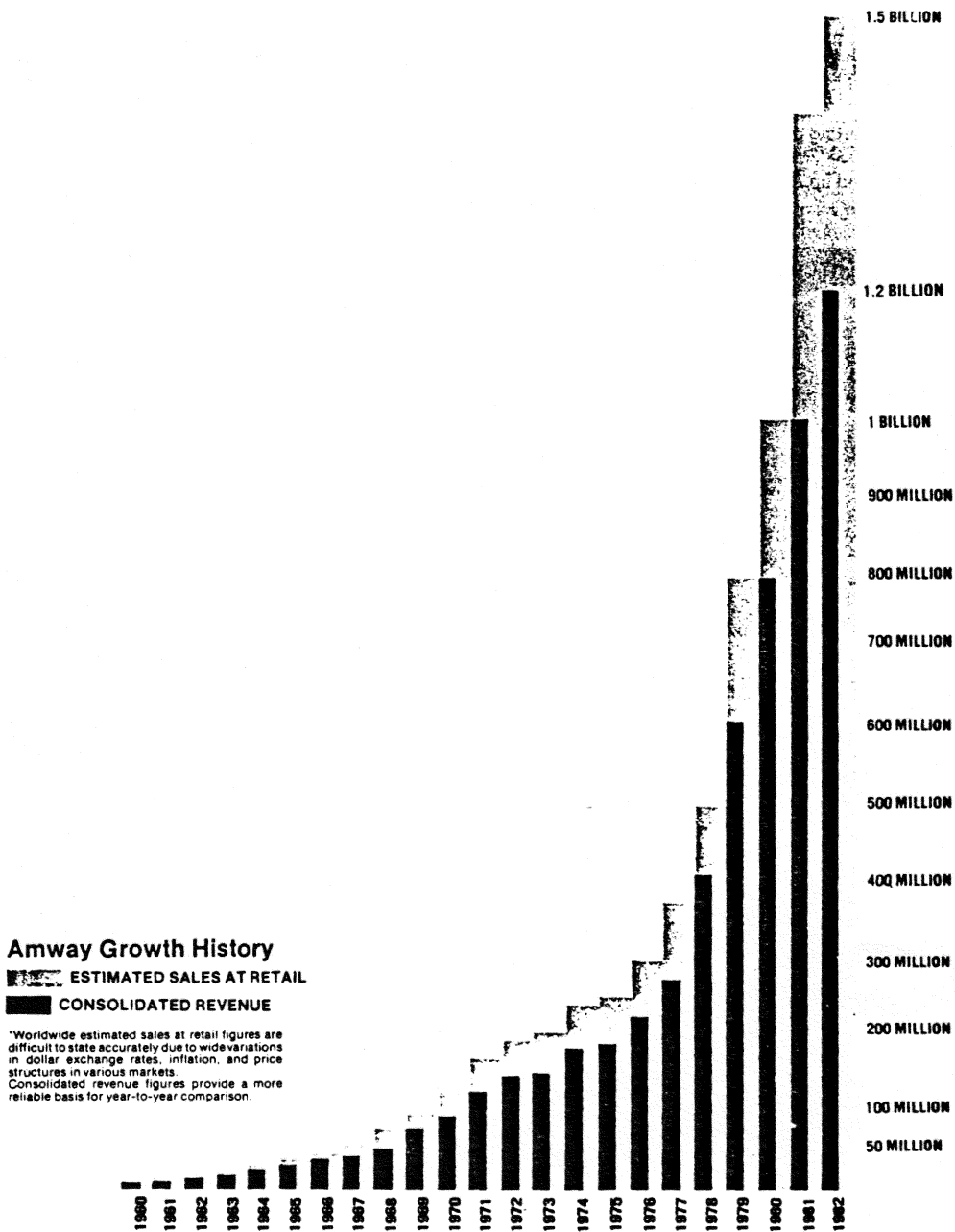


Figure 1. Yearly Retail Product Sales Growth

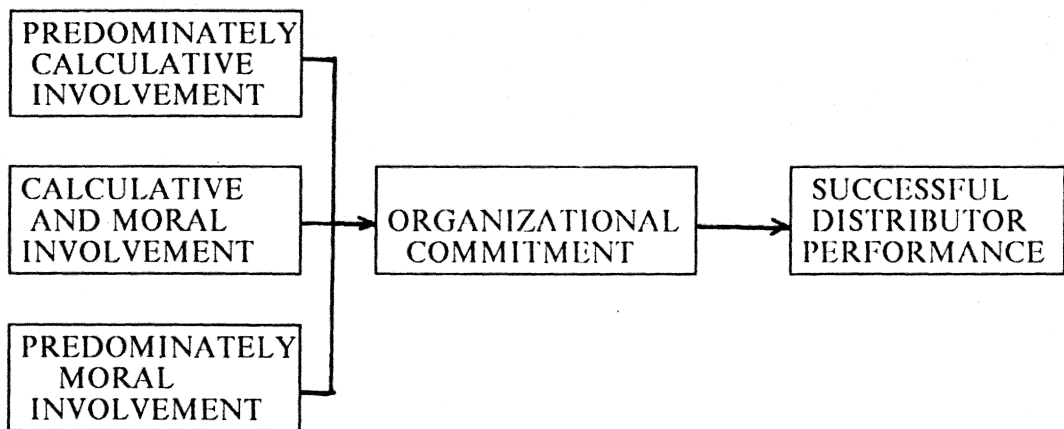


Figure 2. The Conceptual Model of the Relationship Between Organizational Involvement, Commitment, and Distributor Success.

Chapter 3

Research Methods

In the first part of chapter 3 the major variables of interest and the conceptual hypotheses will be operationalized. In the next section, the data collection process utilized by the present study will be presented. This section of the chapter will focus on the 'life history' of the data collection process and the role that a 'triangulation' approach to research methods played in the present study.

Operational Definitions of Key Variables

Organizational Commitment

In the present study, the organizational commitment questionnaire designed by Mowday, Steers, and Porter (1979) will be used to measure organizational commit-

ment. The OCQ is the most thoroughly tested measure of organizational commitment at the present time and is based on both behavioral and attitudinal dimensions of commitment.

The OCQ is a fifteen item scale that is based on the three components of the theoretical definition of organizational commitment proposed by Mowday et al. (1979). As was previously mentioned, Mowday et al. propose that organizational commitment may be defined as: "the relative strength of an individual's identification with and involvement in a particular organization. It can be characterized by at least three related factors:

1. A strong belief in and acceptance of the organization's goals and values;
2. A willingness to exert considerable effort on behalf of the organization;
3. A willingness to maintain membership in the organization. (Mowday et al., 1979:226).

In order to test the generalizability of their scale, Mowday et al. used the scale to measure organizational commitment for 2,536 individuals working in a variety of jobs in nine different work organizations. The scale was tested on public employees, classified university employees, hospital employees, bank employees, telephone company employees, scientists and engineers, auto company managers, psychiatric technicians, and retail management trainees.

The OCQ is constructed as a seven point Likert scale ranging from strongly disagree to strongly agree. Respondents are asked to indicate their level of agreement or disagreement to fifteen items describing their attitudes toward Amway. Presented below is the Mowday et al. scale as it has been adapted to Amway.

Organizational Commitment Scale

1. I am willing to put in a great deal of effort beyond that normally expected in order to help Amway be successful.
2. I talk up Amway to my friends as a great organization with which to be involved.
3. I feel very little loyalty to Amway.
4. I would accept almost any type of job assignment in order to maintain my involvement with Amway.

5. I find that my values and Amway's values are very similar.
6. I am proud to tell others that I am part of Amway.
7. I could just as well be involved with a different organization as long as the type of work was similar.
8. Amway really inspires the very best in me in the way of my personal performance.
9. It would take very little change in my present circumstances to cause me to leave Amway.
10. I am extremely glad that I chose this organization to be involved with over others I was considering at the time I joined.
11. There's not too much to be gained by sticking with Amway indefinitely.
12. Often, I find it difficult to agree with Amway's policies towards its distributors on important matters.
13. I really care about the fate of Amway.
14. For me this is the best of all possible organizations with which to be involved.
15. Deciding to become involved with Amway was a mistake on my part.

Based on the wide variety of respondents and organizational settings in which their scale was tested, Mowday et al. concluded that their scale had substantial empirical support. According to Mowday et al.,

"Reasonably strong evidence was presented for the internal consistency and test-retest reliability of the OCQ. Compared with other measures, the items of the OCQ were found to be reasonably homogeneous and the results suggest that the overall measure of organizational commitment was relatively stable over short periods of time. Evidence was also presented of acceptable levels of convergent, discriminant and predictive validity, particularly when compared against other similar attitude measures" (Mowday, 1979:243).

There is another advantage in using the OCQ to measure organizational commitment. As has been noted in the literature on organizational commitment, it is important to consider different dimensions of commitment as well as different levels of commitment. As Angle and Perry (1981) have demonstrated, it is possible to break down the OCQ into behavioral and attitudinal components. Based on a factor analysis of the OCQ, Angle and Perry identified two empirically distinct types of commitment: value commitment and intent to remain in the organization. The value commitment items seem to represent, according to Angle and Perry, what Etzioni (1975) has proposed as moral involvement, whereas the commitment to stay items seem to represent Etzioni's concept of calculative involvement. Since the OCQ measures both dimensions of commitment, it will be possible to test to see if differ-

ences in successful distributor performance are related to these two different dimensions of commitment.

Organizational Involvement

Based on the work of Etzioni (1961, 1975), organizational involvement will be defined theoretically as the nature of one's participation with an organization. According to Etzioni, "involvement refers to the cathectic-evaluative orientation of an actor to an object, characterized in terms of intensity and direction" (Etzioni, 1975:8). As he develops it, intensity ranges from high to low while direction ranges from positive to neutral to negative. For Etzioni, highly intense, negative involvement may be referred to as alienation and highly intense positive involvement is referred to as commitment. Calculative involvement corresponds to moderate to low intensity and is directionally neutral.

According to Etzioni (1961,1975) the nature of lower participant's involvement with an organization is determined predominantly by their reaction to the type of power-means employed to achieve compliance to organizational directives. Etzioni distinguishes between three types of involvement: coercive, calculative, and moral. Of the three, only calculative and moral involvement are relevant to the present study.

As was mentioned in the previous chapter, it may be useful to adapt Etzioni's concept in order to make it more applicable to measuring involvement in Amway. The nature of the changes that would be useful in adapting the concept have been suggested by the literature on organizational incentives. As was noted in the previous chapter, it may be more useful to rely on organizational incentives, as opposed to

lower participant's reactions to power-means, when analyzing organizations that are similar to voluntary associations.

Wilson (1973) has noted several reasons why an incentive analysis is appropriate to analyzing voluntary associations. To begin with, the relationship between lower and higher participants does not take the form of subordinate and superior. In addition to this, members of voluntary associations cannot be coerced into joining and most of them do not earn their principal livelihood by their participation.

This explanation is particularly relevant to the choice of an operational definition of organizational involvement in the present study. In many respects, the many suborganizations that combine to form Amway Corporation meet these requirements. The majority of Amway's distributors do not make their principal livelihood as a result of their participation in Amway. They have other full time jobs. Furthermore, membership in Amway is completely voluntary. Anyone may join or leave the organization at any time. And even though the form of the relationship between upline sponsor and downline recruit appears to follow a superior/subordinate relationship, this view of the relationship is rejected by both lower and higher participants in Amway.

Unlike the scale used to measure organizational commitment, there is no existing scale which can be used to measure organizational involvement. As was noted, though, the literature on incentive systems has served as a guide for developing a scale to measure the organizational involvement of Amway distributors.

The development of the incentive items was based on rationales for participating in Amway promoted by the company. The items were drawn from sponsoring materials and motivational talks given by Amway distributors as well as from audio cassette tapes used to socialize and motivate distributors and new recruits and prospects.

In order to assess the nature of distributor's involvement with Amway, respondents were asked to indicate the importance of various rationales (incentives) for participating in Amway. Although the list of items is certainly not inclusive, it is representative of the major rationales for participating in Amway. A five point Likert scale was used to assess the strength of the incentives which distributor's selected to explain their participation in Amway. Distributors were asked to indicate the importance of the following items (very unimportant, unimportant, not sure, important, very important) for their continuing participation in Amway:

Organizational Involvement Scale

My participation in Amway:

1. helps me meet my current financial obligations.
2. helps me get closer to God and promote religious values.
3. allows me to take advantage of certain tax deductions.
4. allows me to improve America by promoting free enterprise.
5. gives me the opportunity to associate with friendly people.
6. will help me attain personal financial freedom.
7. provides me with a means for helping others.
8. provides me with a method for earning discretionary income.

In order to safeguard against the possibility that distributors would rank all rationales as very important, distributors were next asked to rank-order the items in relation to their importance to them. The scale, then, is able to distinguish the strength of each incentive as well as the relative importance of the types of incentives represented in the scale.

Scale items 1,3,6, and 8 represent material incentives and therefore calculative involvement. These items will be summed in order to construct a continuous, interval scale representing calculative involvement. Scale items 2,4, and 7 represent purposive incentives and scale item 5 represents a solidary incentive. The purposive and solidary incentives will also be summed in order to construct a scale representing

moral involvement. All 8 items will be summed to construct a continuous, interval scale representing combined involvement.

Individual Success

Attempting to define and measure individual success in an organization is a difficult and subjective task, and is similar to identifying what an individual perceives as rewarding. It is, however, possible to define individual success with less difficulty in the context of a particular organizational setting: in this case, Amway Corporation. Amway goes to great lengths to specify what may be said to constitute successful distributor performance. For the most part, this has been identified by Amway as achieving personal financial freedom. Other measures of successful distributor performance may be drawn from the incentives used to measure involvement: helping other distributors to achieve their financial goals, contributing to the promotion of free enterprise, strengthening the moral fiber of society, and personal fulfillment. These goals are quite idealistic and difficult to objectively measure.

For the purposes of this research, individual distributor success in Amway will be measured by the following items: the 'pin' level achieved by the distributor, the size of an Amway distributor's personal group, the number of distributors personally sponsored by a distributor, the Amway distributor's personal group's PV level, and the individual PV level of the individual Amway distributor.

Successful Task Performance Items

1. Pin Level:

- | | |
|------------------|-------------------|
| a. Below 1500 PV | h. Emerald Direct |
| b. 1500 PV | i. Diamond Direct |
| c. 4000 PV | j. Double Diamond |

- | | |
|-----------------------|---------------------|
| d. Silver Producer | k. Triple Diamond |
| e. Direct Distributor | l. Crown Direct |
| f. Ruby Direct | m. Crown Ambassador |
| g. Pearl Direct | |

2. How many distributors are in your personal group?
3. How many of these distributors did you personally sponsor?
4. What is your monthly group P.V. level?
5. What is your monthly personal P.V.level?

Amway 'pins' are earned on the basis of the total accumulated monthly retail sales of an Amway distributor's personal group. According to the Amway distributor's career manual, an Amway distributor's *personal group* may be defined as: "those distributors whom a Direct distributor sponsors either directly or indirectly but not including any who are sponsored by a Direct distributor whom he sponsors" (Your Career With Amway, 1980). The monthly retail sales volume of an Amway distributor's personal group is expressed in two ways: business volume (BV) and point value (PV). As a distributor's level of personal and group retail sales increases, the performance bonus they receive for those sales increases. All Amway products have a point value that is more or less associated with the retail value of the product. Point value is independent of business volume in order to build in greater flexibility in the pricing structure and to maintain some stability in the performance bonus schedule. The relationship between BV and PV can be seen in Figure 3 on page 108, which is taken from the Amway Distributor's career manual. As was previously mentioned, 'pin' level is associated with the level of retail sales for an Amway distributor's personal group. Figure 4 on page 109, is taken from the Amway distributor's career manual and describes the hierarchy of 'pins' and the requirements for earning them.

The five measures of successful Amway distributor performance are closely related to each other. 'Pin' level is directly related to the level of of monthly retail sales made by an Amway distributor's personal group. And as distributors themselves

point out, the best way to promote products sales in one's downline personal group is to demonstrate leadership by selling products oneself.

The relationship between product sales, personal group size, and a distributor's 'pin' level is a direct one. This is due to the fact that as the size of the personal group increases, this also increases the level of business volume (BV) of the group. While it is possible that a particular Amway distributor group might experience some growth in size (number of members) without experiencing any substantial growth in business volume (and, therefore, PV) in most cases it is likely that increases in group size will be associated with increasing personal group PV and the 'pin' level of the distributor that has set up that personal group.

Unlike the organizational commitment and involvement scales, the items used to create the overall distributor success scale are operationalized at differing levels of measurement. Pin level is an ordinal level variable, whereas the four other indicators of successful distributor performance are interval level variables. In order to combine these different measures into a single scale, it was necessary to standardize the individual measures. The first step in this process was to determine if the five variables represented a single empirical factor. Results of a factor analysis showed that the five different measures did, indeed, represent a single empirical factor. The results of the factor analysis will be presented in the following chapter. The factor analysis produced a factor score coefficient which was then used to weight the separate variables used to construct the overall distributor success scale. The following formula was used to compute the overall distributor success scale:

$$\text{Overall Distributor Success} = F_1 z_1 + F_2 z_2 + F_3 z_3 + F_4 z_4 + F_5 z_5$$

where $z_i = \frac{x_i - \bar{x}_i}{s_i}$, $i = 1, 2, 3, 4, \text{ and } 5$ and F_i is the factor score coefficient

for each of the five successful distributor performance indicators. (Nie et al., 1875:487-8).

Operational Hypotheses

Organizational Commitment and Amway Distributor Performance

It is proposed in the present research that there is a positive relationship between organizational commitment and successful Amway distributor performance. The following hypotheses will be used to test this proposed relationship:

- OH1: There is a statistically significant positive relationship ($p < .05$) between the level of organizational commitment of Amway distributors and the level of overall success they achieve as Amway distributors.
- OH1a: There is a statistically significant positive relationship ($p < .05$) between the level of value commitment of Amway distributors and the level of overall success they achieve as Amway distributors.
- OH1b: There is a statistically significant positive relationship ($p < .05$) between the level of commitment of Amway distributors to remain in Amway and the overall level of success they achieve as Amway distributors.
- OH2: There is a statistically significant positive relationship ($p < .05$) between the level of organizational commitment of Amway distributors and the 'pin' level they achieve as Amway distributors.
- OH3: There is a statistically significant positive relationship ($p < .05$) between the level of organizational commitment of Amway distributors and the size of Amway distributor's personal groups.
- OH4: There is a statistically significant positive relationship ($p < .05$) between the level of organizational commitment of Amway distributors and the number of Amway distributors they have personally sponsored.

OH5: There is a statistically significant positive relationship ($p < .05$) between the level of organizational commitment of Amway distributors and the PV level of their personal groups.

OH6: There is a statistically significant positive relationship ($p < .05$) between the level of organizational commitment of Amway distributors and their own personal PV level.

Organizational Involvement and Commitment

In order to test the relationship between organizational involvement and commitment, the following hypotheses will be tested:

OH7: There is a statistically significant positive relationship ($p < .05$) between organizational involvement and organizational commitment among Amway distributors.

OH8: There is a statistically significant positive relationship ($p < .05$) between the level of calculative involvement of Amway distributors and their level of organizational commitment to Amway.

OH9: There is a statistically significant positive relationship ($p < .05$) between the level of moral involvement of Amway distributors and their level of organizational commitment to Amway.

OH10: There is a statistically significant positive relationship ($p < .05$) between the level of calculative and moral (combined) involvement of Amway distributors and their level of organizational commitment to Amway.

Involvement, Commitment, and Successful Distributor Performance

The present study proposes that the relationship between organizational commitment and successful distributor performance is influenced by the nature of the organizational involvement of Amway distributors. The following hypotheses are proposed:

OH11: There is a statistically significant positive relationship ($p < .05$) between the level of overall success and organizational commitment of Amway distributors when they are calculatively involved.

- OH12: There is a statistically significant positive relationship ($p < .05$) between the level of overall success and organizational commitment of Amway distributors when they are morally involved.
- OH13: There is a statistically significant positive relationship ($p < .05$) between the level of overall success and organizational commitment of Amway distributors when they are both calculatively and morally (combined) involved.
- OH14: There is a statistically significant positive impact ($p < .05$) associated with the level and nature of Amway distributors' organizational involvement on the strength of the relationship between overall distributor success and organizational commitment. The relationship will be strongest for distributors exhibiting combined involvement, will be somewhat less strong for calculatively involved distributors, and will be weakest for morally-involved distributors.

Data Collection

Introduction

Conducting social science research on business organizations can often be difficult. Some of the obstacles that must be overcome include: gaining access to relevant information, cultivating the acceptance and confidence of respondents, as well as maintaining objectivity about the respondents and the research, to just name a few. These difficulties and others characterized the present study.

As critics of a value-free social science have insisted, even so basic an act as selecting a problem to study is guided by the values and interests of the researcher (Mills, 1961). This is certainly true of the present study. In retrospect, the researcher's sociological interest in Amway Corporation can be traced back to his initial contact with the organization in 1980. Like anyone else that is contacted by an Amway distributor and invited to an 'opportunity meeting,' the researcher and his wife attended a small 'open meeting' and were shown the Amway Sales and Market-

ing Plan. The researcher resisted this and many subsequent attempts to persuade him to become an Amway distributor, but something just as committing, nevertheless, had happened. The researcher's interest had been sparked by the dynamic nature of the organization, its recruiting strategies, and even more importantly from a sociological perspective, the opportunity such an organization provided for studying the impact of value rational and affective forms of participation on individual task performance in a bureaucratic organization.

Developing from this point, the present study went through a gradual process of evolution, and did not emerge 'full-blown' at one point in time. One factor that influenced the evolution of the study was the attempt to combine an objective approach to examining the organization with what Weber (1964) referred to as *verstehen*: a subjective, empathetic understanding of the social meanings attached to participation in an organization by insiders.

In more recent times, this combined approach to studying social phenomena has been referred to as 'triangulation' (Denzin, 1978). Denzin advocates the use of multiple research methods, theoretical perspectives, and researchers in order to promote a broader understanding of social reality. This approach emphasizes the combination of both quantitative and qualitative approaches to social research. These two approaches have been described by Bogdan and Taylor (1975). As they note,

"The positivist searches for 'facts' and 'causes' through methods such as survey questionnaires, inventories, and demographic analysis, which produce quantitative data and which allow him or her to statistically prove relationships between operationally defined variables. The phenomenologist, on the other hand, seeks understanding through such methods as participant observation, open-ended interviewing, and personal documents. These methods yield descriptive data which enable the phenomenologist to see the world as subjects see it." (Bogdan and Taylor, 1975:2)

Drawing on the work of Weber, Giddens (1976) has emphasized the importance of qualitative methodologies, and specifically, of what has been labeled *verstehen*. As Giddens notes, *verstehen* can be seen as: "the psychological re-enactment or imaginative reconstruction of the experience of the other which is demanded of the ob-

server who wishes to study human social life and history." (Giddens, 1976:55). Although, as Giddens notes, critics of *interpretative* sociology have asserted that such methodologies are useful only in generating research hypotheses and reducing anxieties about the meaning of concepts in the beginning stages of research, there are reasons for emphasizing the importance of *verstehen* in the research process. As Giddens proposes:

"... a social investigator draws upon the same sorts of resources as laymen do in making sense of the conduct which it is his aim to analyze or explain; and vice versa, that the 'practical theorizing' of laymen cannot merely be dismissed by the observer as an obstacle to the 'scientific' understanding of human conduct, but is a vital element whereby that conduct is constituted or 'made to happen' by social actors" (Giddens, 1976:52-3).

The Usefulness of Triangulation in the Research Process

In the present study, a triangulated research method was used that was characterized by a blending of theoretical social science concepts and ideas with the more specific views of the subjects being studied. Initial hypotheses, and even the survey instrument itself, evolved as the researcher became more familiar with the subjects. One aspect of the triangulation method used in the present study was the use of multiple research strategies.

A case study approach which also included the use of a survey was used in the present study. Such an approach has been discussed by Yin (1984). Despite criticisms, case studies are becoming increasingly more popular as a research method. According to Yin (1984), "the distinctive need for case studies arises out of the desire to understand complex social phenomena ... The case study allows an investigation to retain the holistic and meaningful characteristics of real-life events ..." (Yin, 1984:14). By combining survey and case study approaches, the present study will

be better able to uncover the subjective viewpoint of respondents towards the role of moral involvement in a bureaucratic organization.

Yin defines a case study as "an empirical inquiry that: investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used" (Yin, 1984:23). Yin points to a number of factors that enhance the appropriateness of using a case study design. First, a case study is appropriate when the case in question represents some critical observation or meets the conditions necessary for testing a particular theory. A case study is also appropriate "where the case represents an extreme or unique case" (Yin, 1984:43). A case study may also be appropriate where the case provides 'revelatory' insights into some phenomenon.

The use of Amway Corporation as a specific case in order to examine the role moral involvement plays in promoting successful task performance in a complex, bureaucratic organization may be justified on the basis of several of the above conditions. First, Amway is a particularly well-suited organization for testing Etzioni's model of compliance. Second, Amway is also an example of an organization in which the moral involvement dimension of participant's attachment to the organization is especially high. And as one of the initial organizations to actively promote moral and calculative involvement, Amway as a case may be proposed to have revelatory potential.

One of the major criticisms of using a case study design specifically, and of qualitative research methods in general, is the problem of generalizability. But as Yin has noted, "case studies, like experiments, are generalizable to theoretical propositions and not to populations or universes" (Yin, 1984:21). Another criticism that is directed at case studies concerns the issue of verifying the validity of the findings. But as Liebow (1967) and others (Gouldner, 1954; Guest et al., 1977) have empha-

sized, verification of any research design must ultimately be established through replication of the research.

The triangulation approach used in the present study also extended into the data collection process. As will be described below, in the initial stages of the research, a snowball sample was used to collect data on Amway distributors. Attempts to supplement this approach by interviewing distributors in a naturalistic setting (at Amway functions) were unsuccessfully pursued. Eventually the snowball sampling approach was abandoned as another source of data became available (telephone directory listings for Amway Direct distributors).

The 'snowball' approach to sampling, according to Denzin, reveals something of the triangulation approach to research methods in general.

"the snowball sample reveals another element of the sampling process. It should be multistage ... that is, the observational process should not be thought of in rigid, static terms. The researcher is continually seeking out new bodies of data which will potentially elaborate the observational framework" (Denzin, 1978:81)

The usefulness of this approach can be seen in the following discussion of the data collection processes used in the present study.

Initial attempts by the researcher to gain access to Amway distributors began in September of 1982. The researcher wrote several letters to Amway's corporate headquarters in Ada, Michigan in an attempt to get some support and/or assistance in the data collection process: these included letters to Rich DeVos (the President of Amway Corporation) and Jay Van Andel (the Chairman of the Board of Amway Corporation). DeVos and Van Andel are the co-founder/owners of Amway Corporation.

This, as well as later attempts to obtain support or assistance from Amway Corporation were fruitless. The letters were forwarded to various assistants to DeVos and Van Andel and their replies indicated that there was nothing that Amway could

do to assist the research. As Dwight Sawyer, then Vice President of Human Resources, stated:

"As you know, most organizations, Amway included, are very protective of individuals who are their main customers, such as our distributors, and their addresses. Therefore, we are not in a position to supply you any information that would provide you the opportunity to reach a larger segment of the distributor organization than you have already reached through personal contacts" (Sawyer, 1982).

Although Amway made it clear that they would not be willing to provide a directory of distributor names and addresses or any other assistance in contacting distributors, they also expressed an interest in examining the present study when it was completed. As Casey Wondergem, then Director of Public Relations and now Amway's senior public affairs counsel, commented:

"We would appreciate your sharing your doctoral dissertation/research with us provided that this is offered without expectation of payment. We are not in possession of any such independent research. If it is possible, you might wish to run this by us prior to its submission, in order that we might point out any glaring errors of fact. We work with authors in this way, and it might be of value to you" (Wondergem, 1983).

Another idea that seemed plausible to the researcher was to approach Amway distributors in a 'natural setting,' that is, to attend major Amway functions and attempt to collect data in that setting. Although initial and later attempts to collect survey data in the rally setting were largely unsuccessful, attending the rallies and other functions did enhance the researcher's understanding of the experience of being an Amway distributor. Although the researcher was not a distributor, he was certainly a participant-observer in the rally setting. As the researcher discovered, it is one thing to write about emotional involvement and quite another thing to experience that involvement firsthand. One need not be an expert in social science to realize that attending large Amway functions simultaneously builds and enhances the emotional attachment of distributors to Amway. An account of the researcher's experiences at one large Amway rally is presented in the appendix. This account conveys, to some degree, the flavor of participating in the rally experience.

In October of 1982, the researcher attended an Amway function in Winston Salem, North Carolina that was sponsored by an elite North Carolina distributor. Unfortunately, upon arriving at the function, the researcher was informed by the distributors conducting the function that he would not be allowed to distribute surveys at the function without permission from higher authorities in the organization. In order to collect data on Amway distributors, another approach would be necessary and discovering it proved to be a very slow process.

In order to obtain data, the researcher was compelled to rely upon an availability or 'snowball' approach to data collection. Those Amway distributors that the researcher had knowledge of and access to were either interviewed or given a survey questionnaire to fill out and return. These respondents were also asked to provide names of other distributors. They, in turn, were also interviewed or surveyed and asked to suggest other names until the process no longer generated new names. At this point, new contacts would have to be made in order to 'break into' another distributor network. Although this method proved to be only partially successful in the present research, the 'snowball' approach to data collection is fairly appropriate when studying a multi-level direct sales company since the distributor organization is structured into a network of acquaintances, co-workers, friends, and relatives. This made the 'snowball' approach to data collection a workable alternative in the absence of any better approach.

From 1982 through 1985 the 'snowball' approach to collecting data on Amway distributors resulted in approximately 50 completed surveys. The distributors represented in the sample were from the North Carolina, Virginia area and were predominately from one major line of sponsorship within the company. Besides the low size of the sample, there were also other problems associated with the sample at that time. Most respondents were similar to one another and the sample was quite

homogeneous. A particularly serious dimensions of this problem was the noticeable absence of any significant variation in 'pin' level among distributors, as well as a significant proportion of inactive and ex-distributors.

As was mentioned previously, data collection was a slow process. One obstacle associated with the reluctance of Amway distributors to participate in the study was the fact that the researcher was not personally involved in Amway as a distributor. The restriction on becoming an Amway distributor was maintained as a safeguard against the danger of 'going native' or becoming too personally involved to study the organization with any degree of detachment and objectivity. This rationale, unfortunately, carried little weight with Amway distributors. After being approached, the first question potential respondents would ask the researcher was if he was a distributor. Although the fact that the researcher was not a distributor did not deter all potential respondents from participating in the study, a substantial number of potential respondents became suspicious and skeptical of participating in the study at that point.

In an attempt to promote a greater sense of legitimacy concerning the study, in early 1986, the researcher again wrote the corporate headquarters of Amway, asking this time for more limited assistance. Specifically, the researcher requested assistance in the form of a supportive cover letter that would accompany the survey or interview endorsing the study. Piet Bennett, Amway's corporate communications editor for public relations replied to the researcher's letter, commenting that:

"While applauding your persistence, I'm afraid my response to your request must be similar to what both Dwight Sawyer and Ginny Seyforth told you over three years ago. We're unable to assist you with your research project. Nor do we issue letters endorsing someone's research, no matter how interesting it may appear" (Bennet, 1986).

This deadend was discouraging. The sample size was only half of the desired 100 surveys necessary to conduct any meaningful statistical analysis and the process of locating new distributor networks had virtually come to a standstill.

At this point in the data collection process, the researcher decided to attempt to collect data in the 'natural setting' again. In March 1986, the researcher attended a large regional Amway rally at the Scope Coliseum in Norfolk, Virginia (See appendix for a descriptive account of this event.). Unlike the first attempt to collect data at a function, the researcher elected to operate more covertly and not inform elite distributors that data was being collected. It was also decided that the data collection process would be less conspicuous if distributors were approached individually or in small groups.

This approach met with limited success. One limitation was that in the rally setting, it was virtually impossible to keep distributor's attention long enough to conduct an interview. So instead, survey questionnaires accompanied with self-addressed stamped envelopes were distributed to those Amway distributors who expressed an initial interest in participating in the study. In addition to this approach, some distributors gave the researcher their name, address, and phone number and agreed to participate in a phone interview during the following week.

This data collection strategy seemed to be working reasonably well enough until word of the researcher's activities reached the elite distributors putting on the event. At this point, the researcher was asked to stop distributing surveys at the function and the ones that had been distributed were called back from the stage by one of the elite distributors. Although the highest ranking distributor at the function agreed to redistribute those surveys and the remaining ones that had not yet been distributed, no returns were ever obtained directly from that event. Later attempts to recover the surveys were unsuccessful. The elite distributor that had taken the surveys denied any knowledge of the surveys. Fortunately, several additional respondents were added to the sample from the list of those distributors that had given the researcher their name,

address, and phone number, but this was far less than the researcher had hoped to obtain from the function.

At this point, the allowable time for completing the research was drawing to a close and it was necessary to request an extension in order to continue the attempt to complete the data collection stage of the research. The only change in the data collection process at this stage was an intensified search on the part of the researcher for new Amway distributor networks to rejuvenate the 'snowball' process. This continued with little success until January of 1987, at which time a significant breakthrough occurred.

In January 1987, an Amway contact that had provided the names of two new distributors, asked the researcher if he had searched the business and organizations section of the white pages of the phone book. This was the breakthrough that had been so long in coming. The university library at Virginia Tech maintains a collection of all major American phonebooks on microfiche, and in less than 8 hours of searching, the researcher built up a list of over 300 telephone numbers of Amway distributors located in North and South Carolina, Virginia, Maryland, Michigan, and part of California.

Although the potential for a much more representative sampling strategy became technically available at this point, due to the time limitations associated with completing the research, the researcher had to continue collecting data on strictly an availability basis.

Although the choice of states used to select phone numbers was not random, there were logical criteria behind the choices. To begin with, North and South Carolina, Virginia, and Maryland to some degree, were the states where most of the snowball sample members resided. For expediency and ease of finding a large amount of phone numbers, Michigan and California were also selected as 'search' states.

Michigan was selected because it is the home headquarters of Amway Corporation. This made it likely that there would be a large number of distributors and that they would be representative of the official Amway perspective. California was selected because previous contacts had been made with distributors in that state and the presence of a large number of distributors residing in California.

The process of selecting phone numbers to be called was also characterized by some degree of randomization. Initial telephone calls were made to the distributors residing in North and South Carolina, Virginia, and Maryland. All listings in these states were exhausted before the researcher proceeded to the Michigan and finally, the California listings. All Michigan listings were called and then the California listings were considered. By this time, the 100 surveys that had been set up as a goal had nearly been reached. In order to be as systematic as possible, the researcher began calling California Amway distributors in alphabetical order (name of city). This continued until the time available to continue collecting data had expired.

The researcher contacted approximately 150 of the 300 distributors from the phone list and asked them if they would be willing to participate in the study. Of the 150 distributors called, approximately 100 distributors initially agreed to participate. Of the 100 surveys mailed out, 49 usable surveys were returned. By March 1987, the sample size had increased to 121 distributors.

Given relatively arbitrary nature of the sampling procedure used to select the 150 distributors that were contacted by phone, and the similarity of the demographic profiles of the distributors obtained through the snowball technique and the telephone listing technique, it seems reasonable to combine the two sub-samples in order to increase the overall sample size.

In order to test the relationship between the two sub-groups of sample members (snowball respondents and telephone listing respondents) t-tests were performed

comparing the two groups along a variety of important research variables. These findings will be presented in the data analysis chapter.

Besides providing the necessary sample size to conduct a statistical analysis, the telephone listing data collection strategy increased the number of higher 'pins' represented in the sample. The researcher discovered during the telephone listing data collection process that Amway corporate policy dictates that only Direct distributors may list their businesses in the white pages of the telephone directory. This was an extremely beneficial outcome for the present study.

Another benefit derived from employing the telephone listing data collection strategy was that the surveys returned from these distributors increased the variation in involvement patterns in the overall sample. Even though most of the demographic and attitudinal characteristics of the two sub-samples were similar, the range of responses to the other substantive items in the survey increased appreciably with the inclusion of the telephone directory sample.

TOTAL MONTHLY POINT VALUE	PERFORMANCE BONUS
7,500 or more points	25% of your BV
6,000 to 7,499 points	23% of your BV
4,000 to 5,999 points	21% of your BV
2,500 to 3,999 points	18% of your BV
1,500 to 2,499 points	15% of your BV
1,000 to 1,499 points	12% of your BV
600 to 999 points	9% of your BV
300 to 599 points	6% of your BV
100 to 299 points	3% of your BV
Less than 100 points	none

Figure 3. PV to BV Conversion Scale

<u>PIN LEVEL</u>	<u>PIN LEVEL REQUIREMENTS</u>
Producer's Pin	1500 PV
Active Producer's Pin	4000 PV in a single month
Silver Producer's Pin	7500 PV in a single month
Direct Distributor Pin	7500 PV for 3 consecutive months or sponsor one 25% group for 3 months and maintain 2500 personal group PV for 3 consecutive months
Ruby Direct Pin	Direct distributors who have at least 15,000 personal group PV in any one month
Pearl Direct Pin	Direct distributors who personally sponsor three 25% groups in any one month
Emerald Direct Pin	Direct distributors who personally sponsor at least three 25% groups, each of which was at the 25% Performance Bonus level at least six months out of twelve of a given fiscal year.
Diamond Direct Pin	Direct distributors who personally sponsor 6 or more 25% groups, each of which was at the 25% Performance Bonus level at least 6 months out of the twelve of a given fiscal year.
Double Diamond Pin	Direct distributors who personally sponsor 12 or more 25% groups in any one month
Triple Diamond Pin	Direct distributors who personally sponsor 16 or more 25% groups in any one month
Crown Direct Pin	Direct distributors who personally sponsor 20 or more 25% groups in any one month

Figure 4. Pin Level Qualification Requirements

Chapter 4

Data Analysis and Presentation of Results

Introduction

In this Chapter the data collected for the present study will be analyzed and the results will be presented. In the first section of the Chapter, the demographic characteristics of the sample will be presented. As part of this section, the two subsamples (the snowball sample and the telephone directory sample) will be compared and the appropriateness for combining the two groups will be tested and discussed.

This section will be followed by a discussion of the various scales used in the present study. This section will focus on the conceptual and empirical bases for the organizational commitment, involvement, and successful task performance scales used in the present study. The logic behind the construction of the scales will be discussed and the results of reliability and factor analyses of the scales will be presented.

In order to better integrate the analysis of the individual research hypotheses, in the next section, the hypotheses will be organized into a general set of research questions. After this section, the procedures to be used to analyze the hypotheses will be presented along with the results of those procedures.

Description of the Sample

As was discussed in the previous Chapter, the sample in the present study was collected in two stages: an initial 'snowball' approach to collecting data, and later, a telephone directory-based approach. Before presenting and discussing the differences between the two sub-samples, the characteristics of the combined sample will be presented.

The sample collected for the present study is made up of 121 Amway distributors. Of these, approximately 85 percent (103 respondents) are currently distributors. The remaining 15 percent (18 respondents) were no longer distributors at the time they completed the survey. A variety of 'pin' levels are represented in the sample (see Table 1 on page 147). Approximately 35 percent (42 respondents) of the respondents had not achieved a 'pin' (below 1500 PV) at the time they completed the survey. Approximately 29 percent (35 respondents) were between the levels of 1500 PV and 7500 PV (Silver Producer pin). Approximately 20 percent (25 respondents) were Direct distributors. And approximately 16 percent (19 respondents) were above the level of Direct distributor. Because of the use of the telephone directory sampling strategy, the number of distributors at the level of Direct and above is higher than would have been the case if just a snowball sampling strategy had been used. It is

also higher than would have been likely if a completely random selection sampling strategy had been available, due to the distribution of 'pin' levels within the company as a whole (there are significantly more lower 'pins' than there are higher pins).

In addition to the 'pin' level of distributors, four other measures of successful distributor task performance were identified in the present study. These include (1) the size of a distributor's personal group; (2) the number of downline distributor personally sponsored by the respondent; (3) the PV level of the respondent's personal group; and (4) the respondent's personal PV level. A scale constructed from these items and the 'pin' level item will be discussed later in this Chapter.

The mean personal group size reported by the respondents in the present study was 73 distributors. Of these 73 distributors, 17 distributors, on average, were personally sponsored by the respondents in the present study. The mean personal monthly group PV for the respondents in the present study was \$3,048.88. The mean monthly personal PV for the respondents was \$379.57.

The average age of the respondents is 45 years and 61 percent (74 respondents) of the sample are male and 37 percent (45 respondents) are female. Amway is predominately a 'married couples' organization. While 80 percent (97 respondents) of the sample are married, only 10 percent (12 respondents) are single. The remaining 10 percent are separated, divorced, or widowed.

The sample is overwhelming Caucasian in composition, with 92 percent (112 respondents) being white. Including non-responses, there is only one oriental and three black respondents in the entire sample. Even though the sampling strategies used in the present study do not support generalizing sample characteristics to the larger population of American Amway distributors, it seems unlikely that such a low number of non-white respondents would be selected by the sampling strategies used in the present study if the Amway distributor force is as demographically diverse as

Conn (1985) has suggested. So, while the sample characteristics must be qualified with the disclaimer that a systematic random selection sampling strategy was not used in the present study, the findings from the present sample do not support Conn's (1985) assertion that the distributor force is racially diverse.

The respondents in the present sample are a rather well-educated group of people. Less than 2 percent (2 respondents) reported having less than a high school education. Approximately 22 percent (27 respondents) reported having a high school education. A substantial proportion of the sample has some college education. 38 percent (46 respondents) of the sample reported having some college education. Approximately 23 percent (28 respondents) reported having completed a BS or BA degree. Of the remaining sample members, approximately 13 percent (16 respondents) reported having a MA or MS or a Ph.D..

Organizational Involvement and Incentives

Although a detailed discussion of the organizational involvement of the sample members will be presented and analyzed later in this Chapter, a brief overview of the variable will now be presented. As was previously mentioned in the literature review, organizational incentives were used to identify the nature of Amway distributor's organizational involvement. Respondent's rated the importance of 8 incentives or rationales for participating in Amway. Half of the items represented material incentives and the other half represented non-material incentives. In addition to rating the importance of these 8 items on a five point Likert scale, respondents were also asked to rank order the four most important incentives that explained their continuing partic-

ipation in Amway. These rank-ordered incentive/involvement items will now be presented.

The most important incentive or rationale for participating in Amway reported in the present study was a desire for financial freedom (27% or 33 respondents). This was followed by meeting one's financial obligations (24% or 29 respondents) and then the need for discretionary income (15% or 18 respondents). It is interesting and somewhat revealing that approximately 12 percent (15 respondents) of the sample reported that the most important rationale for their continuing participation in Amway was that it allowed them to "get closer to God and promote religious values".

The second most important rationale that received the most support was again financial freedom (19% or 23 respondents). This was followed by the desire to help others (18% or 22 respondents). These were followed by the need for discretionary income (13% or 16 respondents) and the desire to associate with friendly people (13% or 16 respondents).

The third most important rationale that received the most support was the desire to help others (23% or 28 respondents). This was followed by the desire to improve America by promoting free enterprise (19% or 23 respondents). The desire for financial freedom and the desire to associate with friendly people were both reported as the third most important rationale for participating in Amway by 12 percent (14 respondents) of the sample. The opportunity for taking advantage of the tax breaks associated with owning one's own business was reported as the third most important rationale for participating in Amway by 11 percent (13 respondents) of the sample.

The fourth most important rationale that received the most support was the desire to help others (21% or 25 respondents). This was followed by the desire to improve America by promoting free enterprise (15% or 18 respondents). The desire to associate with friendly people was reported as the fourth most important rationale

for participating in Amway by 14 percent (17 respondents) of the sample. The opportunity for taking advantage of the tax breaks associated with owning one's own business was reported as the fourth most important rationale for participating in Amway by 13 percent (16 respondents) of the sample.

While these findings support the dominance of material incentives and, consequently, calculative involvement, in explaining the rationales for participating in Amway, they also show the substantial support provided for non-material incentives as secondary sources of organizational involvement.

Organizational Commitment

Another major variable in the study is the level of organizational commitment of the respondents. Using the Mowday et al. (1979) scale discussed in the literature review, the present sample had a mean organizational commitment score of 5.7 on a seven point Likert scale.

The distributors in the sample were also asked to report the amount of time they spent performing various activities associated with operating an Amway distributorship. As was mentioned in the Chapter 3, one general and several specific time-use items were identified. Overall, respondents in the present study reported spending approximately 13 hours on Amway-related activities. Among the specific time-use items, respondents reported spending approximately 6.5 hours selling Amway products and 4.5 hours showing the Amway Sales and Marketing Plan. Respondents reported having attended, on the average, 48 Amway rallies. This large number of rallies is, in part, due to the length of time that many of the respondents

have been in the organization. Finally, respondents reported that they spend, on average, 3 hours per week motivating downline distributors in their personal group.

Another dimension along which the sample showed substantial diversity was in the number of months they had been Amway distributors. The sample ranged from just one month to 324 months. In order to simplify the presentation, Table 2 on page 148 presents the percentages of respondents and the number of years they have been Amway distributors.

As was previously mentioned in the justification for using incentives as a measure of organizational involvement, most Amway distributors do not make their principal livelihood from their participation in Amway. This was confirmed by the sample characteristics in the present study. Approximately 75 percent (80 respondents) of the sample earned 20 percent or less of their present income from their participation in Amway. And of these, approximately 70 percent (73 respondents) earned 10 percent or less of their present income from their participation in Amway. The respondents are also a relatively middle-class income group. The mean income level reported by the respondents is in the \$30,000 to \$35,000 range.

Amway attracts a substantial variety of occupational groups into their distributor force. When asked what their present or previous other job was, approximately 17 percent (20 respondents) of the sample reported that their present or previous other work was administrative in nature. Approximately 13 percent (16 respondents) of the sample reported that their present or previous other work was in sales. As evidence of the relatively wide appeal of operating an Amway distributor business, approximately 11 percent (13 respondents) reported that their present or previous other work was professional in nature (i.e. physicians, dentists, and lawyers). Only 7 percent (9 respondents) of the sample reported their present or previous other work as labor. Even though the economic need of this group is high, their low represen-

tation in the sample may reflect the anti-labor, anti-union sentiments of the company as a whole (Butterfield, 1985).

If the present sample is diverse along such dimensions as age, education, other occupation, and number of months in Amway, it shows almost no diversity along such demographic dimensions as religious preference and conviction, and political views, preference, and conviction.

Approximately 70 percent (85 respondents) of the sample reported a Protestant religious preference. The most substantial category of Protestants were Baptists (approximately 22% or 27 respondents). Approximately 16 percent (19 respondents) of the sample reported that their religious preference was for Catholicism.

As Kerns (1982) has suggested, many Amway distributors draw heavily on religious imagery and rationales in their attempts to influence the other distributors they have sponsored. Peven (1968) has also noted the evangelical nature of direct-sales organization's attempts to motivate their participants. The validity of these observations are indirectly supported by the religiosity of the present sample. Approximately 56 percent (68 respondents) reported having very strong religious convictions and 24 percent (29 respondents) reported having strong religious convictions. It seems quite likely, that individuals with such strong religious convictions would incorporate those views into their business practices. As one respondent reported in the survey, they continued to participate in Amway as distributors because,

"We believe it's God's purpose in our lives. We can help people on a material level (as well as ourselves) plus help them in their personal growth and spiritual growth. We are excited about what Amway stands for concerning our country. Not only will Amway provide the opportunity for increased personal income, but at the same time we can be involved in making positive changes in people's lives."

On the other hand, other respondents were leaving Amway because they believed that their involvement as distributors was interfering with their religious activities. Still other respondents emphatically insisted that Amway was a business and

did not have any values, religious or otherwise. The subjective comments of a substantial number of respondents in the present study do not, however, provide much support for that view.

Another dimension of the religious aspect of Amway participation is its association with the Protestant ethic. Although no items were included in the present study to measure support for the Protestant work ethic among respondents, even a casual review of the material incorporated in the books, tapes, and rallies used to socialize new and existing recruits and distributors reveals a substantial appeal to religious values and both implicit and explicit support for the non-ascetic dimensions of the Protestant work ethic.

Another dimension along which the present sample exhibits substantial homogeneity, are among the respondent's political views, preferences, and convictions. Approximately 60 percent (72 respondents) of the sample reported that their political views were conservative in nature. Another 17 percent (21 respondents) of the sample reported that their political views were strongly conservative in nature. And another 18 percent (22 respondents) reported that their political views were moderate in nature. The interesting aspect of this measure is that less than 3 percent (3 respondents) of the sample reported that they were either politically liberal or strongly politically liberal in nature. This same distribution of attitudes can be seen in the political party preference of the sample members. Approximately 74 percent (89 respondents) of the sample reported that their political party preference was for the Republican party. Approximately 9 percent (11 respondents) of the sample reported a political party preference for the Democratic party, and approximately 10 percent (12 respondents) reported that they were Independents. Political convictions of the sample members showed somewhat greater variation than political views or political party preference. Although less than 5 percent (5 respondents) of the sample reported that their poli-

tical convictions were either weak or very weak, approximately 26 percent (31 respondents) of the sample reported that their political convictions were only moderate in nature. Approximately 46 percent (55 respondents) of the sample reported that their political convictions were strong and approximately 22 percent (26 respondents) of the sample reported that their political convictions were very strong.

Comparisons of the Two Sub-Samples

One of the procedures often used to test the proposition that the members of a sample are not significantly different than the potential sample members that did not participate in the study is to compare early and late returners for differences. This test assumes that late returners are most like non-returners. In the present study, however, this type of test is not applicable. This test is most appropriate in situations where the survey or questionnaire is mailed out at one point in time and returns can be compared in terms of the amount of time that has passed since the survey was returned. In the present study, a 'snowball' sample was used initially. This was then supplemented by a telephone directory mailing. In the telephone directory sampling strategy, potential respondents were telephoned and asked if they would be willing to participate in the research. Surveys would then be mailed out to those agreeing to participate. Although an early/late/non-returned bias could have been conducted in this sample, the manner in which the potential respondents were contacted and survey mailed out made it impractical to attempt such a test. Telephone calls and survey mailings were conducted daily on a continuous basis for

a one month period. This, combined with the problems associated with identifying the returns, made testing for late and non-return bias impractical if not irrelevant.

However, an interesting and useful set of comparisons can be made between information gathered from distributors collected by the 'snowball' sampling strategy and data collected by the telephone directory mailing. As was mentioned in the Chapter on research methods, the principal reason for relying on a 'snowball' sample to collect the data for the present study was that it was the only method initially available to the researcher for collecting data on Amway distributors when the research began. It was only much later in the data collection process that a telephone directory listing for Direct distributors and above was made available to the researcher by one of his Amway contacts.

As was pointed out in Chapter 3, there is theoretical support for combining different types of sampling procedures. As Denzin (1978) has proposed, combining multiple sampling procedures (sampling triangulation) may enhance the quality of the data being analyzed. Still, it seems reasonable that certain constraints be applied to combining samples collected with different sampling strategies. In the present study, the two sub-samples will be compared using t-tests to determine if there is a statistically significant difference between the two groups along a variety of attitudinal and performance variables.

In the present sample, there is a known difference between the two groups. The distribution of 'pin' levels in the snowball sample is random in nature, whereas in the telephone directory sample, 'pin' level is higher due to the fact that distributors must reach the level of Direct before they are allowed to list in the telephone directory. As was previously mentioned, this was a benefit in the present study since the snowball sample was made up primarily of lower 'pin' distributors. But for the purposes of comparing the two samples, the important comparisons will be between the de-

mographic, attitudinal, and performance characteristics of the respondents in the two samples.

Performance Items

Since successful performance is required before Amway distributors may list their Amway business in the business section of the telephone directory, it is not surprising that there is a statistically significant difference between the snowball sample and telephone directory sample for the performance items in the survey. As can be seen in Table 3 on page 149, the two sub-samples are statistically significantly different along all of the performance items measured in the present study.

Attitudinal Items

Unlike the performance items, the two sub-samples are not statistically significantly different on any of the attitudinal items measured with the exception of political convictions. The telephone directory sample reported stronger political convictions than the snowball sample. The difference was statistically significant ($p < .05$). The results of the comparison between the snowball and telephone directory samples can be seen in Table 4 on page 150 .

Based on the results of the t-tests reported in Tables 3 and 4, combining the snowball and telephone directory samples in order to increase the overall sample size does not appear to be unreasonable. As was previously mentioned, there are several advantages in combining the two sub-samples. One advantage is the enlarged overall

sample size that is obtained. Another advantage of combining the two sub-samples is the increase provided in the variation in responses to the major independent variables in the study. This second advantage pertains mostly to increased variation in involvement types and strength as well as increased variation in the 'pin' levels represented in the sample.

Scale Construction and Analysis

In order to test the various scales used in the present study, reliability and factor analyses were performed. The results of these tests will be presented in this section.

Organizational Commitment

As was previously mentioned, the present study used the Organizational Commitment Questionnaire (OCQ) developed by Mowday, Steers, and Porter (1979). Mowday et al. (1979) subjected the OCQ to extensive empirical testing. The scale was used to measure commitment among 2,356 individuals working in nine separate work organizations. In their comparisons of the different samples, the OCQ was found to have high internal reliability. As Nunnally (1967) has suggested, in preliminary stages of research, as for example in exploratory research, alpha coefficients of .50 or .60 are acceptable and expedient. In some applied settings, alpha coefficients of .80 may not be sufficient. In Mowday et al.'s research Cronbach's alpha coefficient was consistently high, ranging from .82 to .93, and as Mowday et al. re-

ported the mean level of commitment in their samples ranged from a low of 4.0 to a high of 6.1. The standard deviations, as they noted, "indicate an acceptable distribution of responses within samples" (Mowday et al., 1979:230).

The OCQ maintained its high reliability in the present study. As may be seen in Table 5 on page 151, the OCQ had a reliability coefficient of .93. The mean level of organizational commitment among respondents was 5.73 out of a possible 7 points. Although the Mowday et al. samples did have one group that had a higher mean level of commitment than the respondents in the present study, the distributors sampled in the present study reported a higher level of commitment than any of the other 8 samples in the Mowday et al. study. Mowday et al. also performed a factor analysis (varimax rotation) on the OCQ scale for 6 of the 9 samples in their study. As they reported, "These analyses generally resulted in a single-factor solution and support the previously stated conclusion that the items are measuring a single common underlying construct" (Mowday et al., 1979:232).

As was mentioned in the literature review on organizational commitment, Angle and Perry (1983) have also performed a factor analysis on the OCQ in their study of bus drivers. In their study, the results of both reliability and factor analyses of the OCQ supported the existence of two factors. According to their analysis, the ten items making up factor one were associated with value consensus with the organization. The other five items were associated with individual's intention to remain in the organization. The reliability analysis of the items forming the two factors resulted in alpha coefficients of .89 and .72, respectively.

The above tests were performed on the present sample, but with mixed results. As was reported in Table 5 on page 151, the reliability analysis performed on the items making up the two factors identified by Angle and Perry supported their findings. The items associated with value commitment and commitment to remain

produced alpha coefficients of .91 and .82, respectively. After this test was performed, a factor analysis of the overall OCQ scale was also performed. Using varimax rotation, two factors were isolated.

As was mentioned above, the results of this analysis were mixed. Although four of the five commitment to remain items loaded up on factor one, four of the ten value commitment items also loaded up on factor one. Although factor one is the dominant dimension of organizational commitment in the present study (it explains 54% of the variance in overall commitment), it includes an equal number of commitment to remain and value commitment items from the overall commitment scale.

Since factor one is the dominant dimension and includes an equal number of commitment to remain and value commitment scale items, it seems reasonable to combine the two subsets of items and treat commitment as a measure of respondent's overall loyalty to the organization which includes both commitment to remain and value commitment dimensions. In general, the results of the factor analysis of the organizational commitment scale supports the general view reported by sample members to the researcher during interviews and in casual conversations, that anyone who agrees with the Amway value system would naturally want to join and remain in the organization.

Nevertheless, the two sub-scales identified by Angle and Perry (1983) will be tested in the present study. If the sub-scales fail to differ substantially from the overall scale, the overall scale only will be used to measure commitment in the remaining analysis.

Organizational Involvement

As was discussed in Chapter 3, the organizational involvement scale used in the present study was developed specifically for this study by the researcher. The scale represents a conceptual blending of organizational involvement and the incentives used to promote involvement. The theoretical justification for using incentives to measure organizational involvement was presented in Chapter 2. The organizational involvement scale was developed to measure two different types of attachment to an organization: (1) instrumentally rational or calculative involvement, and (2) affective and value rational or moral involvement. In order to empirically test the internal consistency of the scale, reliability and factor analyses were performed on the organizational involvement items. The results of these analyses are presented in Table 6 on page 152.

The results of the factor analysis of the organizational involvement scale provide support for the existence of two distinct empirical dimensions within the scale. Factor one, which represents moral involvement, accounts for 44.3 percent of the total scale variance, whereas factor two, which represents calculative involvement, accounts for only 15.3 percent of the total scale variance. The eigenvalue of both factors are above the 1.0 criteria which may be used to identify significant influence on an overall scale by any given factor.

As may be seen in the Table 6, variable 20, respondent's reported desire to achieve financial freedom, loaded up more strongly on factor one (moral involvement) than on factor two (calculative involvement). This may be due to the possibility that the desire for financial freedom is more strongly associated with the desire for per-

sonal autonomy and other important, related values than it is with material acquisitiveness.

The sub-scales representing the factors identified in the above analysis were further tested for internal reliability. Reliability analysis of the two sub-scales were performed and the results of the analysis may also be seen in Table 6 on page 152. Reliability analysis of the moral involvement scale produced an Alpha coefficient of .79, and a .66 for the calculative involvement scale. Taken together, the results of the factor and reliability analyses of the organizational involvement items supports the existence of two dimensions or types of involvement: moral and calculative.

Successful Task Performance

As was previously mentioned, 5 indicators were used to measure successful task performance among Amway distributors. To determine if the individual indicators used to measure successful task performance should be combined into a scale, a factor analysis was performed on the 5 indicators. The results of this analysis may be seen in Table 7 on page 153.

As may be seen in Table 7, the five indicators used to measure successful task performance all represented a single dimension in the factor analysis. As was previously mentioned, the factor analysis of the successful distributor performance indicators also produced factor score coefficients for each of the five indicators. These coefficients were then used to standardize the five individual success indicators in order to construct an overall distributor success scale. The number of cases, scale mean, and standard deviation for the success scale also may be seen in Table 7 on page 153.

Presentation of Empirical Results

Organizational Commitment and Successful Task Performance

The first set of hypotheses to be tested are the ones linking organizational commitment to successful distributor task performance in Amway. Several questions are associated with the initial hypotheses. To begin with, what is the nature of the relationship between organizational commitment and successful individual task performance in an organization? Are there different outcomes associated with value commitment and commitment to remain in an organization? How do these dimensions of organizational commitment relate to successful individual task performance in organizations? These questions will be addressed below.

The first hypothesis to be tested concerns the relationship between organizational commitment and the overall success scale discussed previously.

OH1: There is a statistically significant positive relationship ($p < .05$) between the level of organizational commitment of Amway distributors and the level of overall success they achieve as Amway distributors.

In order to test the relationship between commitment and successful distributor task performance, Pearson correlation analysis was performed. The results of this analysis may be seen in Table 8 on page 154. Based on the results of the above analysis, a statistically significant ($p < .01$) positive relationship was found between organizational commitment and successful distributor task performance. A breakdown analysis of the relationship between commitment and overall distributor success was performed and the results are presented in Figure 5 on page 143. The Pearson correlation analysis of the relationship between organizational commitment and successful distributor task performance produced a correlation coefficient of .26 ($p <$

.01). Although this is a statistically significant finding, it is fairly weak in that the variance explained (r squared) in the success scale by organizational commitment is only .07.

Two further points should be made concerning the relationship between organizational commitment and successful distributor task performance. First, as may be seen in Table 8, with the exception of distributor's personal group PV level, all of the successful task indicators were positively correlated with organizational commitment. This is to be expected. Although a distributor will do many things for the individuals they sponsor into the business, selling products is not among them. A second point that should be made is that the correlation analysis supports the finding reported previously that the indicators used to construct the overall distributor success scale are highly interrelated. Based on the above analysis, Hypothesis 1 received substantial support.

As was previously noted, even though the organizational commitment scale could not be empirically divided into two theoretically distinct factors (commitment to remain and value commitment), the theoretical and conceptual distinctiveness, and the results of Angle and Perry's (1983) empirical analysis of the Mowday et al. (1979) organizational commitment scale warrant testing the two conceptual dimensions to determine if they have a significantly different impact on successful task performance in the present study.

The following two hypotheses were proposed to test the relationship between the two conceptually distinguishable dimensions of the overall commitment scale and the overall success scale.

OH1a: There is a statistically significant positive relationship ($p < .05$) between the level of value commitment of Amway distributors and the level of overall success they achieve as Amway distributors.

OH1b: There is a statistically significant positive relationship ($p < .05$) between the level of commitment of Amway distributors to remain in Amway and the level of overall success they achieve as Amway distributors.

Again, as may be seen in Table 8 on page 154, there is no substantial difference between the Pearson correlations between overall commitment, commitment to remain, value commitment, and the overall and individual measures of successful distributor task performance. Although hypotheses OH1a and OH1b are supported, it is reasonable, based on the present analysis, not to distinguish between commitment to remain and value commitment. Organizational commitment will be operationalized in the present study as a unidimensional concept measuring the overall or general loyalty of distributors to Amway Corporation.

Having examined the general relationship between organizational commitment and the overall success scale, the relationship between organizational commitment and the specific indicators of successful task performance will now be examined. The following directional hypotheses are proposed to examine these relationships.

OH2: There is a statistically significant positive relationship ($p < .05$) between the level of organizational commitment of Amway distributors and the 'pin' level they achieve as Amway distributors.

OH3: There is a statistically significant positive relationship ($p < .05$) between the level of organizational commitment of Amway distributors and the size of Amway distributors' personal groups.

OH4: There is a statistically significant positive relationship ($p < .05$) between the level of organizational commitment of Amway distributors and the number of Amway distributors they have personally sponsored.

OH5: There is a statistically significant positive relationship ($p < .05$) between the level of organizational commitment of Amway distributors and the PV level of their personal groups.

OH6: There is a statistically significant positive relationship ($p < .05$) between the level of organizational commitment of Amway distributors and their own personal PV level.

As may be seen in Table 8, Pearson correlation analysis of the relationship between organizational commitment and the five indicators of successful distributor task performance, with the exception of the relationship between organizational commitment and distributors' personal group PV level, supported the above hypotheses. Based on this analysis, Hypotheses 2,3,4, and 6 are supported and may not be rejected. Hypothesis 5 is not supported by the above analysis and must be rejected.

As may be seen in Table 8, of the five successful distributor task performance indicators, organizational commitment is most strongly associated with distributors'

'pin' level. This indicator, as was previously explained, represents an overall measure of successful distributor performance. As Amway proposes to its distributors, the relationship between the indicators is as follows: personal product sales (personal PV) and personal sponsoring lead to increasing group size and increasing personal group PV level. This results in upward mobility and success in Amway. The 'pin' level performance bonus chart presented in Chapter 3 provides the breakdown in terms of dollar levels of sales, a distributors' personal group must achieve in order for a distributor to achieve a particular 'pin' level.

Although 'pin' level is more strongly associated with organizational commitment than the other distributor success indicators, 'pin' level is only an indicator of successful distributor performance, and not an actual successful distributor activity. Of the remaining four indicators, organizational commitment is most strongly associated with distributors' personal PV level. This finding supports Amway's emphasis on the importance of selling products (as a leadership activity) in the establishment of a successful Amway distributor group.

The Pearson correlation analysis reported above, supports the hypothesized relationship between organizational commitment and successful distributor task performance in Amway. These findings leads to two further questions. First, what is the relationship between organizational involvement and commitment? In addition to this question, the present study is interested in examining a second question. What effect does the nature of distributors' involvement with Amway have on the relationship between commitment to Amway and successful distributor task performance?

Organizational Involvement and Organizational Commitment

The second general research question focuses on the relationship between organizational involvement and organizational commitment. What is the relationship between the nature of an individual's involvement with an organization and the commitment they have to that organization? To test the general relationship between organizational involvement and commitment, the following hypothesis is proposed.

H7: There is a statistically significant positive relationship ($p < .05$) between organizational involvement and organizational commitment among Amway distributors.

In order to test the relationship between organizational involvement and commitment, correlation analysis was again employed. The organizational commitment scale was examined in relation to the entire involvement scale, calculative involvement, and moral involvement. The results of this analysis is presented in Table 9 on page 155.

As may be seen in Table 9, the involvement and commitment scales are strongly related to each other. There is a .62 correlation ($p < .001$) between the overall set of organizational involvement items and organizational commitment. As overall involvement increases, the level of organizational commitment of Amway distributors also increases. Since the involvement scale measures the reported importance of both material and non-material incentives for participating in the organization, the above finding shows that as material and non-material incentives for participating in Amway become more important to distributors, the level of organizational commitment reported by distributors also increases. Based on the results of the correlation analysis reported above, Hypothesis 7 is supported.

As was previously discussed, the involvement scale may be divided into two components: calculative and moral involvement. To test the impact of these two

types of involvement on organizational commitment the following hypotheses are proposed.

- OH8: There is a statistically significant positive relationship ($p < .05$) between the level of calculative involvement of Amway distributors and their level of organizational commitment to Amway.
- OH9: There is a statistically significant positive relationship ($p < .05$) between the level of moral involvement of Amway distributors and their level of organizational commitment to Amway.
- OH10: There is a statistically significant positive relationship ($p < .05$) between the level of calculative and moral (combined) involvement of Amway distributors and their level of organizational commitment to Amway.

In order to test the above hypotheses Pearson correlation analysis was used. The results of this analysis are also presented in Table 9 on page 155. As was previously noted, the correlations between moral and calculative involvement and organizational commitment show that non-material incentives (moral involvement) are more strongly associated with commitment than are material incentives (calculative involvement). As Table 9 shows, there is a statistically significant strong positive relationship ($r = .68$; $p < .001$) between moral involvement and organizational commitment. The correlation between calculative involvement and organizational commitment is also a statistically significant strong positive relationship ($r = .42$; $p < .001$), but in relative terms, is substantially weaker than the relationship between moral involvement and organizational commitment.

In order to further test the relationships proposed in hypotheses eight, nine, and ten, an analysis of variance was performed. The results of this analysis may be seen in Table 10 on page 156. Before discussing the results of this analysis, one point needs to be made concerning the interpretation of the F ratio produced by the analysis of variance procedure. As Muir (1970) has noted, researchers have neglected the use of one-tailed tests of directional hypotheses using analysis of variance. This has led to overly stringent tests of significance and an increased probability of "failing to recognize useful propositions and understated confidence in those which are accepted" (Muir, 1970:150). In order to correct for this shortcoming, Muir proposes

that a one-tailed test of the difference in the mean of a dependent variable among levels of an independent variable may be performed with analysis of variance by using the following procedure:

"For a one-tailed test of mean difference, if means are not in the predicted order do not reject the null hypothesis. If the n means are in the predicted order, divide the estimated 'between' variance by the estimated 'error' variance, look up the cutting point in the F table headed by $n!$ times the desired level of significance" (Muir, 1970:153).

Since the hypotheses proposed in the present study are directional in nature, in order to avoid the problems discussed by Muir, the above procedure has been used in the present study.

As may be seen in Table 10, although moral involvement is statistically significantly ($p < .01$) related to organizational commitment, calculative involvement is not significantly related to organizational commitment. When the interrelationship between moral and calculative involvement is controlled, using analysis of variance, only moral involvement remains a significant predictor of organizational commitment. Calculative and moral involvement do not have a statistically significant interactive effect on organizational commitment.

The analysis of variance test performed on the relationship between moral involvement and organizational commitment is consistent with the results of the correlation analysis previously reported. Both analyses provide support for Hypothesis 9, concerning the relationship between moral involvement and organizational commitment.

The analysis of variance test performed on the relationship between calculative involvement and organizational commitment are inconsistent with the previously reported zero-order correlation. When the interrelationship between moral and calculative involvement is examined, the effect of calculative involvement on organizational commitment is reduced. Based on the results presented in Table 10, Hypothesis 8 is not supported. As Etzioni (1960,1975) proposes, the dominant influence

on organizational commitment is moral involvement. involvement. This position is supported by the findings reported in Table 10.

Involvement, Commitment, and Successful Distributor Performance

The final general research question focuses on the relationship between organizational involvement, commitment, and successful individual task performance. What is the impact of the organizational involvement of Amway distributors on the relationship between organizational commitment and overall distributor success?

As has been discussed throughout the previous Chapters, organizational involvement may be divided into two specific dimensions: calculative and moral involvement. The first specific dimension of organizational involvement that will be examined is calculative involvement. The following hypothesis is proposed concerning the effect of calculative involvement on the relationship between organizational commitment and overall distributor success.

OH11: There is a statistically significant positive relationship ($p < .05$) between the level of overall success and organizational commitment of Amway distributors when they are calculatively involved.

In order to test Hypothesis 11, analysis of variance for the relationship among overall distributor success, organizational commitment, and calculative involvement was performed. As may be seen in Table 11 on page 157, calculative involvement is almost significant at the .05 level (one-tailed test). The interactive effect of calculative involvement and organizational commitment on overall distributor success also is quite close to statistical significance at the .05 level.

In order to provide a more detailed understanding of the relationship among calculative involvement, commitment, and overall distributor success, a breakdown

analysis was performed. Before reporting the findings of these analyses, one note of caution should be mentioned. Due to the relatively small sample size ($n = 121$), the breakdown of the sample into individual cells in order to statistically control for the effects of a third variable resulted in individual cell sizes that, in some cases, are quite small. Although the results of the breakdown analyses are descriptively interesting and informative, the result must be interpreted cautiously.

The results of the breakdown performed on the relationship between overall distributor success and calculative involvement, controlling for the level of distributor commitment may be seen in Table 12 on page 158, and in Figure 6 on page 144. As may be seen in Table 12, the range of overall distributor success means for levels of organizational commitment is greatest for distributors with high calculative involvement. In addition to examining the mean levels of overall distributor success, examining the distribution of respondents across categories of involvement and commitment provides further insight into the relationship among calculative involvement, organizational commitment, and overall distributor success. At each level of calculative involvement, the largest cell size is the corresponding level of commitment.

Based on the results of the analysis of variance and breakdown analysis of the relationship among calculative involvement, organizational commitment, and overall distributor success, Hypothesis 11 is supported.

The second dimension of organizational involvement to be examined is moral involvement. In order to test the impact of moral involvement on the relationship between organizational commitment and overall distributor success, the following hypothesis was proposed:

OH12: There is a statistically significant positive relationship ($p < .05$) between the level of overall success and organizational commitment of Amway distributors when they are morally involved.

In order to test Hypothesis 12, analysis of variance was performed. As may be seen in Table 13 on page 159, moral involvement is not significantly related to overall distributor success. Also, moral involvement and organizational commitment do not have a statistically significant interactive effect on overall distributor success.

In order to provide further insight into the nature of the relationship between moral involvement, organizational commitment, and overall distributor success, a breakdown analysis was performed. The results of this analysis may be seen in Table 14 on page 160 and Figure 7 on page 145. Unlike the relationship among calculative involvement, organizational commitment, and overall distributor success, the greatest range of mean levels of success is for moderate moral involvement. On the other hand, consistent with the results of the breakdown of the relationship among calculative involvement, organizational commitment, and overall distributor success, at each level of moral involvement, the largest cell size is the corresponding level of commitment. Based on the results of the analysis of variance and breakdown analysis of the relationship among moral involvement, organizational commitment, and overall distributor success, Hypothesis 12 receives little if any support and is rejected.

One possible explanation for the lack of a relationship among moral involvement, organizational commitment, and overall distributor success may be that for those distributors attaching high importance to non-material (solidary and purposive) incentives, attention to instrumental activities associated with successful distributor task performance is diminished. This issue will be examined again in the discussion presented in Chapter 5.

Hypotheses 11 and 12 examined the separate impact of calculative and moral involvement on the relationship between organizational commitment and overall distributor success. Attention will now be directed at the combined effect of calculative and moral involvement on the relationship between organizational commitment and

overall distributor success. The following hypothesis is proposed in order to test the relationship among combined involvement, organizational commitment, and overall distributor success.

OH13: There is a statistically significant positive relationship ($p < .05$) between the level of overall success and organizational commitment of Amway distributors when they are both calculatively and morally (combined) involved.

In order to test the relationship between combined involvement, organizational commitment, and overall distributor success, analysis of variance was performed. The results of this analysis are presented in Table 15 on page 161 . As may be seen in Table 15, although organizational commitment is significantly related to overall distributor success ($p < .05$), combined organizational involvement is not significantly related to overall distributor success at the .05 level. As Table 15 shows, combined organizational involvement and organizational commitment do not have a statistically significant interactive effect on overall distributor success.

In order to provide a more detailed understanding of the relationship among combined involvement, organizational commitment and overall distributor success, a breakdown analysis was performed. The results of the breakdown analysis may be seen in Table 16 on page 161 and in Figure 8 on page 146. As may be seen in Table 16 the range of success means across levels of organizational commitment is greatest for high combined involvement.

In addition to examining the mean levels of overall distributor success, examining the distribution of respondents across the categories in Table 16 provides further insights into the relationship between combined involvement and organizational commitment. At each level of overall involvement, the largest cell size is the corresponding level of commitment.

Although the results of the analyses presented in Tables 15 and 16 suggest that combined involvement is affecting the relationship between organizational commit-

ment and overall distributor success, the effect is not statistically significant. Hypothesis 13, therefore, is not supported and must be rejected.

The last step in the analysis of the relationship among organizational involvement, commitment, and overall distributor success, is a comparison of the effects of calculative, moral, and combined involvement on the relationship between organizational commitment and overall distributor success. The following hypothesis is proposed in order to test the above comparisons.

OH14: There is a statistically significant positive impact ($p < .05$) associated with the level and nature of Amway distributors' organizational involvement on the strength of the relationship between overall distributor success and organizational commitment. The relationship will be strongest for distributors exhibiting combined involvement, will be somewhat less strong for calculatively involved distributors, and will be weakest for morally involved distributors.

Based on the results of the analyses used to test Hypotheses 11, 12, and 13, Hypothesis 14 is rejected. As was previously reported, the relationship between organizational commitment and overall distributor success is greatest for distributors with high calculative involvement.

The Role of Time-Use in Predicting Distributor Success

In the process of examining the relationship between commitment, involvement, and distributor success, it was discovered that another set of factors are strongly associated with successful distributor task performance. These were the time-use variables associated with various distributor activities as well as the length of time a distributor had been in Amway. Although no hypotheses were proposed concerning these variables, the results of the analyses which included these variables will be presented to further elaborate on the factors influencing distributor success.

As may be seen in Table 17 on page 163, the number of months a distributor has been in Amway has the strongest correlation with success ($r = .66; p < .001$). Following this in strength was the total number of hours distributors spend weekly on Amway-related activities ($r = .52; p < .001$). This was followed by the number of hours distributors spend motivating downline members of their personal group ($r = .51; p < .001$).

The correlations presented above point to the strong association of the time factors with distributor success, but do not indicate a causal relationship between the time use factors and distributor success. The strong associations suggest the need to examine the relationship between time-use activities and distributor success with a longitudinal design that is better able to establish temporal ordering and causal relationships between the variables. In the absence of such a research design, one may only draw logical inferences based on a theory of how the relationships should fit together.

One of the more interesting findings that may be found in Table 17 is the relationship between overall distributor success and the number of hours distributors spend weekly selling Amway products, and showing the Amway Sales and Marketing Plan. As may be seen in Table 17, there is a statistically significant strong positive relationship ($r = .43; p < .001$) between the number of hours spent selling Amway products and distributor success. There is, on the other hand, virtually no relationship between the number of hours distributors spend weekly showing the Amway Sales and Marketing Plan and distributor success ($r = .06; p < .27$).

This finding is contrary to the message often perpetuated by elite distributors in Amway. As Phil Kerns (1982) noted in his book on his own participation in Amway, when he asked about the importance of selling Amway products, his sponsor informed him that he should not be concerned with that aspect of the business, and

should instead concentrate on sponsoring other new recruits. The generalizability of that advice is suggested by the finding reported in Table 17 showing that there is only a weak relationship between calculative and moral involvement and time spent weekly selling products and a strong positive relationship with the time spent weekly showing the Amway Sales and Marketing Plan. Commitment is also unrelated to the number of hours spent weekly selling products, but is strongly related to the number of hours spent weekly showing the Amway Sales and Marketing Plan. Further evidence concerning the extent to which retail sales of Amway products is de-emphasized may be drawn from the number of respondents and other distributors and ex-distributors that have themselves raised this point with the researcher. This point and some possible explanations for these findings will be discussed in the final chapter of the dissertation.

Although the correlation analysis does not allow one to determine if the number of hours spent weekly on Amway-related activities is leading to distributor success, or if increasing distributor success is resulting in greater expenditure of time on Amway related activities, the amount of time spent weekly on Amway-related activities for the more successful distributors does not fit the image of the lifestyle of the successful distributor presented by the company. For the less successful distributors, it is reasonable to assume that the more hours they spend in Amway-related activities (and as the previous findings suggest, primarily on selling products and then on showing the plan) the more likely they are to be more successful.

The contradiction occurs for the more successful distributors. One of the points distributors use to make a favorable impression on potential recruits, is that if they work hard for a few years, they will then be able to settle back into a less demanding schedule that they determine and enjoy the leisure time associated with financial freedom. This scenario is not supported by the data collected in the present study.

Another interesting finding from the correlation analysis was that distributor success is strongly associated with the number of months respondents had been Amway distributors. This is consistent with the positive thinking ideology promoted by Amway. As their line of reasoning proposes, the 'winners' are those individuals that stay in the business when things aren't going well. If they will continue to strive towards their goal of being successful in the business, they will eventually achieve that goal. An alternative explanation that might be offered, however, is that the unsuccessful distributors leave the company, and that the relationship between distributor success and number of months in Amway is mostly a function of unsuccessful distributors leaving the company.

In order to further test the relationship between overall distributor success, organizational commitment and involvement, and various time-use factors, a regression analysis of the relationship was performed. The results of this analysis may be seen in Table 18 on page 164. Since the hypotheses in the present study are directional in nature, the level of significance of the results presented in Tables 18 and 19 represents a one-tailed rather than a two-tailed test of significance.

As may be seen in Table 18, the strongest predictor of overall distributor success is the number of months distributors have been in Amway (Beta = .47). Following this is the number of hours distributors spend weekly selling Amway products (Beta = .26). This is followed by the number of hours distributors spend motivating downline distributors in their personal group (Beta = .25). All three factors are significantly related to overall distributor success.

In this initial regression analysis, neither organizational commitment nor calculative involvement were significantly related to overall distributor success. One reason for the lack of statistical significance may be the confounding effect of number of months. In order to more accurately assess the influence of the other variables on

overall distributor success, a second regression analysis was performed, with number of months omitted from the analysis. The results of this analysis may be seen in Table 19 on page 165. As may be seen in Table 19, when number of months in Amway is omitted, number of hours spent weekly motivating downlines becomes the strongest predictor of overall distributor success (Beta = .35), followed by the total number of hours spent weekly selling Amway products (Beta = .33). Both of these time-use variables are significantly related to overall distributor success. Another interesting result that may be seen in Table 19 is the change in statistical significance of organizational commitment, calculative and moral involvement. Using a one-tailed test of significance, organizational commitment and calculative involvement are significantly related to overall distributor success.

As may be seen in Table 19, the Beta coefficient for moral involvement is -.27. Since the result is not in the predicted direction, all that may be said about moral involvement is that it is not positively related to overall distributor success. If moral involvement had been predicted to be negatively related to overall distributor success, the results of the one-tailed test would be statistically significant. This finding is of particular interest for the present study and will be discussed in the next chapter.

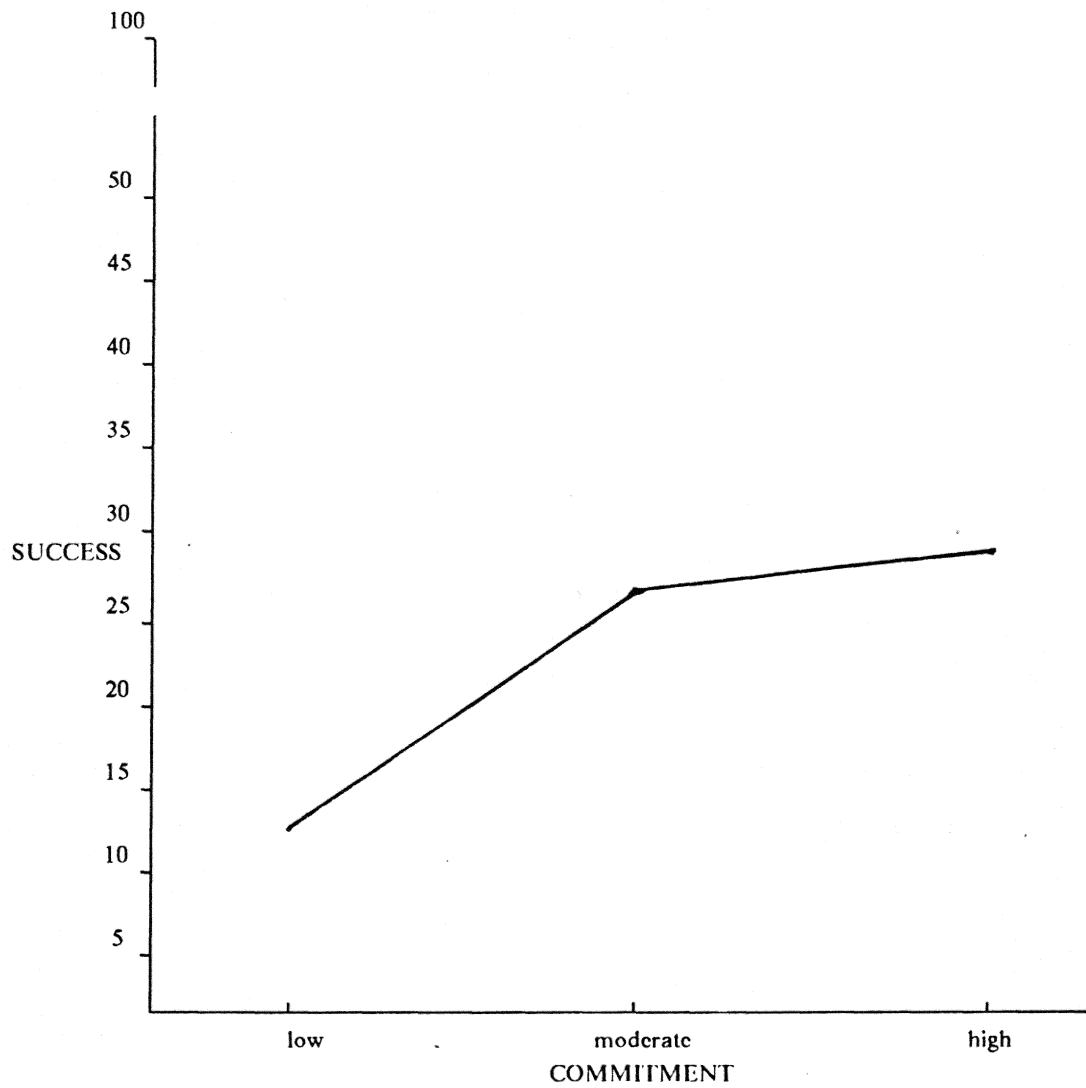


Figure 5. Graph of The Relationship Between Successful Distributor Task Performance and Organizational Commitment.

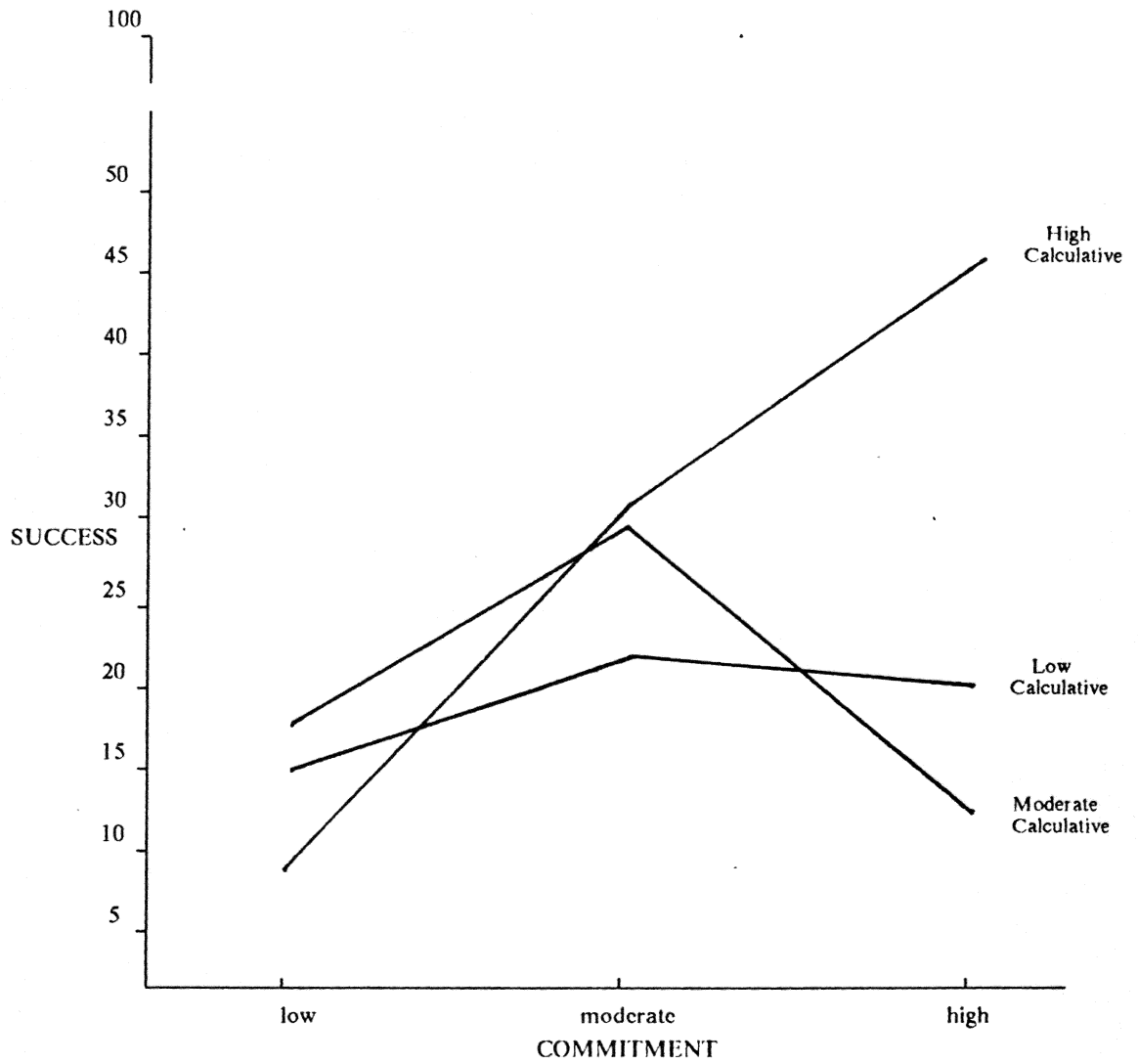


Figure 6. Graph of The Relationship Between Distributor Success, Organizational Commitment, and Calculative Involvement.

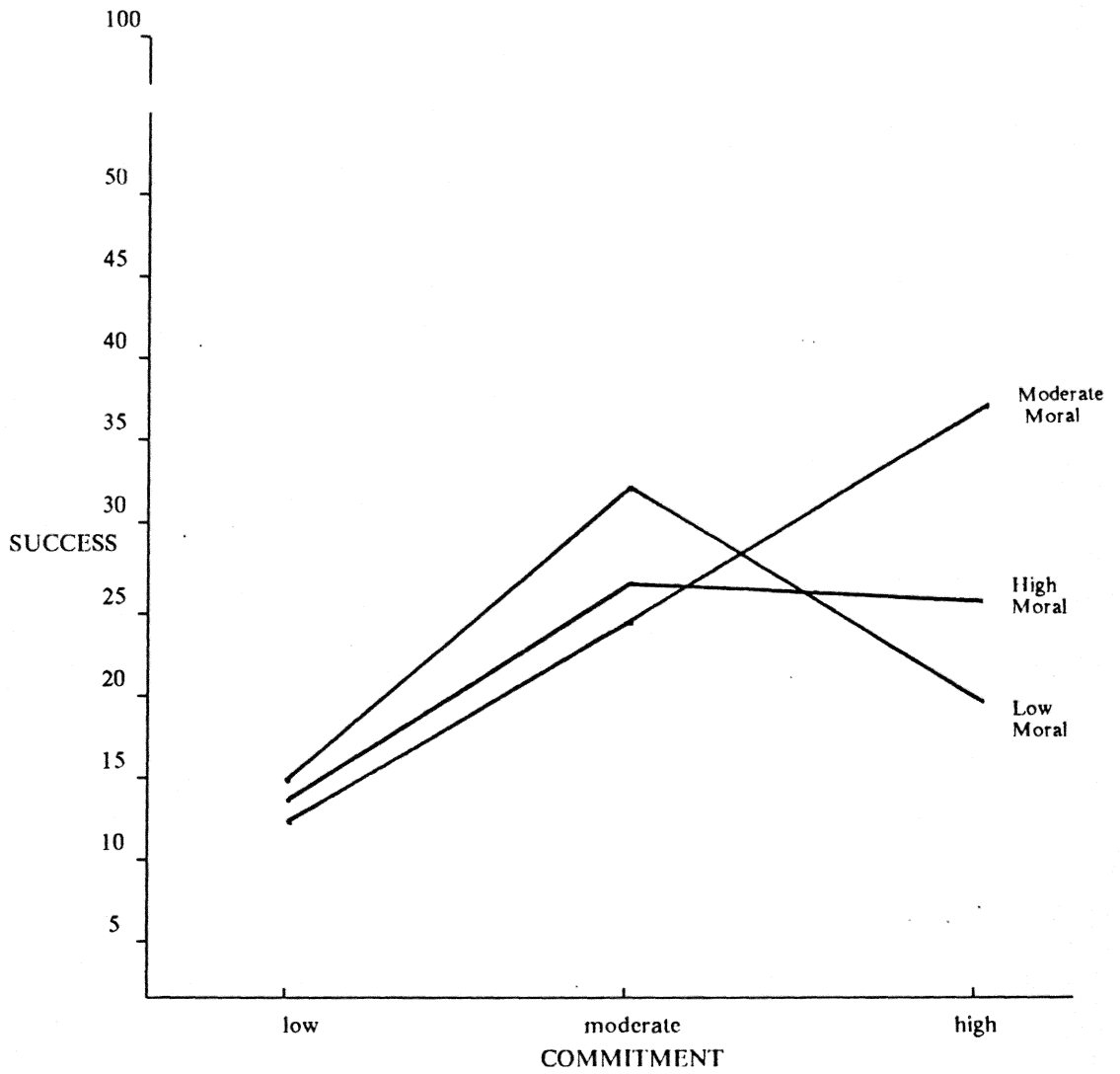


Figure 7. Graph of The Relationship Between Distributor Success, Organizational Commitment, and Moral Involvement.

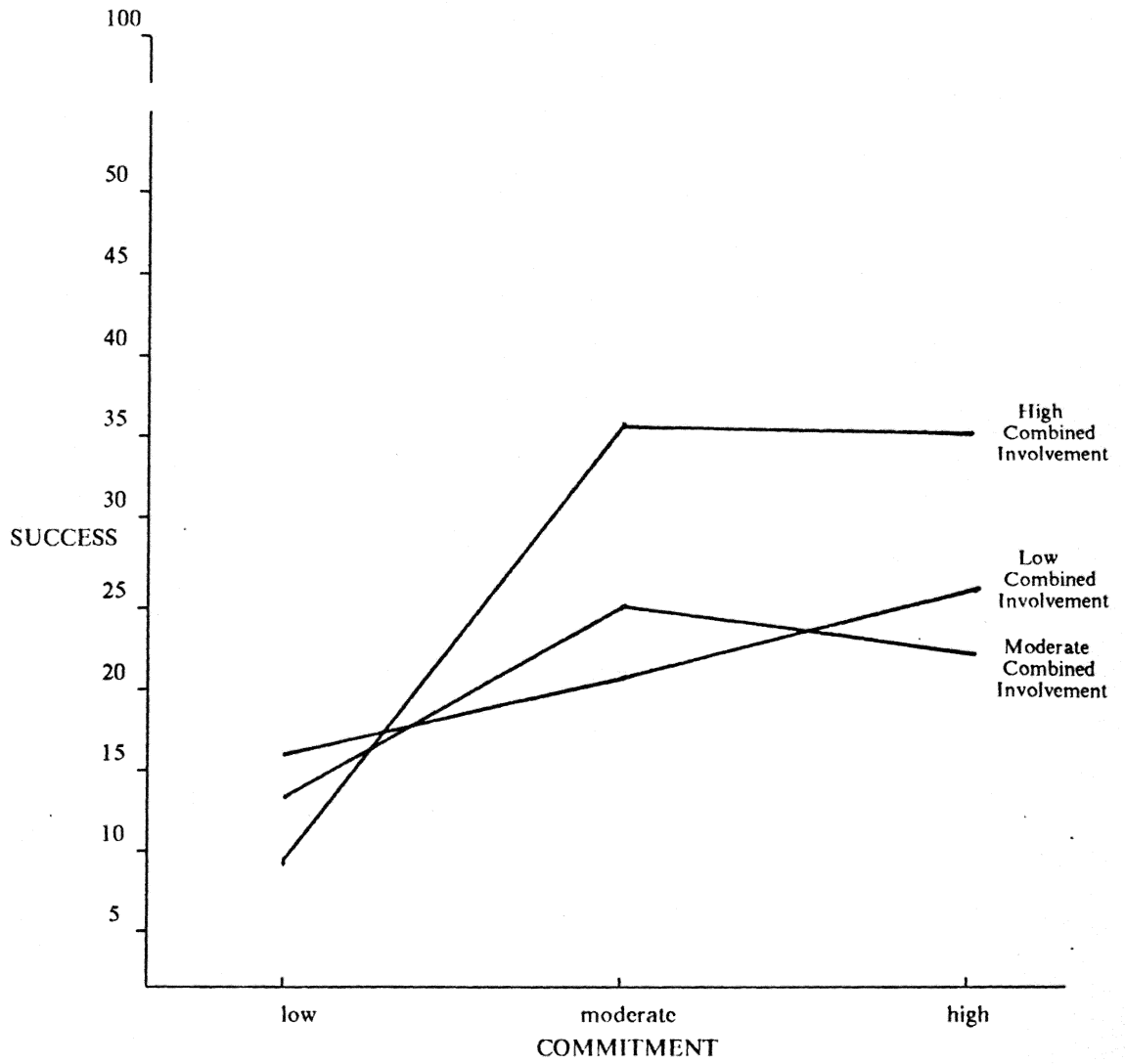


Figure 8. Graph of The Relationship Between Distributor Success, Organizational Commitment, and Combined Involvement.

Table 1. Pin Level Distribution.

<u>Pin Level</u>	<u>Frequency</u>	<u>Percent</u>
Below 1500 PV	42	34.7
1500 PV	15	12.4
4000 PV	12	9.9
Silver Producer	4	6.6
Direct	25	20.7
Ruby	6	5.0
Pearl	5	4.1
Emerald	4	3.3
Diamond	2	1.7
Double Diamond	2	1.7

Table 2. Number of Years in Amway.

<u>Number of Years</u>	<u>Frequency</u>	<u>Percent</u>
1 year and less	19	15.7
2 years	11	9.1
3 years	10	8.3
4 years	11	9.1
5 years	5	4.1
6 to 10 years	14	11.6
11 to 15 years	21	17.4
16 to 20 years	14	11.6
more than 20 years	6	5.0

Table 3. T-Tests for Performance Items.

<u>Variable</u>	<u>N</u>	<u>Mean</u>	<u>S.D.</u>	<u>Pooled 2-Tailed Probability</u>
PIN LEVEL				
snowball	72	2.18	1.5	.000
telephone	49	4.53	1.6	
PERSONAL GROUP SIZE				
snowball	69	28.27	66.3	.000
telephone	48	139.3	131.6	
RECRUITS SPONSORED				
snowball	71	5.8	7.7	.000
telephone	48	32.8	28.1	
GROUP PV				
snowball	65	\$1523.69	2723.97	.000
telephone	34	\$5964.67	5440.50	
PERSONAL PV				
snowball	65	\$203.38	304.23	.000
telephone	32	\$737.47	712.34	
TOTAL HOURS SPENT ON AMWAY				
snowball	68	8.85	9.2	.000
telephone	44	19.89	16.67	
HOURS SELLING PRODUCTS				
snowball	69	4.1	4.8	.000
telephone	47	9.5	10.6	
HOURS SHOWING THE PLAN				
snowball	70	5.2	5.4	.012
telephone	42	2.9	3.1	

Table 4. T-Tests for Attitudinal Items.

<u>Variable</u>	<u>N</u>	<u>Mean</u>	<u>S.D.</u>	<u>Pooled 2-Tailed Probability</u>
INVOLVEMENT 1				
snowball	69	1.3	.47	.09
telephone	47	1.2	.40	
INVOLVEMENT 2				
snowball	67	1.5	.50	.10
telephone	48	1.4	.48	
INVOLVEMENT 3				
snowball	67	1.6	.50	.89
telephone	48	1.6	.50	
INVOLVEMENT 4				
snowball	67	1.6	.50	.87
telephone	46	1.6	.50	
ORGANIZATIONAL COMMITMENT				
snowball	60	83.9	17.8	.15
telephone	38	89.1	16.1	
RELIGIOUS PREFERENCE				
snowball	70	1.6	1.3	.66
telephone	48	1.5	1.1	
RELIGIOUS CONVICTIONS				
snowball	71	4.4	.93	.90
telephone	45	4.4	.72	
POLITICAL VIEWS				
snowball	70	3.8	.75	.17
telephone	48	4.0	.65	
POLITICAL PREFERENCE				
snowball	69	1.5	.87	.32
telephone	48	1.3	.80	
POLITICAL CONVICTIONS				
snowball	69	3.7	.90	.05
telephone	48	4.0	.09	

Table 5. Reliability and Factor Analyses for Overall Commitment Scale.*

<u>Variable Number</u>	<u>Variable Description</u>	<u>Factor 1</u>	<u>Factor 2</u>
V41	Joining Amway a Mistake	.82601	.22339
V37	Not Much To Be Gained	.77511	.36070
V40	Best Possible Organization	.76591	.49318
V39	Care About Amway's Fate	.75356	.15442
V36	Glad I Joined Amway	.66344	.26598
V38	Difficult to Agree With Policies	.63368	.17584
V35	Ready to Leave Amway	.62319	.37824
V33	Would Leave for Similar Work	.45736	.23797
V27	High Effort for Amway	.17059	.88025
V34	Amway Inspires my Best	.34736	.77807
V30	Would Do Any Amway Job	.12637	.77439
V28	Talk up Amway to My Friends	.38258	.72391
V32	Proud to Tell Others About Amway	.52688	.69366
V31	Amway's Values Similar to Mine	.39804	.69301
V29	I Feel Little Loyalty to Amway	.47254	.64336

Final Statistics for Overall Commitment Scale

<u>Factor Number</u>	<u>Factor Name</u>	<u>Eigenvalue</u>	<u>% of Variance</u>
1	Commitment to Remain	8.07	53.8
2	Value Commitment	1.40	9.4

N of Cases, Mean, Standard Deviation, and Reliability Analysis For Overall Commitment Scale

<u>Scale</u>	<u>N</u>	<u>Mean</u>	<u>S.D.</u>	<u>Coefficient Alpha</u>
Overall Commitment Scale	98	5.73	1.15	.93
Commitment to Remain	110	6.05	1.17	.81
Value Commitment	101	5.54	1.25	.90

* Varimax rotation

Table 6. Reliability and Factor Analyses for Organizational Involvement Scale.*

<u>Variable Number</u>	<u>Variable Description</u>	<u>Factor 1</u>	<u>Factor 2</u>
V18	Improve America/Free Enterprise	.85048	.05084
V21	Help Others	.79283	.22641
V16	Promote Religious Values	.76241	.15065
V19	Friendly People	.66308	.15868
V20	Financial Freedom	.65115	.42833
V22	Discretionary Income	-.00495	.84981
V15	Meet Financial Obligations	.26615	.72631
V17	Tax Advantages	.21132	.56446

Final Statistics for Organizational Involvement Scale

<u>Factor Number</u>	<u>Factor Name</u>	<u>Eigenvalue</u>	<u>% of Variance</u>
1	Moral Involvement	3.54	44.3
2	Calculative Involvement	1.22	15.3

N of Cases, Mean, Standard Deviation, and Reliability Analysis For Organizational Involvement Scale

<u>Scale</u>	<u>N</u>	<u>Mean</u>	<u>S.D.</u>	<u>Coefficient Alpha</u>
Moral Involvement	108	3.7	.89	.79
Calculative Involvement	105	3.8	.83	.66

* Varimax rotation

Table 7. Factor Analysis for Overall Success Scale.*

<u>Variable Number</u>	<u>Variable Description</u>	<u>Factor 1</u>
V74	Group PV	.89816
V12	Personal Group Size	.89706
V01	Pin Level	.88444
V13	Personally Sponsored	.88295
V75	Personal PV	.68937

Final Statistics for Overall Success Scale

<u>Factor Number</u>	<u>Factor Name</u>	<u>Eigenvalue</u>	<u>% of Variance</u>
1	Distributor Success	3.64	73.0

N of Cases, Mean, and Standard Deviation for Overall Success Scale

<u>Scale</u>	<u>N</u>	<u>Mean</u>	<u>S.D.</u>
Overall Distributor Success	93	24.5	22.3

* Varimax rotation

Table 8. Pearson Correlation Matrix for Organizational Commitment Scale and Successful Distributor Task Performance Indicators.

	Organizational Commitment	Commitment To Remain	Value Commitment	Overall Success	Pin Level	Group Size	Personally Sponsored	Group PV	Personal PV
Organizational Commitment									
Commitment To Remain	.91***								
Value Commitment	.98**	.81***							
Overall Success	.26***	.27***	.25**						
Pin Level	.31***	.33***	.31***	.89***					
Group Size	.22**	.22**	.23**	.92***	.72***				
Personally Sponsored	.19*	.20**	.21**	.88***	.66***	.74***			
Group PV	.12	.11	.13	.91***	.74***	.72***	.65***		
Personal PV	.28**	.29	.28	.62***	.48***	.48***	.72***	.47	
N of Cases	98	110	101	93	121	117	119	99	97
Mean	5.7*	6.0*	5.5*	24.5	3.1	73.8	16.7	3048.87	379.57
Standard Deviation	1.15	1.17	1.25	22.3	1.9	112.2	22.9	4393.77	537.84

* p < .05
 ** p < .01
 *** p < .001

* Mean presented as a scale average in order to compare sub-scales with the overall commitment scale.

Table 9. Pearson Correlation Matrix for Organizational Involvement and Organizational Commitment.

	Organizational Commitment	Organizational Involvement	Moral Involvement	Calculative Involvement
Organizational Commitment				
Organizational Involvement	.62***			
Moral Involvement	.68***	.88***		
Calculative Involvement	.42***	.86***	.53***	
N of Cases	98	104	105	108
Mean	85.9	30.0	15.2	14.9
Standard Deviation	17.3	6.0	3.3	3.5

* p < .05
 ** p < .01
 *** p < .001

Table 10. Analysis of Variance of the Relationship Among Organizational Commitment, Calculative, and Moral Involvement.

Commitment By Calculative and Moral Involvement

<u>MAIN EFFECTS</u>	<u>D.F.</u>	<u>F</u>	<u>SIG.</u>
Calculative Involvement	1	1.77	.03 +
Moral Involvement	1	8.65	.0008 *
Interaction of Calculative and Moral Involvement	1	.141	.709
Variance Explained	3	3.525	.022
<u>MULTIPLE R</u>		<u>MULTIPLE R SQUARED</u>	
.42		.18	

+ Not significant at .05 level, based on one-tailed test of difference in means for levels of calculative involvement (.05 cutoff point interpreted as .008 for a three-level variable).

* Significant at .05 level, based on one-tailed test of difference in means for levels of moral involvement (.05 cutoff points interpreted as .008 for a three-level variable).

Table 11. Analysis of Variance of the Relationship Among Overall Distributor Success, Organizational Commitment, and Calculative Involvement.

Success By Commitment and Calculative Involvement

<u>MAIN EFFECTS</u>	<u>D.F.</u>	<u>F</u>	<u>SIG.</u>
Organizational Commitment	2	3.877	.004 *
Calculative Involvement	2	2.80	.01 +
Interaction of Commitment and Calculative Involvement	4	2.416	.059
Variance Explained	8	2.877	.009
<u>MULTIPLE R</u>		<u>MULTIPLE R SQUARED</u>	
.40		.16	

* Significant at .05 level, based on one-tailed test of difference in means for levels of moral involvement (.05 cutoff points interpreted as .008 for a three-level variable).

+ Not significant at .05 level, based on one-tailed test of difference in means for levels of calculative involvement (.05 cutoff point interpreted as .008 for a three-level variable).

Table 12. Breakdown and Analysis of Variance of the Relationship Among Overall Distributor Success, Calculative Involvement, and Organizational Commitment.

Success Scale By Calculative Involvement By Commitment

<u>CALCULATIVE INVOLVEMENT</u>	<u>CONTROL VARIABLE</u>	<u>SUCCESS MEAN</u>	<u>S.D.</u>	<u>N</u>
LOW	<u>COMMITMENT</u>	17.9	15.2	22
	LOW	14.9	15.6	11
	MODERATE	21.4	17.8	7
	HIGH	20.1	10.3	4
MODERATE	<u>COMMITMENT</u>	21.2	18.9	25
	LOW	17.3	22.1	7
	MODERATE	29.9	20.2	10
	HIGH	13.9	9.8	8
HIGH	<u>COMMITMENT</u>	34.5	25.4	22
	LOW	8.5	4.9	3
	MODERATE	30.3	15.1	9
	HIGH	46.1	30.2	10

Table 13. Analysis of Variance of the Relationship Among Overall Distributor Success, Organizational Commitment, and Moral Involvement.

Success By Commitment and Moral Involvement

<u>MAIN EFFECTS</u>	<u>D.F.</u>	<u>F</u>	<u>SIG.</u>
Organizational Commitment	2	3.359	.006 *
Moral Involvement	2	.419	.659 @
Interaction of Commitment and Moral Involvement	4	.312	.869
Variance Explained	8	1.101	.375
<u>MULTIPLE R</u>		<u>MULTIPLE R SQUARED</u>	
.32		.10	

* Significant at .05 level, based on one-tailed test of difference in means for levels of moral involvement (.05 cutoff points interpreted as .008 for a three-level variable).

@ Since means are not in the predicted direction, one-tailed test of difference in means not performed.

Table 14. Breakdown and Analysis of Variance of the Relationship Among Overall Distributor Success, Moral Involvement, and Organizational Commitment.

Success Scale By Moral Involvement By Commitment

<u>MORAL INVOLVEMENT</u>	<u>CONTROL VARIABLE</u>	<u>SUCCESS MEAN</u>	<u>S.D.</u>	<u>N</u>
LOW	<u>COMMITMENT</u>	20.1	18.1	24
	LOW	15.4	18.3	15
	MODERATE	33.7	17.8	5
	HIGH	20.9	11.0	4
MODERATE	<u>COMMITMENT</u>	27.3	20.0	25
	LOW	13.1	14.9	5
	MODERATE	25.1	13.1	11
	HIGH	37.8	24.8	9
HIGH	<u>COMMITMENT</u>	26.6	25.0	23
	LOW	14.2	.0	1
	MODERATE	27.7	21.4	11
	HIGH	26.6	30.9	11

Table 15. Analysis of Variance of the Relationship Among Overall Distributor Success, Organizational Commitment, and Overall Organizational Involvement.

Success By Commitment and Combined Organizational Involvement

<u>MAIN EFFECTS</u>	<u>D.F.</u>	<u>F</u>	<u>SIG.</u>
Organizational Commitment	2	3.312	.007 *
Combined Involvement	2	1.48	.039 +
Interaction of Commitment and Combined Involvement	4	.332	.855
Variance Explained	8	1.365	.231
<u>MULTIPLE R</u>		<u>MULTIPLE R SQUARED</u>	
.36		.13	

* Significant at .05 level, based on one-tailed test of difference in means for levels of moral involvement (.05 cutoff points interpreted as .008 for a three-level variable).

+ Not significant at .05 level, based on one-tailed test of difference in means for levels of calculative involvement (.05 cutoff point interpreted as .008 for a three-level variable).

Table 16. Breakdown and Analysis of Variance of the Relationship Among Overall Distributor Success, Combined Organizational Involvement, and Organizational Commitment.

Success Scale By Combined Involvement By Commitment				
<u>COMBINED INVOLVEMENT</u>	<u>CONTROL VARIABLE</u>	<u>SUCCESS MEAN</u>	<u>S.D.</u>	<u>N</u>
LOW	<u>COMMITMENT</u>	18.5	17.6	23
	LOW	16.1	18.8	14
	MODERATE	21.4	17.8	7
	HIGH	26.1	9.7	2
MODERATE	<u>COMMITMENT</u>	21.5	17.8	23
	LOW	13.1	14.9	5
	MODERATE	25.1	15.7	10
	HIGH	22.2	22.1	8
HIGH	<u>COMMITMENT</u>	33.2	25.1	23
	LOW	9.9	6.1	2
	MODERATE	35.7	18.6	9
	HIGH	35.2	30.0	12

Table 17. Pearson Correlation Matrix for Overall Distributor Success, Commitment, Involvement, and Selected Time Variables.

	Overall Success	Organizational Commitment	Calculative Involvement	Moral Involvement	Selling Products	Showing Plan	Motivating Downlines	Total Hours	Total Months
Overall Success									
Organizational Commitment	.26**								
Calculative Involvement	.33***	.42***							
Moral Involvement	.10	.68***	.53***						
Selling Products	.43***	.02	.14	.16*					
Showing Plan	.06	.39***	.53***	.39***	.08				
Motivating Downlines	.51***	.26**	.38***	.23**	.15*	.26**			
Total Weekly	.52***	.20*	.30***	.05	.48***	.16*	.45***		
Total Months	.66*	.16*	.13	-.10	.25***	-.21**	.33***	.44***	
N of Cases	93	98	105	108	116	112	115	112	112
Mean	24.5	85.9	15.2	14.9	6.3	4.3	3.1	13.1	95.3
Standard Deviation	22.3	17.3	3.3	3.5	8.1	4.8	5.1	13.7	84.9

* p < .05
 ** p < .01
 *** p < .001

Table 18. Regression Analysis of Overall Distributor Success, Organizational Commitment, Involvement, and Selected Time Indicators.

<u>Predictor Variable</u>	<u>Beta Coefficient</u>	<u>F-Ratio</u>	<u>One-Tailed Significance</u>	
Organizational Commitment	.12478	1.158	.1429	
Calculative Involvement	.11453	1.162	.1424	
Moral Involvement	-.10728	.699	.2031	
Hours Spent Weekly Selling Amway Products	.25810	7.859	.0033	
Hours Spent Weekly Showing Amway Plan	.04259	.182	.3353	
Hours Spent Weekly Motivating Downlines	.24514	7.057	.0049	
Total Hours Spent Weekly on Amway Related Activities	.01532	.021	.4423	
Number of Months in Amway	.47073	23.65	.0000	
<u>Multiple R</u>	<u>R Square</u>	<u>D.F.</u>	<u>F-Ratio</u>	<u>Significance</u>
.78	.62	8	13.564	.0000

Table 19. Regression Analysis of Overall Distributor Success, Organizational Commitment, Involvement, and Selected Time Indicators (Number of Months Omitted).

<u>Predictor Variable</u>	<u>Beta Coefficient</u>	<u>F-Ratio</u>	<u>One-Tailed Significance</u>	
Organizational Commitment	.24066	3.372	.0353	
Calculative Involvement	.21241	3.110	.0411	
Moral Involvement	-.26939	3.544	.0320	
Hours Spent Weekly Selling Amway Products	.33411	10.172	.0011	
Hours Spent Weekly Showing Amway Plan	-.11302	1.074	.1518	
Hours Spent Weekly Motivating Downlines	.35400	11.728	.0005	
Total Hours Spent Weekly on Amway Related Activities	.12002	1.020	.1581	
<hr/>				
<u>Multiple R</u>	<u>R Square</u>	<u>D.F.</u>	<u>F-Ratio</u>	<u>Significance</u>
.69	.48	7	9.092	.0000

Chapter 5

Discussion and Conclusions

Introduction

This study has examined the relationship between organizational involvement, commitment and success among Amway distributors. In this chapter, the major research findings will be summarized and discussed. Attention will then be focused on the methodological limitations and the substantive contributions associated with the study. Finally, suggestions for further research will be proposed.

Review of Research Questions and Empirical Findings

Underlying the entire conceptual model proposed in the present study is the relationship between organizational commitment and successful individual member performance in a complex organization. In the present study this relationship is tested by examining the organizational commitment of Amway distributors. As will be developed in this Chapter, the results of the present study suggests that, at least in this particular sample of Amway distributors, with some exceptions, high levels of organizational commitment may, in some cases, actually detract from the overall success of Amway distributors.

As was reported in Chapter 4, a statistically significant, but moderately weak positive relationship exists between organizational commitment and overall distributor success among Amway distributors in the present study. As some researchers (Angle and Perry, 1983) have proposed, organizational commitment must be treated as a multi-dimensional concept which includes both commitment to remain as well as value commitment. The Organizational Commitment Questionnaire developed by Mowday et al. (1979) is particularly suited to measuring and testing this conceptual difference.

These two conceptual dimensions of organizational commitment were examined in the present study. Although there were some moderate differences between these dimensions, the strength of their association with the successful distributor task performance indicators was not substantially different, and the decision was made to treat organizational commitment as a unidimensional concept measuring the general loyalty of distributors to Amway.

The next stage in the hypothesis testing was to examine the relationship between organizational commitment and the various indicators of distributor success. These were the separate indicators used to construct the overall success scale discussed in Chapters 3 and 4. Included among these items are distributor 'pin' level, the size of a distributor's personal group of downline distributors, the number of downline distributors personally sponsored by the respondents, the PV level associated with the total retail sales of Amway products by a distributor's personal group, and personal PV level of retail sales of Amway products by distributors.

Organizational commitment was positively related in a statistically significant manner to all of the success indicators above except the PV level of distributor's personal downline distributor group. As the correlation analysis showed, the various indicators of distributor success used to construct the overall success scale are all strongly associated with the scale. This allowed for greater parsimony in the remaining analyses to be performed.

The next aspect of the conceptual model that was examined was the relationship between organizational involvement and commitment. Organizational involvement in the present study is measured in terms of the importance of material and non-material incentives used to attract members, promote member's participation, and maintain their membership in the organization. Material incentives correspond to what Etzioni (1961, 1975) referred to as calculative involvement, whereas non-material incentives correspond to what Etzioni referred to as moral involvement.

As was reported in Chapter 4, the present study found a statistically significant, strong positive relationship between organizational involvement and commitment to Amway. The present study found that value identification is important to both organizational commitment and moral involvement. Also, organizational commitment would found to be stronger for morally, than for calculatively involved distributors.

One of the key research hypotheses proposed in the present study was that there is an interactive relationship between calculative and moral involvement. It was proposed that this interaction would promote a stronger relationship between organizational commitment and distributor success. As was noted in Chapter 4, this relationship was not supported in the present study. An analysis of variance of the relationship between calculative and moral involvement and organizational commitment found no statistically significant interactive effect on organizational commitment associated with the combination of calculative and moral involvement.

The last area of the conceptual model to be examined was the overall relationship between organizational involvement, commitment, and distributor success. Calculative involvement was shown to be closely related to overall distributor success. This analysis also showed that calculative involvement and organizational commitment have an interactive effect on overall distributor success that is close to the .05 level of significance. Moral involvement was shown not to have a statistically significant relationship to overall distributor success and there was no statistically significant interaction between moral involvement and organizational commitment. Combined organizational involvement was also found not to be significantly related to overall distributor success. And, like moral involvement alone, there was no statistically significant interaction between combined involvement and organizational commitment.

As was noted in last section of Chapter 4, in the process of analyzing the proposed relationships identified by the overall conceptual model, it was found that a significant impact on distributor success could be attributed to various time-use factors. The following time indicators were examined: time spent weekly by distributors selling Amway products, time spent weekly showing the Amway Sales and Marketing Plan, time spent weekly motivating downline distributors in one's personal group, and

the total time spent weekly on Amway-related activities. In addition to these factors, number of months in Amway was also examined.

As was reported in Chapter 4, number of months in Amway was the strongest predictor of overall distributor success. It was followed by the number of hours distributor spent weekly selling products and motivating downlines. When number of months in Amway was omitted from the regression equation and the regression analysis repeated, the number of hours spent weekly selling products and motivating downlines were still statistically significantly related to overall distributor success. In this regression analysis, organizational commitment, calculative involvement and moral involvement were significantly related to overall distributor success. Although it was not predicted, moral involvement was negatively related to overall distributor success.

As was reported in Chapter 4, one particularly interesting aspect of the relationship between the time-use factors and distributor success was that none of the tests performed revealed a statistically significant relationship between the time distributors spent weekly showing the Amway Sales and Marketing Plan and the level of success they achieved in Amway. This finding will be discussed later in this chapter.

Limitations and Contributions of the Research

Attention will now be focused on the methodological limitations and then on the substantive contributions of the present study.

Methodological Limitations of the Present Study

As was previously mentioned, the difficulties in collecting data for the present study led to one of the major limitations of the study. Due to the methods of data collection that had to be relied upon, the ability to generalize beyond the confines of the present sample is severely compromised. Although evidence was presented supporting the similarity of the snowball sample (collected on an availability basis) and the telephone directory sample (collected in a non-systematic, but random basis), a systematic, randomly selected national sample of distributors would be necessary to confidently generalize the findings of the study to the larger population of American distributors.

A related limitation confronting the present study was the relatively small sample size. As was mentioned previously, the relatively small size of the sample made it difficult to statistically control for third variable influences on the major two variable relationships without encountering very small cell sizes. The discovery of the telephone directory resource for contacting distributors nationally opens up the possibility of conducting a much more systematic sampling procedure that would not only increase the generalizability of the research findings but would also appreciably increase the sample size.

Another limitation of the present study that has already been noted is due to the cross-sectional nature of the research design. This constrains the findings and conclusions to an associational level and will not allow any inferences concerning causation. It is impossible to determine with the present research design and data, if amount of hours spent weekly is leading to distributor success, or if some other factor or factors is primarily responsible for distributor success and the increasing success

is causing the increase in the amount of activity on the part of distributors. A longitudinal design would make it possible to determine the causal order of the relationship between distributor success and time-spent on various Amway activities. The same problem is associated with the relationship between distributor success and organizational commitment, and between distributor success and number of months distributors have been in Amway.

Substantive Contributions of the Present Study

One of the contributions of the present study is the insight it provides into the range of forms of social action that may occur within bureaucratic organizations. This provides a needed elaboration of the Weberian model of bureaucracy. As any student of bureaucracy has learned, bureaucratic organizations are characterized by instrumentally-rational social action and rational-legal forms of authority. But as Gouldner (1954) noted in his critique of the Weberian model of bureaucracy, some of the assumptions made by Weber concerning the nature of bureaucratic organizations are in need of being reassessed.

As some of the more recent literature on corporate bureaucratic organization has emphasized, there is a growing recognition of the importance of examining the role of 'corporate culture' in influencing the participation of organizational members.

The corporate organization studied in the present case is a good example of the degree of the departure from the Weberian bureaucratic model some organizations have exhibited. In the case of Amway, many outsiders are not sure if Amway is a business organization, a social movement, or a cult. And many insiders disagree about the nature and role of values for organizational participants.

One respondent in the present study commented,

"The most important thing ... is the people. How can you put a price on true friendships. People who are there in good times, but who are there the most in bad times. The love of the business is the people. I don't care if ever make a dime (I know I will) because of the growth I have gotten in every area of my life."

Or as another respondent commented,

"I am thankful for the opportunity Amway has provided me to better myself and my country."

Other respondents reject the notion that Amway promotes any set of cultural values.

For example, as another respondent asserted,

"Of course there is loyalty to Amway, but, each distributor is an independent contractor. Amway makes products, but has no values itself."

If Amway has no cultural values it seeks to promote, there are a substantial number of insiders and outsiders alike who identify with or reject what they view as Amway's values.

Another substantive contribution of the present study is the support it provides for Etzioni's compliance model of the impact of the nature of lower participants involvement and the effectiveness of the organization. Although the present study focused on individual distributor success, it is reasonable to propose that the effectiveness of organizations like Amway is highly dependent on the effectiveness of their individual participants. As Etzioni's model predicts, calculative involvement is the most effective type of organizational involvement for promoting distributor success. As Etzioni's model further predicts, incongruent compliance structures promote organizational ineffectiveness. In this case it may be that moral involvement in a remunerative organization reduces the effectiveness of the participant's efforts to succeed.

Although Etzioni's model has survived another 'hostile' test, it seems reasonable, as was previously mentioned, to retest the model in order to assess the impact of the present studies' limitations on the important substantive findings associated with the study.

Another contribution concerns the insights provided into the nature and uses of non-material incentives in bureaucratic organizations. A variety of theorists have proposed that non-material incentives play an important role in conjunction with other material incentives. Barnard's (1938) discussion of 'ideal benefactions' represents an early recognition of the importance of non-material incentives and, consequently, moral involvement in maintaining member contributions.

But, as the present study found, moral involvement does not appear to lead to distributor success. What then is the contribution of moral involvement to performance in complex organizations? One question raised by Blau and Scott (1962) may help focus the search for an answer to this question. In their study of organizational typologies, Blau and Scott emphasize the importance of power and raise the question of who benefits (*cui bono*) from particular organizational arrangements and structures. In Blau and Scott's terminology, the Amway ideology emphasizes the 'mutual-benefit' nature of the organization. Lower participants and elites alike benefit from the operation of the Amway plan.

As was noted in the review of literature on Amway, this position has been challenged by critics, insiders and outsiders alike. As Butterfield (1985), Kerns (1872) and others have proposed, the Amway value system serves to protect the powerful elites within the organization at the cost of the lower participants. It is in relation to this process that a latent function of moral involvement may be identified. As is suggested by Barnard, Clark and Wilson, and others, non-material incentives are often used as supplements to reinforce the supply of material incentives available in a particular organization. In this sense, moral involvement may very well be a form of managerial hoodwinking that may serve several positive functions for the organization. Moral involvement helps to maintain the participation of lower participants in the absence of adequate material incentives. Lower level Amway distributors serve

as a type of 'captured market,' using Amway products in the hope of enhancing their success in the organization. This is due to the message delivered to new recruits that they will be best able to convince others of the value of the products and business if they use them personally. Maintaining their participation helps secure a continuing and reliable source of product sales.

A second function that might be served by incorporating moral involvement in a bureaucratic organization is the role it may play in reducing attention to the material advantages of the elite members of the organization and redirecting the focus of lower participants away from the power differentials that exist between levels in the Amway hierarchy of authority.

A dramatic example of this process in operation presented itself to the researcher at a large Amway rally he was attending in order to collect data. After listening to an elite distributor propose that he did not care for 'big bosses,' the researcher turned to a young woman and commented that it seemed ironic that the highest pin distributor in the coliseum would make such a comment. After looking sternly at the researcher for a few moments, the young woman replied sharply, "I don't think I appreciate that comment. It was snide and cruel. He's the most humble man you'll ever meet. He'll go anywhere and talk to anybody if it will help them." This type of defensive reaction is not uncommon among 'true believers' in any group characterized by high group cohesion and strong leader identification.

Even if moral involvement is not functional for the success of the individual Amway distributor, it may be quite functional in maintaining the organizational hierarchy and promoting lower participant compliance with the norms and policies of the organization. The use of moral involvement as a form of organizational hoodwinking casts some doubt on the positive role of corporate culture as a beneficial force within complex bureaucratic organizations.

Suggestions for Further Research

In order to understand more fully the role of moral involvement in bureaucratic organizations several suggestions may be made concerning future research on the topic. To begin with, there is a need to refine the involvement scale used in the present study. A more thorough and systematically tested scale for measuring organizational involvement would help to improve the generalizability of the research conducted on Etzioni's compliance model.

Another important direction that future research should take is the attempt to broaden the focus to incorporate a multi-organizational approach. Amway distributors might be compared with distributors for other multi-level direct sales companies, such as Herbalife and Mary Kay Cosmetics. This would provide the opportunity to compare the impact of moral involvement on a variety of organizational and individual outcomes. This would also provide much greater support for the generalizability of the findings. The findings of such a study would be less susceptible to the criticism that they were relevant only to a particular organization or sample.

Although such a broadening of research sites might well extend simply to examining other direct sales organizations, it would be particularly useful to extend the research beyond such a limited domain. It would be helpful to be able to compare direct sales organizations with more traditional bureaucratic organizations in order to develop a broader understanding of the role and impact of different types of organizational involvement within bureaucratic organizations.

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Appendix

Brief History and Description of Amway Corporation

In 1949 Rich De Vos and Jay Van Andel were recruited as independent distributors for Nutrilite Corporation, a multi-level direct sales company specializing in food supplements and vitamins. As Conn (1977) has reported, DeVos and Van Andel:

"would go into a town anywhere within a few hundred miles of Ada, Michigan, place ads in the paper, make contacts with prospects in their homes, and then hold a meeting in a motel room or a rented hall of some sort and sponsor new distributors" (Conn, 1977:24).

As might be expected of energetic young entrepreneurs, DeVos and Van Andel were also involved in other financial endeavors and the profits from them were used to help finance recruiting expenses and other expenditures related to their new business: their independent Nutrilite distributorship. In order to keep their financial records straight, DeVos and Van Andel set up a separate organization, Ja-Ri Corporation, to operate the Nutrilite business and keep track of losses and gains in that company.

After several years as independent Nutrilite distributors, DeVos and Van Andel became concerned that their own Nutrilite distributor organization would be threatened if the Nutrilite Corporation experienced too much inter-distributor conflict. While they were in the process of considering the various alternatives facing them, Van Andel was approached by Carl Rehnborg, the founder and president of Nutrilite, and offered the presidency of the company. As Conn reports, Rehnborg also recognized the potential crisis facing his company and believed Van Andel and DeVos were best suited to prevent the crisis since their own distributor group seemed to be experiencing the least conflict of any distributor group in the company.

The reasons Van Andel turned down the job were made public during the Federal Trade Commission's investigation of Amway Corporation during the 1970s. According to the transcript of their testimony, Van Andel told the FTC investigators that:

"It appeared to us ... (that) the Nutrilite structure, the companies behind the Nutrilite distributing organization were in great danger of collapsing. That the time and effort they were putting into fighting amongst themselves would eventually destroy the company. Therefore, it appeared to us (Van Andel and DeVos) that if we were going to be able to continue and have some return on our 10 years of effort, it would be best if we would go into business for ourselves, producing our own products and selling them through our own sales organization and controlling the entire distribution and manufacturing operation" (Timony, 1978:73).

In order to minimize distributor conflicts in their own organization, Van Andel and DeVos set up rigorous recruiting controls so that the new organization would not be compromised by any legal problems associated with improper recruiting (or stealing) of new distributors. Only those distributors sponsored by DeVos and Van Andel were brought into their new business organization: The American Way Association of the United States.

As the American Way Association of the United States was being formed, Van Andel and DeVos were beginning to market their first product, a liquid biodegradable laundry detergent named 'Frisk'. This product was produced by a small manufacturing firm named Ruckle, located in Detroit, Michigan. Although the

marketing of 'Frisk' through their own distributor group allowed Van Andel and DeVos greater financial security with their American Way Association organization, they were still dependent on Ruckle for their supply of products, product quality, packaging, and other considerations. In order to further increase the stability and security of their new organization, DeVos and Van Andel bought Ruckle Manufacturing Company and had it shipped by rail from Detroit to Ada, Michigan.

In November 1959, Amway Sales Corporation and Amway Services Corporation were organized. At this time the American Way Association of the United States organization was converted into the Amway Distributors Association. Ja-Ri continued to operate as a separate entity until November 1963. On January 1, 1964, Ja-Ri, Amway Sales Corporation, Amway Services Corporation, and Amway Manufacturing Corporation merged and consolidated its suborganizations into a single entity: Amway Corporation. (Timony, 1978:10).

The essence of multi-level direct selling companies is their diffuse method of product distribution and the inclusive nature of their distributor recruitment process. These aspects of Amway are accomplished by the same mechanism: the distributor network. This network is responsible for both product sales and distribution as well as the recruitment and socialization of new distributors. By increasing the size of the distributor force and the level of distributor commitment to the company, elite distributors and corporate officials are able to realize great financial rewards. But what about the lower participants, the new recruits?

To begin with, the new recruit has three major obligations to the company. First, they must attempt to sell as many products as they can to their friends, relatives, neighbors, themselves, and anyone else willing to purchase them. The second obligation is to attempt to recruit as many of these same people into their new organization. Last, but certainly not least, the new distributor is expected to read pre-

scribed Amway literature, listen and watch Amway sponsored audio and video cassette tapes, and to attend Amway sponsored local, regional, and national rallies.

For the Amway distributor force, the essence of the company is its '6-4-2' recruitment plan (see Figure 9 on page 189). This is Amway's formula for building a network of distributors large enough to generate the level of sales required to become a new Direct distributor. According to this 'plan', a new recruit is instructed to build their new Amway business by sponsoring at least 6 new recruits. After the new distributors have been recruited, the new recruit is instructed to help each of the 6 new recruits to personally sponsor at least 4 new recruits. Each of these 4 new recruits are then in turn helped to sponsor at least 2 more new recruits. Everyone is advised and encouraged to sell at least 100 dollars worth of products per month. When the total sales of an entire network (or 'personal group') reaches 7500 PV for a single month, the distributor responsible for that group earns the 'Silver Producer' pin. If this level of sales activity is maintained for 3 consecutive months, the 'focal distributor' will finally earn their 'Direct distributor' pin. Among Amway distributors, achieving this level in Amway is known as 'going direct'. At this level of Amway's distributor hierarchy, the distributor is no longer dependent on the individual that sponsored them (their 'upline') for product distribution or bonus checks. Instead, they deal directly with the company's headquarters in Ada, Michigan.

It is at the 'direct distributor' level that Amway Corporation really begins to meaningfully recognize successful distributor performance. The new direct distributor is given their own day at the Amway plant in Ada, Michigan. They are picked up in their neighborhood by a rented limousine and driven to the local airport, where they board one of Amway's Lear jets waiting to fly them to Ada, Michigan. Besides the symbolic recognition that is earned, if the new Direct distributor maintains qualifica-

tion for Direct status, they will be eligible to apply for voting membership in the Amway Distributor Association. As the Direct distributor manual notes,

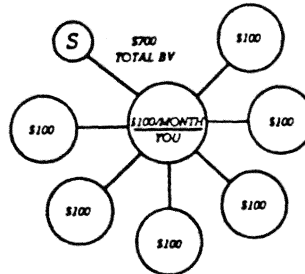
"The applicant for a new Voting Membership must have qualified as a Direct distributor and must have qualified for the 25% Performance Bonus in any three additional months (not necessarily consecutive) of the fiscal year in order to apply following the month he or she qualified as a Direct distributor" (*The Direct Distributor Manual*, 1978:1f).

Voting Members are also eligible to receive a profit-sharing bonus if Amway annual profits warrant the awarding of such a bonus.

When the Direct distributor sponsors 6 Direct 'legs' (that is, if 6 recruits themselves become Direct distributors), the sponsoring Direct distributor becomes eligible for Diamond Direct status. At this level in the company 'pin' level hierarchy, the distributor becomes eligible to spend a week at Peter Island, Amway's private island in the Bahamas. Or they may choose instead to spend a week on *The Enterprise*, Amway's private yacht. These trips are meant to be fun, but their primary purpose is to provide an opportunity to further train the distributors and prepare them for the increasing demands of their Amway business.

Share the business with 6 other people and teach them to do \$100.00.

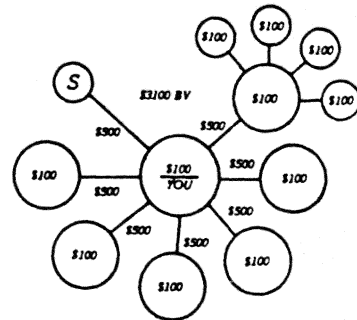
Total Monthly PV for Your Group (your own 100 + 100 × 6 distributors)	700
Performance Bonus (700 × 9%)	\$ 63
Performance Bonuses paid by you (100 × 3% = \$3 × 6 distributors)	- \$ 18
Performance Bonus retained by you	\$ 45
Gross Income on your personal PV	\$ 30
Your Total Gross Monthly Income	\$ 75



1. Help each of your personally sponsored share the plan & sponsor 4 for them.

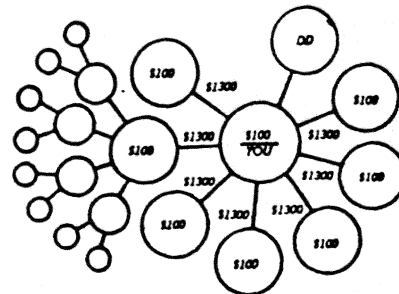
2. Each distributor does \$100.00.

Total Monthly PV of Your Group (your own 100 + 500 × 6 groups)	3,100
Performance Bonus received by you (3,100 × 18%)	\$ 558
Performance Bonus paid by you (500 × 6% = \$30 × 6 groups)	- \$ 180
Performance Bonus retained by you	\$ 378
Gross Income on your personal PV	\$ 30
Your Total Gross Monthly Income	\$ 408



1. Now help the new distributors get started by sponsoring 2.

Total Monthly PV of Your Group (your own 100 + 1,300 × 6 groups)	7,900
Performance Bonus received by you (7,900 × 25%)	\$ 1,975
Performance Bonuses paid by you (1,300 × 12% = \$156 × 6 groups)	- \$ 936
Performance Bonus retained by you	\$ 1,039
Gross Income on your personal PV	\$ 30
Your Total Gross Monthly Income	\$ 1,069



When your total PV is 7500* then you deal directly with the Company for Product & Bonus checks. You then become a Direct Distributor.

Figure 9. The Amway 6-4-2 Sales and Marketing Plan.

The Rally Experience: Spring Leadership 1986

It was a rainy Friday afternoon, and after a somewhat risky and dangerous 6 hour drive across Virginia I finally arrived at my destination: the Scope. Located in Norfolk, Va., the Scope is a large coliseum that hosts major concerts and sports events and is the scene of one of the major east coast Amway events of the year: "SPRING LEADERSHIP". For 3 days, (March 14, 15, and 16) approximately 10,000 Amway distributors will listen to inspirational and informative speakers teaching them how to be successful in their Amway businesses and exhorting them to be excited about the prospects of being wealthy and successful.

I had made arrangements to share a room at the Waterside Holiday Inn with a Direct Distributor from Raleigh, N.C. Dave (not his real name) and I have been acquainted for 3 or 4 years. Dave had sponsored my mom's second husband into his group, and my mom introduced me to Dave to help me collect data for my study. Dave and I get along fine and he has been cultivating me as a potential 'hot' recruit since the first day we met!

I am supposed to meet Dave or one of his downline recruits at one of two places: the lobby of the Holiday Inn or at Chrysler Hall near the Scope. As is typically the case with such connections, when I arrive there is no sign of Dave or anyone that appears to be waiting for me. Well, that's okay, I thought. Just relax. Things will work out, they have to, I concluded. With this new peace of mind, I secured my bags in my car and went back over to the Scope.

It was around 5:00 and already 30 or 40 or so distributors had begun to gather at the entrance to the Scope. My first task was to get a ticket for the event. Tickets were going for 20 dollars each and I expected to see them changing hands at the gate.

I thought about asking if anyone had a ticket or if they were in line to get tickets. I also thought that I might should spring into action and begin to collect names and addresses of distributors that were willing to participate in my study.

No, I thought. Just relax. Wait and see how things shape up. Get a feel for the mood of the group. After about 10 or 15 minutes another distributor walks up and begins asking people if they need tickets. "Right here," I spoke up, and just in time to get the jump on someone else in the line who is also waiting to get a ticket. Since I spoke up first and was closer to the guy than the other prospective buyer, I got first chance at getting the ticket.

"How much are these things worth?", he asked in mock ignorance. "They're going for 5 dollars each aren't they", I joked back to him. "No," he said, "I think they're going for 20 dollars." "Okay, that sounds fair to me," I said. As I gave him the money, I asked him where he was from and how long he had been in Amway. This seemed like as good a place as any to try my pitch out, so I went right to work.

"Can I talk to you for a minute?," I asked him. Before he could answer, I continued. "My name is George Johnston and I'm doing research on Amway Corporation. Would you be willing to participate in my study?" "What's it about," he asked. "Well, I am primarily interested in studying the relationship between commitment and success in Amway. I am trying to look at some of the factors that might influence that relationship. I'm not trying to present Amway in any kind of unfavorable manner."

He put the 20 dollars in his pocket and thought about my request for a minute. "Are you a distributor?," he asked. "No I'm not," I told him. "I have been studying Amway since around 1980, but I have never been a distributor." "Have you seen the plan?," he asked. "Yes, many times," I said back, "but there are some restrictions

holding me back from joining at this time." "What do you mean?," he asked in disbelief. "Why are you studying Amway? Why haven't you gotten in yet?"

"Well," I told him, "that's sort of a long story. I am working on my Ph.D at Virginia Tech and I'm doing my dissertation on Amway distributors. Although I originally proposed to join Amway and study them from an insider's perspective, my doctoral committee rejected that approach. They want something more objective and detached, something less subjective and potentially biased than a participant-observation study based on just my own experiences. I told them that the results would probably not be as insightful or even as valid as they might be if I studied the organization as an insider, but they rejected the idea and insisted that they would not approve any methodology that included my participation in the organization."

"So, I can't join at this time. But as soon as I finish this research, I am planning on joining," I told him. "But I am somewhat obligated to join a friend's distributor group." "That's great," he said. "Sure, I'll be glad to participate. What do I have to do," he asked. "Well," I said, "I could interview you now, get your name and home phone number, or give you a self-addressed stamped envelope with a survey and cover letter which briefly explains what I am trying to study and my contact with the company." "Okay," he said. "I'll give you my name and phone number." "Great," I said. "I'll call you next week and do the interview. It shouldn't take more than 10 or 15 minutes."

After I got his name and number, we talked for a few more minutes. I thanked him again and told him that I hoped that he had a great time at the rally. Well, I thought to myself, what a great start to the weekend! I've got a ticket and a potential respondent. I was getting into the right mood for the event. I was excited and really glad to be at the Scope.

I began to think again about how I needed to continue my initial success and tentatively decided that I should attempt to approach distributors that were alone or in very small groups (only 2 or 3 people). I had thought that a friend of mine who was willing to help me collect data would be helpful, but I changed my mind after I recognized the delicate nature of the task. I had to be careful. I had not asked anyone's approval to collect data at this event and had only tacit approval from Amway Corporation to collect data for my study. I had been in contact with the home headquarters in Ada, Michigan a few years back, and although Amway was unwilling to release a mailing list for its distributor force, it was interested in looking at any research I might conduct on Amway distributors. Still, this wasn't much support to fall back on so I knew I had to be careful. I wanted to come away with as much data as was possible, but I didn't want to get kicked out of the Scope or spend the weekend in the Norfolk jail! No, I would need to collect the data by myself, approach distributors outside of the coliseum itself in small groups or by themselves, and be very careful and discriminating about my behavior. I didn't want to draw unnecessary attention to myself. One strategy I used to attempt to blend was by dressing like a distributor. Distributors tend to wear what might be thought of as a kind of 'uniform': a dark blue suit, white shirt, and red tie. Another strategy I pursued in order to blend in better to my surroundings was purchasing and conspicuously using a bottle of Amway 'sweet shot' breath spray while at the rally. Many distributors in the rally setting may be seen using 'sweet shot' and there is almost a symbolic quality to the act.

With a ticket and a respondent taken care of, I decided, that it would be a good idea to return to my search for Dave and take care of my accommodations for the night. I went back to the Holiday Inn and this time when I asked the hotel operator about my friend she told that yes he had checked in and she would ring the room for

me. Dave answered the phone and cheerfully told me the room number and told me to go ahead and bring up my things.

Things were going great, I thought. I just hope things will continue to go this well. I had plenty of disappointments and surprises to experience, though, before this weekend would run its course.

Dave was just getting ready to go meet some of his downline recruits and go get something to eat when I got up to the room. "Come on and get something to eat with us," he said as he flashed me an approving smile. "Sure," I said. "Just let me put my things away and freshen up a bit."

Soon we went down to the lobby and Dave introduced me to one of his recruits. "Kathy, this is George. He's the guy that's doing the study about Amway distributors I told you about." "Nice to meet you," Kathy said, flashing me a big smile. "Are you excited about this weekend," she asked? "Excited and a little nervous," I admitted. "I really need to collect a lot of data if I am to have any hope of ever finishing my dissertation." "Hang in there," she said. "You'll get it. Although I don't see why you even want it, as much as you know about this business." Although I knew it was senseless, I told her that I could understand her point of view, but that I really loved teaching at the college level, and that it was very important for me to get a Ph.D. to continue doing it. She still seemed puzzled. "Isn't that a rut job, though," she asked. "Well most people don't do it for the money," I replied. "Like I said, I really enjoy teaching college." "You can be a teacher all the time in this business," she followed up. I thought about telling her about my feelings about academic freedom and my doubts about how free the teachers in Amway were to teach ideas and concepts that didn't quite fit into the Amway world view. "You're probably right," I said, and let it go at that.

"Let's go over and get some good seats at the coliseum and then go get some supper." "Great," Kathy said. "What do you guys want to eat," Dave asked. "Something quick and cheap," said Kathy. "I'm open to any suggestions," I said. "Well, let's get going then." And we set out to get our seats.

After we found some good seats we decided to get something to eat at the coliseum. There were concessions in the hall outside the coliseum. So we made do with pizza slices and Coke.

It was still early when we arrived to get our seats and the coliseum was only about a quarter full. "Just wait til tomorrow night," Dave told me. "This place will be jumping. It will blow your mind." "I'm sure it will," I replied.

The seats we had picked were good ones. They were just to the right of the stage, near the front, up off the floor level. There was a nice breeze blowing. That would be important when things began to get 'fired-up' later on!

I began to size up the situation and tried to figure out how I should proceed with my data collection. I was sitting right beside a black distributor that had told us the seats were available. I thought that this would be as good a point as any to get back to work so I started up my routine with him.

"Good evening, sir. My name is George Johnston and I'm doing research on Amway corporation. Would you be willing to participate in my study?" "Well, I don't know," he said. "Are you a distributor? After going through the same conversation I had already experienced with the distributor that had sold me my ticket and with Kathy, he told me he would be glad to participate and gave me his name and phone number. "I know one of your colleagues in the College of Business," he said. "Oh really," I replied. "Yeah, his name is Tom Hill and he's doing pretty well in the business." "I know him," I said, "he's in the sample of distributors I used to pretest

my instrument." "Well, tell him that I said hello, would you?" "Of course," I said. "Thank you for your participation in my study."

I got up and began to look around for another likely participant. Right away, I spotted someone that looked familiar. I was looking at a young man who looked to be about 35 years old and he was looking back at me. We both realized that we knew each other. I then realized that I was looking at a former high school friend that I hadn't seen since 1972.

"I believe I know you," I said, as I walked up to this familiar looking fellow. "Why if it isn't George Johnston. What on Earth are you doing here? Are you in the business?," my former high school classmate asked. "Well," I said, "I'm really pleasantly surprised to run into you like this Henry. How have you been doing?" Henry caught me up on his life in the business world since high school and I told him about mine in academia. Although Henry had only been in the business 2 months, he was enthusiastic about Amway and was glad to participate in my research. "Here's my card, George," he said. "Be sure to come by and see me when you are in Rocky Mount and let me know how your research is going." "I'll be glad to do that Henry," I told him. Well, so far, I thought to myself as I walked back to my seat, things are going very well! Things are bound to get worse soon!

I went back to my seat and waited for the presentations to begin. It would be soon be time to start. They had dimmed the lights once as I was talking to Henry and people were making their way to their seats. By now the coliseum was well over half full and the air was already beginning to get warmer.

The coliseum lights went out and the stage lit up brightly. The show was about to begin. One of the elite distributors came on stage and welcomed everybody and made some general remarks about how great the rally was going to be and how helpful it would be to them in building their businesses. He then introduced the one

man that linked every other distributor in the coliseum together into one enormous distributor organization: Bill Britt. Bill had once been the city manager of Chapel Hill, N.C. and was now the recognized leader of what is probably the largest distributor organization in the entire company. This is no small accomplishment in a 2 billion dollar company operating in over 18 countries with over a million distributors.

As Bill strides out onto the stage, he is immediately illuminated by a bright spotlight and the crowd springs from their seats and gives him a rousing and enthusiastic standing ovation. If he is, as some have called him, the 'Godfather' of Amway on the east coast, he is certainly no less liked for it. "This guy is really great." The distributor beside me turns to me and says. "He's going to blow your mind." Bill laughs as the audience cheers and claps and then motions for them to sit down and pay attention. He welcomes everyone and thanks them for participating in the function. "We don't have to do this, but we believe it is good for you. We want to help you build your business," Britt tells his downlines. "There are no big shots in this business. I'm not a big shot and I don't like them. There's no place for them in this business." The audience again gives Bill their enthusiastic support for what he is saying.

In a moment of unavoidable candor and frankness, I turn to Susan, another of Dave's recruits, and tell her that I think that it is ironic that the most important distributor in the coliseum doesn't like big shots. After a minute of silence, Susan turns to me and says, "I don't think I appreciate that comment. It was snide and cruel." "Oh, no," I quickly countered, trying to recover her acceptance of me, "I didn't mean that in a negative manner." Susan sized me up again and decided that I had made the kind of mistake most uninformed outsiders might make about Bill Britt. "He's the most humble man you'll ever meet," she said to me. "He'll go anywhere and talk to anybody if it will help them." "I really believe you," I told Susan.

As I sat back down and tried to regain my composure, Bill went on to introduce the 'board of directors' for his distributor organization: the Diamond Direct distributors. With the exception of one single male distributor, the 'Diamonds' are all married couples which jointly run each distributorship. There are young couples and older couples. Although they are most white, there are even two black couples among the dozen or so 'Diamonds' on the stage. Each one of these people will present a portion of a well-designed and carefully thought out series of presentations intended to educate and motivate the lower level distributors.

Each of the 'Diamonds' tell their own story for the amusement of the veteran distributors and the education of the new ones. Before they finish speaking it will be well past 1:00 am, a typical wrap-up time for this sort of function. The distributors will need to be quite 'fired-up' and 'excited' if they are to keep up with the Diamonds. This is just the beginning of the physical demands which the weekend will place on those attending the function. Most will have driven at least 5 hours to get to the rally. They will be staying up until 1:00 and 2:00 am Friday and Saturday nights, and getting up at 7:00 Saturday and Sunday mornings. And then there's the drive back home, and for most, Monday morning back at their 'rut' job.

At around midnight I decided that I had heard and done enough for one day and I went back to the Holiday Inn and got some much needed sleep. I knew my limitations and I needed to be fresh for Saturday morning. I was excited and very tired.

Dave had come back to the room after I was asleep, and he was gone when I woke up Saturday morning! And my friends think I have lots of energy, I thought to myself as I dragged myself out of the bed. It was around 8:00. Just time to freshen up, get a little breakfast and make the meeting before 9:00.

I got right to work Saturday morning. On my way over to the coliseum I spotted a distributor walking alone and I approached her, developing a routine that would help me iron out the bugs in my approach. After getting her name and phone number I went over and sat on a wall 50 feet from the entrance to the coliseum and planned my strategy for the day. I decided that I would not listen to many presentations and would instead concentrate on collecting as much data as possible. Besides, the rally was being recorded on video and audio tape and I would be able to listen and watch the 'Diamonds' some time when I didn't have access to approximately 10,000 potential respondents!

The next distributor I approached was typical of many of the distributors I had already interviewed. He told me it didn't matter if I got his phone number, gave him a survey, or interviewed him right then. I decided that it would be good practice to go ahead and interview him and see how fast I could do it. But like many distributors before him, he called into question virtually every item on my survey. Nothing was clear or worded quite right. Each new item seemed to bring new criticisms and further delays for the interview. After we stuggled through 2 pages of the 6 page interview, he abruptly got up and said that he did not have time to finish the interview and walked toward the coliseum. I caught up with him and gave him the partially completed survey and a self-addressed stamped envelope and asked him if he would complete it and mail it back to me. He agreed to try to find time to do that. I went off looking for other distributors to approach.

After about an hour of approaching distributors, I decided that it might help my attitude to listen to a few presentations. Attitude determines altitude, as one of the Amway platitudes proposes! I went in to the coliseum and sat down. I was just in time to hear on the 'Diamonds' talking about proper alignment. This concept refers to the proper priorities that distributors should have. Referred to as 'levels of

faith', successful distributors would have faith first in God, then their country. After these priorities came their upline distributor organization. Next came their downline distributor organization and finally themselves. They must edify their uplines and properly duplicate downline what they see taking place upline. They must focus on the Amway team. Build friendships within the business and bring friends into the business. And rebuild their families.

After about 30 minutes I went back into the big circular hall which wrapped completely around the coliseum. I would walk around the building in the hall, approaching the distributors that were isolated from the larger groups hanging around in the hall. Although most distributors were friendly and cooperative, there were certainly those that were abrupt and unwilling to participate in the study. I collected names and phone numbers and gave out surveys until around 11:30 am. I decided to eat an early lunch and I walked to a nearby McDonalds and got a Big Mac, fries, and small Sprite to go. By 12:00 I was back in the hall approaching the distributors as they began to leave for lunch. Things were going just great.

Things really were going great. I was able to distribute a lot of surveys in a relatively short period of time. I was also able to get a representative cross-section of the different pin levels present at the meeting by taking note of the lapel pins the distributors were wearing and singling out distributors from different levels to approach.

Around 2:30 pm I was taking a short break when a distributor that had turned me down earlier that morning came up to me and asked me if I was having problems getting anyone to talk to me. I told him that I was just resting and that I was doing just fine. "Come with me," he said. and I said okay and followed him through the hall.

As we walked along in the hall I had a feeling that something was up. I was walking along with the man, but he wasn't saying a word to me. When we got to one of the entrances to the coliseum he told me to wait where I was and he walked across the hall and spoke to another distributor. They then walked a little ways further and spoke to yet another distributor. In a minute all of them came back over to me and the largest one of them asked me if I would step outside with him.

I had seen this distributor moving busily around the halls all morning. He was one the Emerald Directs that was running coliseum security and keeping order in the hall. He was well dressed and well suited for the job since he was about 6'3" and weighed around 275 pounds.

"What are you doing?" he asked me. I gave him an abbreviated version of my approach and apologized to him for not seeking out permission before I started approaching the distributors. "This is a private function", he said. "Well," I said, "I bought a ticket just like everyone else." "Well, you just can't come in here and give out surveys. That could get out of control," he said. "Do you know anyone here?" "Sure," I said. "I am staying with a friend that is one of Paul Miller's Direct distributors." "Well, let's go talk to Paul," he said. "If he says you can stay, you can stay. And if it's not alright we'll find that out too."

We then began making our way to the center of the coliseum complex, to the place where the 'Diamonds' were waiting to go onto the stage and make their presentations. When we arrived at the outer perimeter I was told to wait there and the Emerald went to check out the scene backstage. After about 10 minutes he came back and motioned for me to come on back. We got to the door at the back of the stage. "Wait here", I was told again, and he walked over to a group of the 'Diamonds' and spoke to Paul Miller, one of Bill Britt's Double Diamond Directs. The Emerald said a few things and pointed over to me and Paul nodded in recognition and

walked over to me. "How are you doing, George?" Paul asked. "I'm just fine," I said. "I really am sorry to have bothered you. I didn't mean to disrupt the rally. I just didn't think any of the 'Diamonds' would have the time to talk to me." "Well, that's alright, I'm not mad," Paul replied. "We just need to get this thing worked out, that's all." He then turned to the Emerald and said, "listen, I'm up next so I can't talk now. Just take him back to Bill." "Yes, sir," the Emerald said. I said goodbye to Paul and followed the Emerald to another area behind the stage.

When we got to the lounge where Bill and several of the 'Diamonds' were relaxing and talking I was again told to wait. The Emerald went over to the table and talked to the group for a minute and came back over to me. "Bill wants to talk to you now," he said. "Okay," I said, and walked over to the table.

I recognized Bill from the previous day and from pictures of him as well as video tapes I had seen which featured him. As I walked up to the table I began apologizing to Bill for bothering him and his friends. "I am sorry for not coming to you first, before I started trying to collect data," I apologized. "But I knew you are a very busy man." He and his friends began laughing right away. This had to be a good sign, or at least I hoped it was. "So you're the person that's giving out surveys to the distributors," Bill said. "Let me see one of them." I handed him a survey and began to give him the general points of the approach I had been using to persuade distributors to participate. "We just can't let people come in and give things out to the distributors. How did you know about this function? Are you a distributor?" "I'm not a distributor, but I do know some of the people in your organization," I told him. "I found out about the rally from one of Paul Miller's Directs. I am sharing a room with him at the Holiday Inn." I continued since I had his attention. "I had wanted to study Amway from an insiders perspective, but my committee would not accept that type of approach." "What do you mean," Bill said. "They can't keep you from

joining this group." "No Bill," one of the 'Diamonds' sitting next to him at the table said. "He means that his committee wouldn't accept his research if he joins the organization to collect his data." "Oh," Bill said. "Well, you'll never find anything out worth knowing if you just look at us from the outside without getting in." "Well, I do intend to join Dave's group when I finish my research," I told him. "Well, for one thing," Bill said to me, "you are studying the wrong people. You are talking to the people in the hall. You should be talking to the people inside the coliseum." "I didn't want to be disruptive and bother anyone," I replied. "That's good, but if you are going to do the research you need to get better data. If you really want to find out about this organization, be sure to listen to me tonight when I give my talk." He continued, "Listen, you leave the rest of your surveys with Paul and I'll call a meeting of the 'Diamonds' and we'll distribute them. How many do you need?" "I need around 100," I told him. "How many did you give out this morning and yesterday?" Bill asked me. "About 30 or 35 of them," I replied. "Well," Bill said as he turned to the Emerald who had moved to a position behind Bill at the table, "we'll need to make an announcement from the stage to call those surveys back. Get on that right away." "Yes, sir," he said. "Do I need to hide when you make the announcement?" I asked Bill. One of the 'Diamonds' turned to me and said that I didn't need to worry that they would not embarrass me and that they just wanted me not to be surprised when I heard the announcement from the stage.

"Well, George, we need to get back to our meeting now," Bill told me. "Yes sir," I said. "Thank you for giving me your time Mr. Britt." With that I was ushered back into the hall. On the way out, I handed the remaining surveys to the Emerald.

"Did he seem mad to you," I asked the Emerald. "Not at all," he said, turning to another distributor that had left the room with us. The other distributor laughed. "If Bill had been mad, you would have known it!" he said to me. Both of them began

laughing. "Do you think he will help me with the surveys?" I asked them. "What did he tell you?" the other distributor asked me. "He didn't have to tell you that he was going to help you. He could have just told you to leave and to forget about the study. If he told you that he was going to help, then he'll do it."

I was then shown the way back to the hallway. My audience with the 'Don' was over. He would control the data collection at his rally and I was at his mercy. I went back into the coliseum and tried to listen to the presentations. I had intended to stay until Sunday and then return to Blacksburg, but with each passing minute I became more restless and bored. I decided that I couldn't take anymore and that I should drive back to Blacksburg and save the money I had left. I went back to the Holiday Inn and left a note for Dave and got my car. Soon I was on my way back to Blacksburg.

I had a lot to think about on the way home, and before I knew what had happened, I had missed a turn and had driven about a hour and a half out of my way. I was dazed and confused and just a little unsettled about my prospects for finishing my research on Amway as I pulled back into Blacksburg.



COLLEGE OF BUSINESS

VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY

Blacksburg, Virginia 24061

DEPARTMENT OF MANAGEMENT (703) 961-6333

Dear Amway Distributor,

I am conducting research on Amway distributors as part of my graduate work towards my Ph.D. I am primarily interested in the relationship between commitment and success in Amway. The anonymity and confidentiality of the information I receive will be strictly maintained and the data will be reported in an aggregate or generalized form.

Any publications which may result from this research will be scholarly and not journalistic in nature. I have great respect for Amway and its distributors and will not misuse the information I receive in any manner.

I have been in contact with Amway Corporation concerning my research. The director of public relations, Mr. Casey Wondergen, has expressed an interest in examining the results of my research and I have assured him that I am quite willing to share my findings with Amway. Thank you for your cooperation.

Respectfully,

George P. Johnston III

Interview Schedule

Pin Level:

below 1500 PV 1500 PV 4000 PV Silver Producer
 Direct Distributor Ruby Direct Pearl Direct
 Emerald Direct Diamond Direct Double Diamond
 Triple Diamond Crown Direct Crown Ambassador

Are you currently an Amway distributor? _____

If not, why did you choose not to renew your distributorship?

Number of hours spent weekly selling Amway products? _____

Number of hours spent weekly showing the Amway plan? _____

I show the plan most often to? cold contacts referrals
 coworkers large and small groups friends/relatives

Number of 'opportunity meetings' attended monthly? _____

Number of 'opportunity meetings' personally sponsored? _____

How many distributors are in your personal group? _____

How many of these distributors did you personally sponsor? _____

How many distributors, approximately, in your personal group do not renew their distributorship annually? _____

In the spaces provided below, please indicate the importance of each of the following 8 reasons for being an Amway distributor.

1	2	3	4	5
+-----	+-----	+-----	+-----	+-----
very unimportant	unimportant	not sure	important	very important

My participation in Amway:

- a. helps me meet my current financial obligations.
- b. helps me get closer to God and promote religious values.
- c. allows me to take advantage of certain tax deductions.
- d. allows me to improve America by promoting free enterprise.
- e. gives me the opportunity to associate with friendly people.
- f. will help me attain personal financial freedom.
- g. provides me with a means for helping others.
- h. provides me with a method for earning discretionary income.

Select the 4 reasons from the previous list that best explain your participation in Amway & rank them according to their importance to you.

most important _____ _____ _____ _____ least important

Listed below are a series of statements that represent possible feelings that individuals might have about the company or organization for which they work. With respect to your own feelings about Amway, please indicate the degree of your agreement with each statement by selecting one of the seven alternatives provided.

1	2	3	4	5	6	7
+-----+-----+						+-----+
strongly	moderately	slightly	neutral	slightly	moderately	strongly
disagree	disagree	disagree		agree	agree	agree

- I am willing to put in a great deal of effort beyond that normally expected in order to help Amway be successful.
- I talk up Amway to my friends as a great organization with which to be involved.
- I feel very little loyalty to Amway.
- I would accept almost any type of job assignment in order to maintain my involvement with Amway.
- I find that my values and Amway's values are very similar.
- I am proud to tell others that I am part of Amway.
- I could just as well be involved with a different organization as long as the type of work was similar.
- Amway really inspires the very best in me in the way of my personal performance.
- It would take very little change in my present circumstances to cause me to leave Amway.
- I am extremely glad that I chose this organization to be involved with over others I was considering at the time I joined.
- There's not too much to be gained by sticking with Amway indefinitely.
- Often, I find it difficult to agree with Amway's policies towards its distributors on important matters.
- I really care about the fate of Amway.
- For me this is the best of all possible organizations with which to be involved.
- Deciding to become involved with Amway was a mistake on my part.

How many total hours do you spend weekly in Amway related activities? _____

How many 'downline' distributors in your Amway business? _____

How many distributors 'deep' is your typical leg? _____

How many distributors 'deep' is your deepest leg? _____

How many legs have you sponsored? _____

How many distributors, approximately, are there per leg? _____

How many Direct Distributors have you sponsored? _____

How many Amway audio cassette tapes do you have? _____

How many Amway video cassette tapes do you have? _____

How many motivational rallies have you attended? _____

Is this more, less, or about the same as the other distributors in the organization you have sponsored? _____ more _____ less _____ same

Average time spent weekly motivating 'downline' distributors? _____

What percentage of this is person-to-person? _____

How often do you use motivational materials (books, tapes and rallies) with your distributor organization? _____

1 2 3 4 5
+-----+-----+
none seldom occasionally often frequently

So far as you and your family are concerned, how well satisfied are you with your present financial situation? _____

1 2 3 4 5
+-----+-----+
very not very
dissatisfied satisfied satisfied

During the last few years, has your financial situation been getting worse, getting better, or remained the same?

_____ getting better _____ getting worse _____ remained the same

Precise and correct duplication are essential if one is to achieve the potential benefits that their Amway business has to offer.

1	2	3	4	5
+	-----+			+
not true	generally untrue	not sure	generally true	true

What factors most influenced your decision to become an Amway distributor? _____

What factors most influence your continuing decision to remain an Amway distributor? _____

The 6-4-2 plan for building an Amway business organization is the recommended form taught to new distributors by their sponsoring upline distributor. How does your organization compare with this model? On a separate piece of paper, sketch out the shape your business has taken as compared with the 6-4-2 plan.

If you have any comments which you feel should be added with regard to understanding the role motivation and commitment play in the successful Amway distributorship please feel free to include them on a separate piece of paper.

Background Data

Age _____ Sex _____ Marital Status _____ Race _____

Level of Education: Less Than High School _____ High School _____
Some College _____ BS/BA _____ MS/MA _____ Ph.D _____

Number of Children _____ Number of Months in Amway _____

What is your monthly group P.V. level? _____ Personal P.V. _____

Present or Previous Occupation _____

Income Level: _____ below \$10,000 _____ \$10,000 - \$15,000
_____ \$15,000 - \$20,000 _____ \$20,000 - \$25,000
_____ \$25,000 - \$30,000 _____ \$30,000 - \$35,000
_____ \$35,000 - \$40,000 _____ \$40,000 - \$50,000
_____ \$50,000 - \$99,999 _____ over \$100,000

What percentage of your present income is from Amway work? _____

Religious Preference: _____ Protestant _____ Catholic _____ Jew
_____ None _____ Other(specify) _____

If Protestant, what specific denomination is that, if any?

How strong are your religious convictions? _____

1 2 3 4 5
+-----+-----+
very weak moderate strong very
weak strong

We hear a lot of talk these days about liberals and conservatives.
Where would you place yourself on the following scale? _____

1 2 3 4 5
+-----+-----+
strongly liberal moderate conservative strongly
liberal conservative

Political Preference: _____ Republican _____ Democrat
_____ Independent _____ Other (specify) _____

How strong are your political convictions? _____

1 2 3 4 5
+-----+-----+
very weak moderate strong very
weak strong

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the scanned document**

SUCCESS

To laugh often and much;

To win the respect of intelligent people
and affection of children;

To earn the appreciation of honest critics and
endure the betrayal of false friends;

To appreciate beauty, to find the best in others;

To leave the world a bit better, whether by a
healthy child, a garden patch or a redeemed
social condition;

To know even one life has breathed easier
because you have lived;

This is to have succeeded.

Ralph Waldo Emerson

**The Relationship Among Organizational Involvement,
Commitment, and Success: A Case Study of Amway Corporation**

by

George Pierson Johnston III

Committee Co-chairman: William E. Snizek

Committee Co-chairman: Ellsworth Fuhrman

Sociology

(ABSTRACT)

Traditionally, organizational commitment has been proposed as an important factor leading to desired behavioral consequences (Angle and Perry, 1983). Organizationally-committed individuals remain in an organization, perform reliably, and are even willing to make contributions to an organization's operation which go beyond what is expected of them (Schein, 1980; Steers, 1977).

One company that seems to rely heavily on the organizational commitment of its participants is Amway Corporation. Amway Corporation is a multi-level direct sales company that specializes in personal and home care products. In just 25 years it has grown from a low-budget company serving a regional market into a multi-billion dollar corporation with markets in over 45 countries and territories and approximately one million distributors.

Although some of Amway's remarkable organizational success must be attributed to product quality and its dynamic and inclusive recruitment policy, it seems possible that much of Amway's success must be traced back to the organizational commitment of its distributors. Amway Corporation attempts to enhance distributor

commitment to the organization by providing material and non-material incentives, thereby promoting what Weber (1978) referred to as instrumental and value-rational, as well as affective forms of social action.

The present study focused on the following research questions: What is the relationship between organizational commitment and successful Amway distributor task performance? What effect does the nature of distributor's organizational involvement have on the relationship between organizational commitment and distributor success? What role does emotional attachment to Amway play in promoting successful distributor task performance?

These different types of social action suggest different types of organizational involvement that might be exhibited by individuals in a complex organization. Based largely on the theoretical work of Etzioni (1961, 1975), and Clark and Wilson (1975), organizational involvement is conceptualized in the present study as the importance of material, purposive, and solidary incentives for distributor's continuing participation in Amway, and may be distinguished into two types: calculative and moral.

Based on data collected on 121 Amway distributors, using two separate samples, this study found that there is a positive relationship between organizational commitment and distributor success. It was also found that organizational involvement and commitment are highly related. The hypothesis proposing that combining calculative and moral involvement greatly enhances the relationship between organizational commitment and overall distributor success was not supported. Calculative involvement and organizational commitment were found to have an interactive effect on overall distributor success. It was found that various time-use factors, such as number of months respondents had been in Amway, number of hours spent weekly motivating downline distributors, and the number of hours spent weekly selling products were also related to overall distributor success. The total number of hours spent

weekly on Amway-related activities, and the number of hours spent weekly showing the Amway Sales and Marketing Plan were not significantly related to overall distributor success.