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Research on the Influence of Leaders' Characteristics on Organizational Development of Direct Selling System

—— Take JK as an example

（Thesis submitted for the degree of Executive Doctorate in Business Administration）

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ABSTRACT

The marketing system of the direct selling companies are mainly composed of direct sellers who are not employees of those companies and they do not manage others or being managed. These seemingly loose and out-of-control individuals actually behave orderly and properly in sales process, which results from the organization called direct selling system or direct selling team.

However, not every direct selling organization is able to develop well. Those good ones grow quickly but unsatisfying ones break up, disorganized or even disappear from the market soon. What are factors affecting the development of such direct selling organizations? There are external factors and internal factors. Generally speaking, external factors are often not changed with the will of leaders in direct selling system, nor can they determined by them. Leaders of direct selling system and their characteristics as the main internal factors affecting the organizational development of direct selling system have always been the focus of direct selling managers. Therefore, the research the characteristics of direct selling system leaders and their impact on organizational development has become an important topic in direct selling management, and it is also one of the issues I have been exploring for many years.

This paper analyzes the characteristics of direct selling system and organizational development from many aspects, finds out the problems existing in the organizational development of direct selling system, and systematically analyzes the internal and external factors affecting the organizational development of this system. Based on the preliminary analysis of the leaders characteristics and the DISC theory (human behavior language, D dominance, I influence, S steadiness and C compliance), the leaders characteristics of direct selling system are divided into four types. Combined with the actual organizational development of direct selling system, this paper further explores the leaders characteristics of direct selling system and their role in different periods of organizational development.

In order to evaluate the organizational development of a direct selling system, the principal component analysis is used to extract the six core elements affecting the organizational development, and then the analytic hierarchy process is used to further determine the weight of the six core elements, so as to construct the comprehensive index of organizational development, namely the organizational development index. Then the relative advantage index of D, I, S and

C on organizational development index is determined by taking D, I, S and C as independent variables, selecting different core elements of organizational development and relevant index as objectives, comparing the advantages of D, I, S and C and combining with the weight of each core element. Finally, taking the investigation and actual data of 31 systems of JK company as an example, the results and modes are verified. The empirical results are almost consistent with the previous mode analysis results.

This study conducts further research on the leaders' characteristics and organizational development from the perspective of direct selling. The results provide a reference for the self-improvement of leaders in domestic direct selling system and lay a formulation for the education and training as well as talent training programs in this field. Besides, the paper enlightens the organization construction of direct selling system and the standardized operation of the market.

Key words: direct selling, direct selling system, leaders characteristics, organizational development

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