

## CHANGE MANAGEMENT INITIATIVES AND JOB SATISFACTION AMONG SALESPERSONS IN MALAYSIAN DIRECT SELLING INDUSTRY

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### **ABSTRACT**

*The main purpose of this study is to explore the relationship between change management initiatives and job satisfaction among salespersons in direct selling industry of Malaysia. Job satisfaction is regarded as one of the proxies of change success in this industry's context. Six hundred ninety structured questionnaires were distributed to salespersons throughout Malaysia and 244 were returned but only 238 were usable. The results show that out of the six initiatives namely shared change vision, communication, upline support, compensation systems, training and feedback, only shared change vision, training and upline support have shown positive influence on job satisfaction. This study adds to the literature by showing the importance of change management initiatives on change success in direct selling industry. It also provides some theoretical contributions to sales management practices in the competitive environment of direct selling industry.*

**Keywords:** *Change management initiatives, change success, direct selling, proxy, job satisfaction, salespersons.*

### **1. INTRODUCTION**

Business in particular experienced momentous 'environmental forces of change' over the last 40 years. Globalization has evidently forced organizations to implement various changes in order to compete, survive and sustain one's business. To remain competitive and profitable in the market place, business organizations are compelled to comply with multi-forces of change such as competition, consumer demand, technological advancement, economic development, political pressure, social trend, and

workforce diversity. Each of these environmental forces represents different levels of challenge to an organization. Organizations thereby, need to change in order to face the challenges successfully.

Direct selling organizations are also no exception. These organizations seem to continuously encounter various challenges such as high growth and high turnover rate. In relation to these challenges, it was reported in the 2010's Worldwide Direct Sales Data, direct selling activity had actually generated a total retail sales of almost \$USD 132 billion. Direct Selling Association (DSA) provided employment opportunity to almost 87 million people worldwide where presently over 60 national memberships (World Federation of Direct Selling Association (WFDSA), 2011). From that figure, Malaysia's direct selling industry had contributed about \$USD 2.1 billion (equivalent to almost RM 6.8 billion) with 4 million salespersons. However, from the 2011's report prepared by the Ministry of Domestic Trade and Consumer Affairs, there are about 545 active direct selling companies with 7 million salespersons in Malaysia. All of the direct selling companies are Multi Level Marketing (MLM), Single Level Marketing (SLM), Mail Order (MO) and Single Level/Mail Order (SL/MO).

Marketing Plan	MLM	SLM	MO	SL/MO	Total
1997	314	436	-	-	750
1998	316	349	-	-	665
1999	446	205	82	32	765
2000	427	199	69	17	712
2001	213	117	31	24	385
2002	230	124	28	31	413
2003	359	128	38	29	554
2004	304	149	37	31	521
2005	342	158	37	32	569
2006	394	162	36	30	622
2007	418	164	37	31	650
2008	427	174	37	32	670
2009	350	99	25	17	491
2010	390	113	25	17	545

Source: Ministry of Domestic Trade and Consumer Affairs (2010)

Regardless whether they favor organizational changes or not, the management of direct selling organizations have to adopt some changes and properly align change initiatives with their overall objectives, while at the same time must ensure that the change can be well accepted and adapted by the salespersons. Direct Selling Association of Malaysia (DSAM), 2011) state, direct selling or direct retailing is a diversified business with sizeable product categories. It is increasingly becoming a significant distribution channel within the country's total retail enterprise system. It offers a high growth alternative to a retail system, still lagging behind in accommodating the changing and busier lifestyle of Malaysian consumers. Due to the importance of change and the contribution of direct selling activity to a nation's economy, this paper will focus on the influence of change management initiatives on job satisfaction as a proxy of change success in Malaysia's direct selling industry.

The rest of this paper is organized as follows: First, discussion of the relevant literature followed by a discussion of the methodology used. Then, the findings are presented and

discussed. This is followed by the conclusion that looks at the implications, limitations and suggestions for future research.

## **2. Literature Review**

### ***2.1 Change Management Initiatives and Change Success in Sales Organization***

Managing change in sales organization can be considered as more challenging than any other non-sale organizations due to several unique characteristics of sales task such as high interaction with customers and involvement of large number of salespersons (Dubinsky et al., 1986; Dalrymple et al., 2001; Hurley, 1998; Spiro et al., 2003). Weeks, et.al. (2004) state, sales organization are experiencing a period of increasing change in the marketplace, that makes firms strive to develop and implement successful change initiatives. Thus, the biggest challenge for the management is to simultaneously manage both change and salespersons successfully. Among the negative outcomes of unsuccessful change management are high turnover, lower efficiency or performance, restriction of output, lower job satisfaction and decreased organizational commitment among salespersons (Eby, Adam, Russell, & Gaby, 2000; Futrell & Parasuraman, 1984; Goldstein, 1989; Johnston, Futrell, Parasuraman, & Sager, 1986; Kotter & Schlesinger, 1979; Osterman, 2000; Tett & Meyer, 1993).

Theoretically, change management initiatives can be referred to as the process of continually renewing the direction, structure, and capabilities of an organization in serving the ever-changing needs of external and internal customers (Moran & Brightman, 2001). Ash (2009) state, implementing organizational change initiatives each time is included people changing themselves. The change cannot happen until people decide to change. Change initiative should rapidly implement change that results in the higher levels of performance that were envisioned when the decision to make the changes was made. Therefore, to make this happen, organizations must first overcome the resistance to change and then secure as much discretionary effort as possible.

Among the important elements of change management initiatives that have been recommended by a number of authors in previous studies are shared change vision, leaders or management support, organizational culture, employee participation, rewards, structure, communication, training and feedback mechanisms (Armenakis et al., 1999; Colletti & Chonko, 1997; Hamlin et al., 2001; Jones et al., 2000; Kanter et al., 1992; Kotter, 1995; Nadler, 1989; Proctor & Doukakis, 2003; Schalk et al., 1998; and Siegal et al., 1996).

Despite the importance of change, many organizations have failed to implement the change initiatives at some point in the process (Todnem, 2005). Change initiatives for performance improvement and achieving competitive advantage have a number of problems (Denton, 1996; Galpin and Robinson, 1997; Geisler, 1996; Harari, 1997; Lawson, 2003; Weeks, et.al, 2004). It is revealed that around 70 per cent of all change programs fails and only 10 percent of the programs are found to be successful, and this figure reflects the lack of change management framework for successful implementation of change process (Balogun & Hope Hailey, 2004; Siegal et al., 1996). Thus, in a local study conducted on 40 manufacturing organizations that implemented enterprise resource planning (ERP) systems within the last 3 years, it is reported that 16 of them have loss about RM 1 million or less due to the implementation delay or failure (Ramayah et al., 2007). These unimpressive reports seem to further signify the need for a new and pragmatic framework for change management in modern organizations (Todnem, 2005).

The present study only selected six factors that are considered as the plausible change management initiatives for direct selling companies, and these factors are *shared change vision, communication, upline support, compensation systems, training and feedback*. Other probable factors like leadership, culture, structure, participation, and performance appraisal were not included because they are more or less explained in the selected variables. It is assumed that the six variable factors are the best combination of change initiatives that may assist direct selling companies in increasing the probability of change success.

## 2.2 Job satisfaction as a Proxy of Change Success

The overall performance of direct selling industry seems to be very much dependent on the success of its business in sales which can be directly influenced by salespersons' job satisfaction level. Job satisfaction is an attitude that individuals have about their job, which one feels positively or negatively about the intrinsic and extrinsic aspects of one's job (Bhugian and Menguc, 2002; Hunt et al., 1985; Boles et al., 2007). As iterated by Margulies and Raia (1978), the success or failure of any change implementation can be observed in employee's performance outcome and their job satisfaction level.

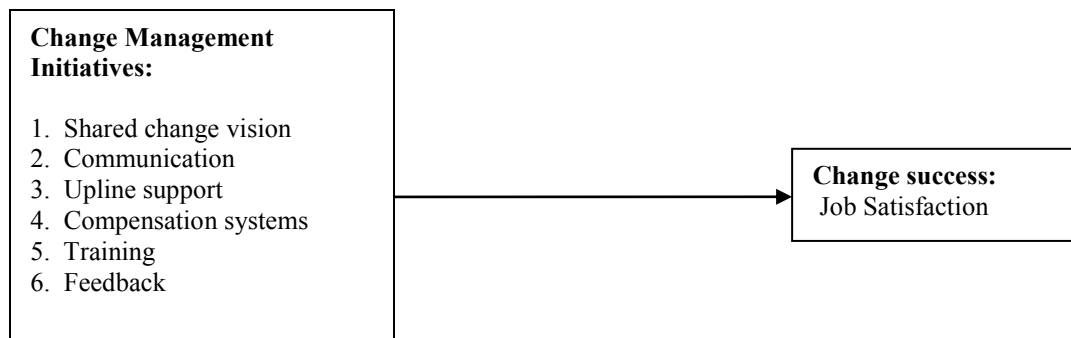
In relation to job satisfaction, it is presumed that only those salespersons who are satisfied with their jobs are prone to changes as part of their new working systems or culture and may perform better than their counterparts. Various facets of job satisfaction may exhibit different relationships with other constructs when compared to a single measure of global job satisfaction (Boles et al., 2003).

To increase the chances of having satisfied salespersons with their job, the management has to properly manage their change initiatives. This is because when salespersons are satisfied, they will perform well and the organization also will likely do well, and consequently they could represent the most visible signs of corporate success (Rich et al., 1999). Due to the importance of salesperson's job satisfaction to the organizational success, this study proposed that the right combination of change management initiatives are able to increase job satisfaction level among salespersons which subsequently lead to higher probability of change success of direct selling organizations. Thus, in line with this inference, it seems appropriate to treat job satisfaction as the proxy for direct selling organization's change success outcome.

## 3. THE FRAMEWORK

Hence, based on the review of the literature, a research framework was developed in order to study the relationship between change management initiatives and change success.

**Figure 1**  
**Research Model**



The six variables of change management initiatives are individually hypothesized to determine each relationship with change success. First, pertaining to vision, studies agree that a vision is critical to an organization's change success and future progress but it needs to be communicated clearly to employees to ascertain them the underlying reasons why the change has to be undertaken (Abraham et al., 1997; Nadler, 1989). In addition to that, a vision is also able to direct salespersons' efforts and motivate their adaptation to sales activities (Hurley, 1998), and this will lead them to feel more satisfied with their job. Thus, it is hypothesized that;

H1: There is a positive relationship between shared change vision and job satisfaction

Second, communication has been proven to be a vital ingredient in the success of change programs particularly by reducing resistance, minimizing uncertainty, and gaining involvement and commitment as the change progresses, which later on will help improve employee morale and retention rates (Klein, 1996; Kotter, 1996). Pertaining to job satisfaction, previous studies discovered that employee's perception of communication is positively related to his or her job satisfaction, and communication has been shown to play an imperative role in improving the employee's job satisfaction level to a certain extent (King et al., 1988; Pettit et al., 1997). Inherently, effective communication at work place may improve the performance of employees by enhancing their job satisfaction, feeling of personal accomplishment and also by increasing their productivity (Javed et al., 2004). Therefore, based on the previous findings, it is hypothesized that;

H2: There is a positive relationship between communication and job satisfaction

Third, it is further suggested that any change initiatives in sales organizations can be implemented more successfully if there are strong leaders who may champion for the change (Hurley, 1998). An upline, whose responsibility seems to resemble a supervisor's in a non-sale organization, may assist and support their downlines in sales activities to help them become more functional (Burke et al., 1992). Like supervisory support, upline support is considered critical for the success of an organization because it can help increase job satisfaction level among salespersons (Griffin et al., 2001). Hence, when salespersons received upline's support for their ideas and opinion, they are likely to be less defensive and more willing to be involved in a change process (Weber & Weber, 2001). In relation to these findings, the current study is hypothesized as below:

H3: There is a positive relationship between upline support and job satisfaction

Fourth, studies also indicate that employees who received encouragement and rewards for change are more likely to act voluntarily in support of organizational change goals which subsequently contribute to the overall organizational effectiveness (VanYperen et al., 1999). Therefore, different types of reward should be offered to employees to motivate them to perform since they might have different attitude sets toward the organizational change (Appelbaum et al., 1998). More specifically, greater rewards can induce greater satisfaction among employees (Rusbult & Farrell, 1983). In direct selling industry particularly, sales compensation plans appears to be an essential part of direct selling activities especially in motivating salespersons. It is also revealed that the degree of openness in the administration of pay plans and perceived organizational support can influence a salesperson's performance and his or her job satisfaction level (Futrell & Jenkins, 1978; Babakus et al., 1996). Based on the previous evidence, it is hypothesized that;

H4: There is a positive relationship between compensation systems and job satisfaction

Fifth, training has become a key element in the long term success of a salesperson (Dalrymple & Cron, 1998; Erffmeyer et al., 1991; Jackson & Hisrich, 1996).

Furthermore, with regard to organizational change, training is found to be a vital ingredient to the success of a change process (Kappelman & Richards, 1996). This is because training will assist the organization to prepare for change by helping the management to impart the importance of change to employees, to reshape employees' attitudes and behavior, and to effectively implement it to become a permanent part of the organizational culture and practice. More importantly, training has proven to exert a direct relationship with intrinsic motivation and job satisfaction (Babakus et al., 1996), and in many instances, job training satisfaction can subsequently lead to the overall job satisfaction level in the organization (Schmidt, 2004). Based on the literature given, it is hypothesized that;

H5: There is a positive relationship between training and job satisfaction

Lastly, feedback can be used to guide, motivate and reinforce effective behavior and also put a halt to ineffective behavior (Steelman & Rutkowski, 2004), therefore, it may serve many useful functions for the organization, management and as well as the employees. Studies further signify that sale organization that adopts feedback mechanisms to measure change progress might implement change more successfully as compared to those that do not (Hurley, 1998). In various cases, salespersons who perform at or above expectation will receive positive feedback, while those who perform otherwise will receive negative feedback. Studies also suggest that alternative types of feedback may differ in their impact on salespersons' job-related tension, organizational commitment, job satisfaction and others (Jaworski & Kohli, 1991; Jaworski & MacInnis, 1989). More importantly, feedback has been proven to be able to increase job satisfaction (Fried & Ferris, 1987; Jaworski & Kohli, 1991). Pertaining to these findings, it is hypothesized that;

H6: There is a positive relationship between feedback and job satisfaction

#### **4. THE METHODOLOGY**

The population of this study consisted of salespersons working in single-level and multi-level direct selling companies in Malaysia. In getting at least 100 responses for the study as recommended by Hair et al., (1998), a non-probability purposive sampling called judgment sampling was employed to select ten percent (10%) of the total direct selling companies from the recent list of companies registered with the Ministry of Domestic Trade and Consumer Affairs. Reportedly, there were about 489 companies listed in various states in September 2006. To obtain at least 489 responses, 690 questionnaires were distributed to salespersons using two major medium specifically companies' representatives i.e. personnel and manager, and active leaders.

#### **4. 1The Measurement**

##### **4.1.1 Job Satisfaction**

The measurement for salesperson's job satisfaction was based on Farrell and Rusbult's (1981) five-items scale, which had been modified by Van Dam (2005) to become a four-items scale. The internal consistency of the scale was found to be 0.84. Respondents were required to indicate their agreement with each of the statement by choosing (1) strongly disagree to (7) strongly agree.

##### **4.1.2 Shared Change Vision**

The measurement for shared vision was adapted and modified from the study conducted by Chan et al., (2003), and it was originally developed by Baker and Sinkula (1999, as cited in Chan et al., 2003) as the learning orientation scale (LOS). The construct originally had six items which were rated on a seven-point Likert scale that



ranged from “strongly disagree” (1) to “strongly agree” (7). The internal consistency for this measure was found to be 0.72.

#### **4.1.3 Communication**

Communication was measured using the instrument designed by Thornhill et al. (1996). Five main statements were used as the measurement for communication in organizations that has undergone changes. For each statement, respondents were asked to indicate their opinions on a scale of (1) very bad to (7) very good.

#### **4.1.4 Upline Support**

There are three different statements that represent salespersons’ perception of their upline support. The measurement for upline support was adopted and modified from Antoni (2004), using a six-point Likert-items scale ranging from (1) “disagree” or “never” to (6) “agree” or “always”. This scale has a reliability coefficient alpha of 0.78.

#### **4.1.5 Compensation Systems**

The measurement for compensation systems was adapted and modified from Herpen’s et al. (2003) study using five-point Likert items ranging from (1) completely disagree to (5) completely agree. The internal consistency of this scale was 0.83. Only nine different statements that represented three different types of perception of salesperson on the compensation systems had been used in this study. The perceptions were *transparency*, *fairness*, and *controllability of compensation system*.

#### **4.1.6 Training**

The measurement for training was adopted from Davis and Yi’s (2004) who used a four item measurement with a 11-point Likert scale that ranged from 0 = completely disagree, 5 = neither agree or disagree, and 10 = completely agree. Additionally, the internal consistency for the scale was 0.93.

#### **4.1.7 Feedback**

There were five different statements that have been adopted and modified from Weber and Weber’s (2001) study to measure feedback of salespersons. The scale ranges from (1) very little to (7) very much. The internal consistency for this measure was found to be 0.93.

However, for consistency purpose, this study used a seven-point range for all the measurement items.

### **5. THE RESULTS**

Of all 690 questionnaires distributed to salespersons, 244 were returned, but six of them were excluded because a large portion of the survey was not answered. Only 238 questionnaires were usable for subsequent analysis, yielding a response rate of 34.5 percent. Table 1 presents the demographic profile of the respondents who participated in this survey, whilst Table 2 depicts the company profile (N=238).

**Table 1**  
**Demographic Profile of Respondents (N = 238)**

		Frequency	%
Age	Below 20	6	2.5
	Between 21-25	48	20.3
	Between 26-30	39	16.5
	Between 31-35	40	16.9
	Between 36-40	34	14.3
	Between 41-45	26	11.0
	Between 46-50	20	8.4
	> 50 years old	24	10.1
Gender	Male	124	52.1
	Female	113	47.7
Ethnicity	Malay	181	76.1
	Chinese	41	17.2
	Indian	10	4.2
	Others	6	2.5
Marital Status	Single	74	31.2
	Married	151	63.7
	Divorced and single parent	12	5.1
Academic Achievement	Secondary school and below	103	43.3
	Certificate and Diploma	86	36.1
	Bachelor's Degree	44	18.5
	Master's Degree	5	2.1
Involvement in Direct Selling	Full-time	65	27.3
	Part-time	173	72.7

As revealed in Table 1, the majority of respondents were married (63.7%) Malay (76%) male (52%), aged between 21 to 25 years (20.3%), with most having a secondary school certificate. Apparently, they were active in direct selling as part-timers (72.7%).

Table 2 on the other hand showed that most respondents were active in multi-level direct selling companies which are popularly known as MLM (78.6%), and these companies have been operating in Malaysia between 1 to 10 years (72.8%). The most common product sold by these companies was health products (74.4%), and the management usually rewards their salespersons using compensation plans which comprise of commission, incentives and bonus (32%). As shown in the table, the most popular change that took place in direct selling industry was change of marketing/bonus plan (55%), which is very much related to the compensation systems being offered by any direct selling organization.

**Table 2**  
**Respondents' Company Profile (N=238)**

		Frequency	%
Types of Companies	Single-level	31	13.2
	Multi-level	184	78.6
	Others (money order and combination of single-level marketing and money order)	19	8.1
Years of Company Operation in	1 – 10 years	138	72.8
	11 – 20 years	33	17.4



Malaysia	21 – 30 years	11	5.7
	31 – 40 years	2	1.0
	41 – 50 years	3	1.6
	> 50 years	3	1.5
Types of Product (multiple selections)	Wellness	177	74.4
	Cosmetic and personal care	139	58.4
	Food and drink	82	34.5
	Household	52	21.8
	Fashion and other related products	42	17.6
	Jewelry	33	13.9
	Jewelry	26	10.9
	Utilities	17	7.1
	Home improvement	16	6.7
	Financial Service	10	4.2
	Leisure/ Educational products	15	6.2
Compensation System	Others		
	Salary only	9	3.8
	Commission only	25	10.6
	Incentives only	54	23.0
	Salary plus commission	19	8.1
	Commission and bonus	51	21.7
	Commission, incentives and bonus	76	31.9
Organizational change (multiple selections)	Other combinations	2	0.9
	Marketing/ Bonus Plan	129	55.1
	Working culture	120	51.3
	Information Technology	109	46.6
	Leadership	106	44.5
	Marketing structure I (Single- to Multi level)	72	30.8
	Production Technology	49	20.9
	Marketing structure II (Multi- to Single level)	45	19.2
	Product line	7	2.9
	Others	5	2.1

The mean scores, standard deviation, and reliability statistics are presented in Table 3. The internal reliabilities of scales were between **0.74 and 0.90** which were clearly acceptable (Hair et al, 1998; Sekaran, 2003). The standard deviations for all variables seem to fall between the ranges of **0.595 to 1.243** which reflect the existence of considerably acceptable variability within the data set.

**Table 3**  
**Descriptive Statistics and Reliability Coefficient**

Variable	Mean	Standard Deviation	Reliability
Job Satisfaction	4.90	1.243	0.842
Shared change vision	4.91	1.117	0.807
Communication	4.14	0.595	0.740
Upline support	5.07	1.177	0.891

Compensation Systems	5.36	1.008	0.900
Training	4.98	1.076	0.886
Feedback	4.72	1.033	0.892

To determine the influence of change management initiatives on change success, all six independent variables were regressed with job satisfaction which is the proxy for change success in this study. The regression result is clearly presented in Table 4.

**Table 4**  
**Relationship Between Change Management Initiatives and Job Satisfaction**

<b>Independent Variables</b>	<b>Standardized Coefficient Beta (ß)</b>
Compensation Systems (H1.2a)	-0.068
Feedback (H1.2b)	0.048
Shared change vision (H1.2c)	0.563***
Training (H1.2d)	0.145**
Upline support (H1.2e)	0.141**
Communication (H1.2f)	0.011
R <sup>2</sup>	0.451
Adjusted R <sup>2</sup>	0.437
Sig. F Change	0.000
F value	31.662***
Durbin Watson	1.737

Note: \* p < 0.10, \*\*p < 0.05, \*\*\* p < 0.01

From Table 4, it can be seen that the R-square value is 0.451 which indicates that 45.1% of the variance in the dependent variable (job satisfaction) were explained by the six independent variables. This finding however, provided support for only three out of six hypotheses (H1, H3 and H5) of this research, whereby, shared change vision, upline support and training were found to be positively related to job satisfaction.

## 6. DISCUSSION

In this research, change vision, upline support and training were found to positively influence salesperson's job satisfaction level. More specifically, this study disclosed that shared change vision can significantly increase job satisfaction of salespersons. This finding was apparently in line with previous assertions that strongly recommended the importance of vision to change success (Abraham et al., 1997; Dess & Picken, 2000; Hurley, 1998; Lashway, 2000; Nadler, 1989; Sashkin, 1985). This is probably true since shared change vision can provide a clear guideline on which direction the management will take and how they can translate change initiatives into programs and policies that may assist salespersons to mold their behaviors to fit in with the organizational objectives (Hurley, 1998; Kotler, 1997; Nanus, 1992). Subsequently, a vision can motivate salespersons to feel happy with their job and assist them to adapt to new sales activities that have been caused by the change (Hurley, 1998). However, to increase the impact of change success, the change vision needs to be shared between the management and salespersons (Sashkin, 1985).

Secondly, the finding of this study discovered that upline support showed a positive relationship with job satisfaction. The finding of this study was consistent with previous discovery that revealed supervisory support showed a strong relationship with job satisfaction (Griffin et al., 2001). In MLM companies, uplines normally provide

support to their downlines in terms of moral support, motivation, training and development, and mentoring purposes to assist them in becoming more functional (Biggart, 1989; Burke et al., 1992). Subsequently, downlines will be more receptive and adaptive to change if they are confident with upline's explanation about the change (Wotruba & Rochford, 1995). In most instances, good relationship between upline and downlines will lead to the improvement of the downlines behavior and attitude towards change (Tierney, 1999). Consequently, supportive uplines can assist the organization to excel in building a strong group of members who are committed to their job as well as the organization (Kishel & Kishel, 1999). Furthermore, based on casual observations, salespersons tend to have higher trust and respect on their upline than on the management, and in a more serious situation, particularly in small villages or remote areas of Malaysia, there are many salespersons who never set foot on the business premise and thus, had little opportunities to get acquainted with the management. Due to distance relationship with the management, many salespersons prefer to live or die in the business with their upline who has managed to develop a closer relationship with them.

The current finding also revealed that training significantly influenced job satisfaction among salespersons. Similar finding was suggested by Babakus et al. (1996) who asserted that training has a direct relationship with both intrinsic motivation and job satisfaction. Due to its revealing importance, training has been regarded as one important means of acquiring new knowledge and skills especially among salespersons who are usually involve in business activities with customers, contacts, prospects, uplines and downlines from various demographic backgrounds (Dalrymple et al., 2001; Jackson & Hisrich, 1996; Kirkpatrick, 1998; Kotler, 1997; Mondy & Noe, 2005; McConnell, 2004). In relation to organizational change, training is crucial to the organizational change success for various reasons, particularly in imparting knowledge about the change and at the same time creating new working culture among salespersons (Kappelman & Richards, 1996).

On the contrary the other three initiatives namely, compensation system, communication and feedback were not performing as significant predictors of job satisfaction, and thus showing no significant influence on the organizations' change success. Therefore, this study failed to find support to re-affirm the importance of compensation system in ensuring organizational change success as previously suggested by Javed et al. (2004), King et al. (1988), Klein (1996) and Pettit et al. (1997). Secondly, this finding also contradicted with previous assertions that suggested communication is vital to change success (Kotter, 1996), and it is perceived as having an impact on employee's productivity (Clampitt & Downs, 1993). Finally, the result was also not in tandem with the suggestions made earlier by Fried and Ferris (1987) and Jaworski and Kohli (1991) which stated that feedback is able to increase job satisfaction among employees, and plays a significant role in the development of job and organizational attitudes (Ilgen et al., 1981). The insignificant results could be attributed to the unique nature of direct selling organization itself whereby salespersons are usually acted independently either as a part-timer or a full-timer, and they seldom deal directly with the management but seem to trust and rely more on upline for various types of internal and external supports.

## **7. MANAGERIAL IMPLICATIONS**

The findings of the present study implicate that the model is capable of explaining the *internal needs* of change success. Inherently, job satisfaction can be associated with the *internal needs* of salespersons whereby they seem to continuously search for the right job that may contribute to higher satisfaction or happier working life and higher self-contentment. Among the internal needs that a salesperson usually searches from a

job are the feelings of closeness to the management, uplines, business colleagues or customers; higher sense of belonging to the organization; and higher motivation, higher self-esteem and self-confidence. These internal needs can be fulfilled once the salesperson feels satisfied or contented with his/her job which will lead to higher commitment and productivity. Therefore, this study can further validate the importance of understanding the impact of change on the industry's sales practice and future success from the theoretical perspective.

From the pragmatic perspective, the findings provide some insights to business practitioners in enhancing the organizational change success by improving job satisfaction among salespersons. This study can assist them in formulating change management initiatives program to strengthen an organization's modus operandi in human resource management, particularly when it involves too many part timers who may not be as loyal and committed to the organization as compared to other non-sale professions. According to Marcus, 2006; American Management System, 2007, companies are likely to have a disproportionate impact in terms of their ability to make the business environment more disruptive and fast-paced. They tend to share certain characteristics, these include "profitable growth, not growth at any cost," innovation, flexibility, alliances with other organizations that enable growth and help mitigate risk, an understanding of customers and their needs, and a mastery of distribution channels. Thus, in ensuring the success of a change process, the management should realize the importance of feeling satisfied with a job and emotionally attached to the organization among salespersons, and these critical issues require greater understanding and consideration.

## **8. LIMITATIONS AND SUGGESTIONS FOR FUTURE RESEARCH**

There are a number of limitations in this study. The most significant limitation revolves around the sampling issue whereby many company representatives particularly Chinese, refused to participate in the survey because of privacy reason. Due to this problem, and coupled with problems caused by time and financial constraints, the study has resorted to judgment sampling. The result could be considerably different if more Chinese salespersons had participated in the survey and if a bigger sample could have been obtained. Hence, caution must be taken in generalizing these findings to other samples, industries or countries.

To provide further evidence to support the theory that change management initiatives can affect salesperson's job satisfaction level in direct selling industry, more similar studies should be undertaken. Studies can be conducted either in similar or different industries to ascertain the similarities or differences in the results before the best set of change management initiatives can be established to serve as guidance for future reference, particularly for direct selling setting. In order to achieve better finding outputs, future research should include a bigger and more diverse sample or incorporate different measurement scales to test the influence of change management initiatives on job satisfaction among salespersons in enhancing change success.

## **9. CONCLUSION**

As a summary, with the evidence elicited earlier on, it can be concluded that shared change vision, upline support and training can be selected as three important change management initiatives in direct selling organizations, particular in satisfying the internal needs of salespersons towards their sales and marketing job. Therefore, in order to increase salespersons' job satisfaction level, the management or business operators should improvise their business mechanisms that relates to organizational shared vision, training and upline support to motivate salespersons to feel more

satisfied with their job. Nonetheless, the impact of change management initiatives on direct selling industry requires more critical evaluations and judgments from both practitioners and researchers since the probability of change being successful has yet to be confirmed. The management needs to continuously search for best strategies to increase change success. Since direct selling industry has apparently shown its huge contribution to the country's economic and human resource development, more studies should be carried out in relation to this industry to search for ways of improvising sales management strategies and practices. Nonetheless, more studies should be conducted on similar or related issues in order to continuously add to the existing body of literature and also for the future development of direct selling industry.

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