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Diploma Thesis
Characteristics of a Successful Manager in a Multilevel
Organization

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DIPLOMA THESIS ASSIGNMENT

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Economics and Management

Thesis title

Characteristics of a successful manager in a multilevel organisation

Objectives of thesis

The main goal of this thesis is to find and describe a successful manager and his skills in a multilevel organization.

To find similarities and differences between the manager in multilevel marketing and the ideal manager. If any weaknesses are found during the comparison a solution to resolve these weaknesses will be proposed.

Methodology

The first part of this thesis will be a review of standard and current literature of the topic.

The practical part will be largely dependent of a structured interview and afterwards a less formal interview with two managers who were able to get to an important position in a multilevel marketing organization.

The structure interview is for the managers to define what they think they do and how they do it. The less formal interview is to discuss how they started, what was important in the beginning and what made them overcome adversity that might have accrued.

The proposed extent of the thesis

Approx 60 pages

Keywords

management, management skills, motivation, entrepreneurship, human resources skills, multilevel marketing

Recommended information sources

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Declaration

I declare that I have worked on my diploma thesis titled "Characteristics of a Successful Manager in a Multilevel Organization" by myself and I have used only the sources mentioned at the end of the thesis. As the author of the diploma thesis, I declare that the thesis does not break copyrights of any third person.

In Prague on

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Aknowledgement

I would like to thank to my supervisor Ing. Richard Selby, PhD. for his advice and support during my work on this Thesis. My thanks also belong to the managers from OVB Allfinanz, a. s. and Broker Consulting, a. s. for their time to tell me their stories.

Characteristics of a successful manager in a multilevel
organization

Charakteristika úspěšného manažera v multilevel marketingové
organizaci

Souhrn

Tato diplomová práce se zabývá charakteristikou manažerů v multilevel marketingových organizacích. Přehled literatury popisuje teoretické vlastnosti ideálního manažera. Přesněji, tato kapitola se zabývá ideálním manažerem podle teorie z hlediska jeho dovedností a funkcí. Tato kapitola také vysvětluje multilevel marketing z několika úhlů pohledů. Dále jsou zde vysvětleny pojmy podnikatel a podnikání. Definice multilevel marketingového manažera byla provedena na základě narativní výzkumné metody – storytelling. Cílem práce bylo zjistit, jestli se multilevel marketingový manažer liší od teoretického ideálního manažera z hlediska jejich manažerských funkcí a manažerských dovedností. Otázka výzkumu měla za cíl zjistit, jestli rozdíly mezi dvěma typy manažerů jsou zapříčiněny faktem, že multilevel marketingoví manažeři jsou podnikatelé a ne zaměstnanci. Výsledky jsou uvedeny v interpretacích jednotlivých zápisech daných příběhů a v souhrnu těchto interpretací. Na základě interpretací je představena charakteristika multilevel marketingového manažera a je porovnána s teoretickými vlastnostmi ideálního manažera. Byl zjištěn markantní rozdíl mezi multilevel marketingovým manažerem a teoreticky ideálním manažerem z hlediska podnikání. Na druhou stranu, z hlediska manažerských funkcí a dovedností nebyly žádné významné rozdíly zjištěny.

Klíčová slova: Management, manažerské dovednosti, motivace, podnikání, multilevel marketing

Summary

This diploma thesis explains characteristics of managers in multilevel marketing organizations. The literature overview describes the theoretical attributes of an ideal manager. To be more specific, the chapter deals with the theoretical ideal manager's skills and function. This chapter also explains the Multilevel marketing from various points of view. Further more "entrepreneur" and "entrepreneurship" are explained as well. The narrative research method – storytelling was used in combination with qualitative questionnaire to define multilevel marketing manager. The aim of the thesis was to find out whether multilevel marketing manager differs from the theoretical ideal manager at the aspects of managerial function and managerial skills. The researched question aimed to find out if the main differences come from the fact, that multilevel marketing managers are not employees but entrepreneurs. The results are presented in the interpretations of the transcripts of the stories. Based on the interpretations the characteristics of a multilevel marketing manager were introduced and then compared to the theoretical attributes of an ideal manager. There was found a significant difference between multilevel marketing managers and the theoretical managers from the aspect of entrepreneurship. On the other hand, as for the managerial functions and skills, significant differences were not found.

Keywords: Management, management skills, motivation, entrepreneurship, multilevel marketing.

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1 INTRODUCTION

Management is essential for existence. Without management there are no clothes, no food no houses, there is no education for children no health services for people, there are no communications, no traveling, no entertainment. Management is the most important determinant of the quality of life in any society. When a management is done correctly, then it makes people happy overall. This thesis takes an interest in people who are responsible for management in general and then more deeply about managers in the specific area.

This thesis deals with successful managers in multilevel marketing (MLM) and puts them into the comparison with traditional theoretical ideal managers in theory. The definition of an ideal traditional manager is provided. The definition consists of managerial skills, managerial functions and also a role of a manager. Then an ideal, traditional manager can be compared to a manager in multilevel marketing who will be defined by the research that is conducted in this thesis. The multilevel marketing model is slightly different from classic business model. There is a variety of views on multilevel marketing. Both *pro* ideas and *against* ideas are presented in the thesis so readers can fully understand the topic.

Every single manager in a multilevel marketing organization is an entrepreneur. Entrepreneurship is therefore undeniably a great part of managers in MLM and has to be explained. This thesis shows whether being an entrepreneur plays a significant role in management or not. The thesis deals with advantages and disadvantages of entrepreneurship as well and also explains the main aspects of it.

2 AIM AND METHODOLOGY

2.1 Aim of the thesis

The thesis aims to achieve following objectives:

- Describe a successful manager in a multilevel marketing organization.
- Distinguish a difference in how a multilevel manager is self-motivated in comparison to the theoretical attributes of an ideal manager.
- Whether the multilevel manager needs the same managerial skillset and functions as the theoretical ideal manager.
- Determine whether main differences come from the fact that multilevel marketing managers are entrepreneurs.

The primary aim of the thesis is to answer the research question, which states:

“Entrepreneurship plays the main role that puts multilevel marketing manager in a different position in comparison to the theoretical ideal manager.”

Answer to the research question should shed light on managers in multilevel marketing and whether the fact that they are entrepreneurs make a difference in their managerial work, whether they need different skillset and different personal characteristics than the theoretical ideal managers.

2.2 Methodology

The thesis will consist of a review of the topic of standard literature, which are books, specialized publications, and current literature such as online links and online articles. Theoretical attributes of an ideal manager (TIM) will be defined in literature review as well, specifically, TIM's skills and functions.

Theoretical part will also explain notions entrepreneur and entrepreneurship and its main characteristics. Multilevel marketing organization will be also explained in the theoretical part.

Main data of the thesis will be largely dependent of interviews with three successful managers in two companies in the same industry, who reached the highest position in their organization. Afterwards a questionnaire will be sent to other managers who reached high positions at their companies. For the research and gathering the data the narrative analysis – storytelling – will be used.

Narratives or stories occur when one or more speakers engage in sharing and recounting an experience or event. Typically, the telling of a story occupies multiple turns in the course of a conversation and stories or narratives may share common structural features.

The managers' stories are to define what they think they do and how they do it. The selected managers will be asked to tell their stories from the beginning. During the interview the questions will be asked based on characteristics of the theoretical attributes of an ideal manager that are described in the theoretical part. The questions about entrepreneurship and starting business will be answered. The beginning of the story will also shed light on whether the managers had some managerial skills before they joined the company. The managers then will be asked to talk about motivation – what keeps them motivated and how they motivate their subordinates.

This method was chosen because managers in multilevel marketing organizations do not start as managers but they work their way to it. It is a long time of life period before they get to the highest position. The researched managers are entrepreneurs and every

entrepreneur has their own story. The storytelling approach is well-suited method because it explains *the road* they had to take to become successful. Their stories contain all the aspects that were important to their success.

The storytelling is a suited method because it has several strengths:

- The story as a whole is greater than the sum of its parts.
- Knowing intended function of the story gives more context.
- Stories that possess vividness, elaboration and episodic order are long lasting.
- Stories can be handed down (as myths) from organizational generation to generation (Kendall & Kendall, 2012).

The useful insights into a topic or a problem can be gain by using the storytelling method of research. In general, researcher can involve researched subject in reacting to stories eliciting a new story and collaborating in interpreting organization stories about information systems use, problems etc.

On the other hand, there are some weaknesses of this method as well. The print-based journals cannot print the whole stories, because the stories are too long and might contain slang and unusual grammatical notations. This problem is solved in this thesis by providing links to the stories that are located in supplements of the thesis. The researcher has to interact during the interview, which might lead to changing the story or its effect. Besides that, stories might be true, but also untrue or just partially true. Storytelling should be complemented by another research method and should not be used only by it self (Kendall & Kendall, 2012).

To the storytelling approach there will be an additional questionnaire to complement the narrative method. The additional questionnaire consists of questions that are based on the characteristic of Theoretical attributes of an ideal manager. The questionnaire will be sent to 20 managers in selected organizations. Those managers are also at high positions. The reason the questionnaire was sent only to twenty managers is because there are only few managers who already reached the high managerial positions.

3 LITERATURE REVIEW

This chapter will explain theoretical terms of the respective topic. It is focused on the theoretical attributes of a theoretical ideal manager (*TIM*). It explains manager's functions, skills etc.

3.1 Theoretical attributes of an theoretical ideal manager

There is no simple way to describe manager and define this term with accuracy, as management does not belong to exact sciences. Due to this, the theoretical ideal manager will be defined by a summarization of their skills, qualities, role, and functions. Management as a discipline has been changing and developing during the time. It may be said that every single book has a different definition of a manager. That is the main reason why this thesis will define theoretical ideal manager more deeply and not just by a simple definition.

A manager can be described as a person whose responsibility is to hire people, motivate and lead their subordinates, plans and assigns assignments, control output, organize and make strategies, make decisions, reach goals. A manager is able to reach their goals and implement their tasks through other people and is dependable on them. He or she is also dependent on awareness. They have to know what goes on within the organizational unit and what goes on outside. It is necessary to have the information at the right time. A good leader has to be able to make decisions in a long shot and also make decisions about unexpected events that require immediate solution. Decision making influences his/her success (Hron & Tichá, 2002).

Bedrnova says that a manager could be recognized as a trainer or a coach. Similarities between managers and sport coaches are valid. A *coach* prepares their athletes to reach the best result possible by using their individual skills. The successful trainer has to know their athletes and understand them so he/her can provide them with objective feedback (Bedrnová & Nový, 2007).

According to Pospisilova, there are many theories out there that talk about the fact that a manager is continuously focused on working with people while manager often in practice often focus mainly on tasks and processes. However, the way people are lead is essential when it comes to success (Pospíšilová, 2008).

3.1.1 Qualities of Manager

It is not that difficult to become a manager these days. However, being a successful manager is not easy and the person, who is to become a successful leader, needs to have special talents that help them to develop their skills and improve their knowledge throughout their professional life.

It is necessary for a manager to be always learning and adapt to new things and changes. Learning is a process that takes whole life. It is possible for manager to learn by books and be very educated from the theory, but most importantly they learn from their experience during their career. However, those talents mentioned earlier cannot really be learned. They are partly inherited and partly influenced by education and environment in which a person is raised. That is a reason, why not everyone can be a good leader (Armstrong, 2009).

Thomas and Adair say there are seven important qualities a manager should possess:

1. **Enthusiasm:** A leader without it cannot be a successful one.
2. **Integrity:** This concerns personal wholeness and sticking to values outside yourself, primarily goodness and truth -> this quality make a leader trustworthy.
3. **Toughness:** This quality means being resilient, tenacious and with the aim of being respected.
4. **Fairness:** A good leader should be impartial and should treat individuals without favorites. Differently but equally.
5. **Warmth:** Generally this means to care for people. *“Cold fish do not make good leaders”*
6. **Humility:** This could be explained as the opposite of arrogance, being a listener and without an overwhelming ego.

7. **Confidence:** Not too much so it does not lead to arrogance but enough so people can see that a manager is self-confident (Adair & Thomas, 2004).

Those seven for mentioned qualities, however, had to be partially learned because obviously no one is born a great leader right away. The qualities can be improved as a person evolves. Theoretical ideal manager should have all these qualities, which give them the competitive advantage. Furthermore, a good leader should be able to transfer these qualities or principles to his/her subordinates. E.g. when a self-confident leader projects confidence it motivates and inspires his/her subordinates. Enthusiastic manager will make his/her subordinates excited as well. A successful manager also has to care about people they lead and has to listen to what they have to say. Only this way a manager can find out about a possible problem his/her subordinates might have. The subordinate with a problem can never perform as well as their manager want them to.

3.1.2 Role of Manager

This section will shed a light on several questions about managers. What they do, how they do it? What is an effective manager?

Managers are here to get results by making sure their department runs efficiently. Managers lead people and other resources as finance, knowledge, facilities, information time and themselves. They have an authority which gives them power to get people to do things. With authority comes responsibility. Managers are responsible for their actions and decisions and achievements. Authority is trained through leadership and personal influence ascending from position, knowledge and personality (Armstrong, 2009).

Stýblo says that the role of teamwork is emphasized in the modern concept of manager. Furthermore, he explains that the theoretical ideal manager should know the purpose of their work and not only be familiar with the tasks they are supposed to accomplish. Appreciated feedback coming from subordinates is, according to Stýblo, one of the strongest kinds of motivation for employees on one hand and useful tool for improvements for manager on the other hand. The theoretical ideal manager should also

have some knowledge of modern languages, which gives him/her advantages nowadays (Stýblo, 1993).

3.1.3 Managerial Functions

This chapter explains in more detail what the theoretical ideal manager does, in other words, what the theoretical ideal manager's functions are.

Planning

This activity is important because due to planning the future operations of a company or department are ensured. Theoretical ideal manager, according to Armstrong, plans mostly the near future. A manager makes sure that satisfactory amount of resources (such as material, financial or human resources) are implemented in the right time and place. These resources help to finish assignments in time. Nevertheless, there is always a change of failure, even though there might be a very good planning because some complications may occur and a manager cannot always predict them. That is why there should always be a backup plan so the goal is reached despite the complications.

Planning starts with setting the goal. There is no plan without a goal. It tells us what has to be accomplished. This includes e.g. deadlines, outputs, number of sales or quality required and etc. All the activities that are essential to fulfil the plan are listed in the so called list of activities. The activities are explained in detail so everybody is aware of how much work they have to complete. In addition, the activities are sorted by chronological order of their execution.

Like it was mentioned above, resources may be divided into financial resources, material, equipment and human resources. When it comes to equipment and materials, the right quality and time need to be assured. Human resources are concerned with amount and qualification of employees who are involved. In planning, a manager also has to calculate the budget for the plan. When planning, a manager also has to anticipate the impact of the plan and compare costs and benefits of the plan (Armstrong, 2009).

Organizing

This activity is used to make coordination of common effort more effective. Most of the time organizing means setting the activities and relationships between subordinates while they work on a certain task. To make organizing more effective, organizational structures are used.

Organizational process:

- Activity identification – find out which activities are essential to reach the goals.
- Activity categorizing – Forming organizational units
- Role setting, work description – delegation (Hron & Tichá, 2002).

Armstrong agrees with Hron that organizing deals with delegation, decentralization and teamwork. He adds that concerning teamwork, every job ought to be obviously defined. This definition concerns the responsibilities of every person too. Therefore, cooperation among coworkers and departments would be explained and simplified. As for delegation of responsibilities, they should be delegated close to the place where an assignment is assigned. The simpler the structure is, the more flexible is communication. More formal interaction channels also might be more productive (Armstrong, 2009).

Leading

Leadership has been known to people for a long time. Every leader or manager has their own personality, which makes them a different person hence, a different leader. Therefore, we recognize several managerial approaches that come from a leader's personality.

The known approaches are:

Laissez faire, which is also called “**free rein**” leadership. As the name suggests, this approach is defined by high coziness for a manager with a very little effort on his/her side. It does not belong to characteristics that the theoretical ideal manager should possess, because this kind of manager only gives the task and does not care about it anymore.

The **autocratic** leadership is a style where the manager has an absolute power and authority over everything and employees are considered to be only production tool. Although this style might seem a little old fashion, it can prove to be effective at some point. When there is a crisis in a company, then this style help to establish discipline and order while focused on performance. Logically, this style cannot always work the same way and it should be implemented according to the satiation.

Another style is so called **paternalistic** style. The name tells us again what this style represents. The leader behaves as a father to his/her subordinates or his/her team. This style has a small connection to the autocratic style. A paternalist might be successful in small firms where they put up the family atmosphere. The subordinates are treated as kids. They are either rewarded or punished for the output of their work. This kind of leadership style does not depend on the situation like the previous one but it is more connected to the cultural surroundings rather than on the situation.

Stýblo says that **democratic** leadership style could be considered as the ideal one. Nevertheless, the situation still has to be taken in account so democratic style is not universal in all cases. On the other hand, this style fits the majority of scenarios. A good democratic manager should posses decent social skills, be a great team player. In addition, he or she should handle motivation of themselves as well as their subordinates.

Another known leadership style is called **chameleonic** leadership style. Leaders who belong to this style change their opinions very often. With frequent changes these leaders lose their credibility and are most likely to fail as managers.

Participative leaders have very good social skills. They are well suited in business or marketing. They usually delegate responsibilities and give consultations to others.

Another style is called **market-oriented** style and this style is contained in all styles mentioned above. The leader who is market-oriented is more likely to be effective as he/she is focused on customers' needs. Forecasting and future planning is very important feature of this style as well (Stýblo, 1993).

Controlling

Controlling is essential for successful manager. No matter how good a manager is, when he/she does not check how his/her subordinates executed the assigned job her or she can never know if there is a problem and what the problem is.

In other words, controlling is a set of activities that helps to find if the working process goes according to the plan.

To control others, the theoretical ideal manager should first be able to control himself or herself, have good control systems which are simple and effective and the theoretical ideal manager need to have control of what it is that others do and should not do to meet the objectives. *“The success at directing, regulating, restraining or encouraging individual and team efforts on the task (and in meetings) are the criteria for testing a leader’s effectiveness as a ‘controller’.”* (Adair & Thomas, 2004).

Evaluating

Leaders need to be good at:

- Assessing the consequences.
- Evaluating team performance.
- Appraising and training individuals.
- Judging people.

Assessing the consequences means that managers should be capable to anticipate the result of action in terms of the technical, the financial and also the human resources.

As for the *evaluationg team performance* the leader should also ask probing questions of the team in order to foresee likely consequences (Adair & Thomas, 2004).

When evaluating *team performance* it is possible to have a de-briefing session where manager can find answers to the following questions about the task:

- Has it been a success or half-done success or a complete failure?
- Can any lesson be learned?
- Can anything be done to enhance performance?
- What feedback to give to be **sure** of improvement?

(Adair & Thomas, 2004)

3.1.4 Key Management Skills

This chapter is to introduce to the reader the key management skills that the theoretical ideal manager is supposed to have.

Goal Management

It can be said, that a goal is a kind of magnet that draws the manager to itself. The aim should be real, concrete, possible to attain and measurable. Moreover, emotions that are related to the objective can be motivational for the managers. The objective should be thought of every day and therefore it is advised to write the goal down so it can be seen everyday as well. There is one study that showed correlation between setting goals and being successful.

It is usual for people to give up on their aims or visions whenever the road to achieve them becomes complicated. The fact is that most of aims can be achieved by small tasks, and most tasks have some sort of obstacle. Theoretical ideal manager should overcome those obstacles and should be patient and persistent.

It was mentioned that every goal consists of partial goals – tasks. The manager must first make a list of all activities and assign a priority to them. Second, the manager has to compare time available to the time that is demanded for each of the tasks. After that,

managers can prefer those tasks more linked to the main goal and delay less related tasks in case the available time is not satisfactory (Adair & Thomas, 2004) (Armstrong, 2009) (Pospíšilová, 2008)

Time Management

The right time management is crucial in a manager's life. The time management is linked to goals and managers should have their time planned accordingly. It is advised that managers should plan only 60% of their time so they have extra time to deal with unexpected events. The most time consuming tasks should be scheduled for daytime when the performance is at the maximum. Managers should not forget to also plan their free time to relax.

If managers schedule their time ineffectively, they may come across to some problems. It is difficult to meet the deadlines, the expected quality is not met, managers lose credibility and due to lack of time they neglect their families, friends, which might cause personal problems with also conflict with performance (Bělohávek, 2007).

According to Adair there are ten principles of time management:

1. Develop a personal sense of time – Audit how the time is spent and then analyze how managers can improve their use of time.
2. Identify long-term goals – Long term goals can be set in terms of the results the organization wishes to achieve (and managers' role as part of those goals being achieved).
3. Make medium-term plans – The key areas of responsibility (and how managers' performance will be measured) should be listed and for each the objectives must be set with time budgeted for each.
4. Plan the day – The basic rule is to plan roughly every day a week ahead and then plan the day in more detail the day before it or the beginning of it.

5. Make the **best** use of the **best** time – A certain times of the day the manager has a better performance than other times of the day. The Pareto Principle states that 20% of the time, produces 80% of the best quality output.
6. Organize office work – Paperwork and interruptions are most consuming time elements. There are guidelines that a manager should follow if they want to minimize those effect of paperwork and interruptions:

Interruptions:

- Meet people in their office whenever suitable for the manager.
- Stand rather than sit for casual visitors (controls length of the visit).
- Keeping focus on time.
- Stay on the topic.
- Be firm in a pleasant way.

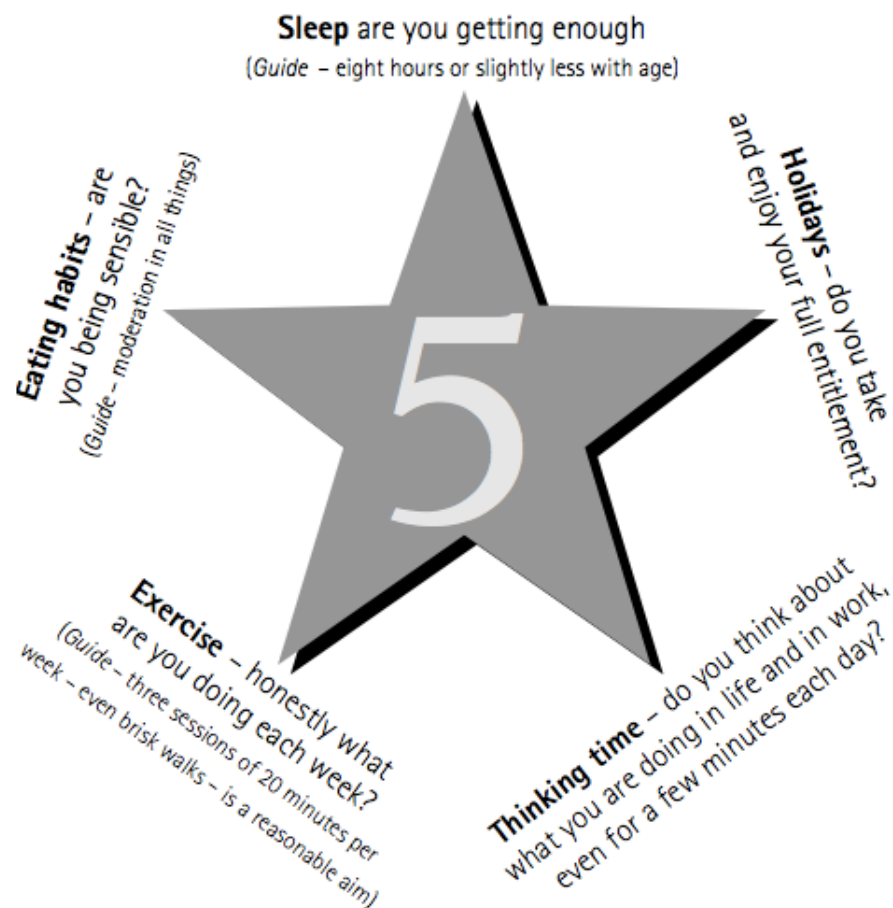
Paperwork:

- Do only what is supposed to be done.
- Keep the desk clear of unimportant paperwork.
- Handle each piece of paper only once.
- Prioritize the paperwork.
- Limit the amount of paperwork for others.

7. Manage meetings - Managers must always be sure whether the meeting is necessary and is not only a loss of time. Managers should also know how much time will the meeting approximately consume.
8. Delegate effectively – Delegation helps managers to spend more time on management and leadership because come tasks are assigned to subordinates.

9. Make use of committed time – Achievement level can be increased by using committed time (time that is consumed by traveling or meal times). Launch can be used for meeting and traveling can be used for reading or thinking etc.)
10. Manage health – It is vital for managers to look after their energy levels. Managers should take some time to relax as well. Without relaxation people might develop illness of some kind that would definitely not help with manager’s performance. Adair introduces the five point test to express how a person should take care of their health.

Figure 1: Five Points Test



Source: (Adair & Thomas, 2004)

Coping With Changes

Today's world changes much faster and much more significantly than it has in the past. Over the past decades the technological development is considered changed most. It is logical to presume that people who adapt to changes well have competitive advantage in comparison to those people who are set in their ways and are not very versatile.

If a manager wants to be successful it is essential they can deal with changes, because change is an everyday aspect of manager's work. The ability to deal with changes allows managers to adjust fast and effectively to whatever change might occurred. That is why the theoretical ideal manager should possess this ability and should remain updated.

Changes, rather than quick and sudden, are long-term trends. The whole company can be eventually influenced by one change in one department. Even though it is overlooked very often, every change influences people within the company. Usually, people are not easy to adapt to changes unless it is beneficial for them. Therefore it is important that manager is able to convince their subordinates that the change is fine and it actually can make things better for them.

To persuade employees about good aspect of the change the manager must be good in communication. If the manager is well informed about the change he/she should be able to transfer this information to his/her subordinates. They should be able to show why the change is necessary and why is it beneficial for everybody. In addition, he/she should listen to his/her subordinates' comments. Feedback is necessary so the manager can be sure everybody understands the changes (Pospíšilová, 2008).

Creativity And Innovation

As it was mentioned above, there are many changes in a manager's work. One way to deal with changes is through innovations. In order to come up with innovations there is a necessary skill called creativity. A manager with creativity is able to come up with new ideas, unusual methods and solutions.

Of course, not only managers can be creative but their subordinates can be too. Good manager could create an environment that is creativity friendly in order to support everyone's creativity. This environment could be described as an environment without prejudices, negativism, rigid rules and distress from anything new (Pospíšilová, 2008).

Creativity also can be improved when following four basic steps of creative proces:

1. Preparation – This stage belongs to information gathering, analysis and solution exploration.
2. Incubation – The mind works to continue the process.
3. Illumination – In this case it can be understood as an inspiration. It often comes when a person does not think about the problem, but is just relaxing.
4. Verification – This final stage is meant to test the proposed solutions and ideas whether they are going to work (Adair & Thomas, 2004).

Communication

Generally, communication is a process that transfers information. This notion comes from Latin word “communicare” which is translated as discussing something with someone (Vymětal, 2008).

Communication is very important in managerial and personal life because it helps people to transfer and receive messages that contain information. A manager spends over 80% of their time on communication. Communication consists of activities such as “giving feedback”, “criticizing and evaluating subordinates” and “praising”.

There are two forms of communication – formal and informal. One of the most important parts is body language. The manager has to have absolute control over their body language. Subordinates should not be able to tell whether their manager is nervous when experiencing some unexpected event (Armstrong, 2009).

Communication can be divided by many different criteria. However, one kind of communication is never used by itself as a method making an impact on a person. Mostly, there are several kinds of communication used within a conversation. Intentional communication can be unexpectedly changed to unintentional communication and conscious communication can shift to subconscious communication. Most of those forms complement each other or in some cases replace one another, which happens mostly with verbal and nonverbal communication. It always depends on the situation that communicating people find themselves in. People speak differently with their managers and differently with their friends or with people who they meet for the first time. Also, it also depends on the purpose of the communication, whether it is only used to inform others or for a different intention.

Like it was mentioned above, the most common division of communication is verbal and nonverbal communication. Those two complement each other most of the time. The “speaking person” adds hand gestures, posture, mimicry to their speech. There are people who have difficulties to coordinate their speech and their body language and those people most likely cannot become managers (Vymětal, 2008).

The theoretical ideal manager has to have a total control over their body language. The manager, even though there is whatever situation, always has to remain calm despite how they feel so the subordinates do not notice that something might be wrong (Bedrnová & Nový, 2007).

Delegation

Delegation basically means “assigning tasks to subordinates”. However, it is not as simple as it sounds. Delegation requires certain know-how. There are two extreme ends of delegation. First, the manager just tells his/her subordinates what has to be done, and they deal with the task whatever way they consider the best. Second, the manager describes the tasks step by step and then keeps controlling closely the subordinates during the task. The ideal delegation would lie between those two extremes (Adair & Thomas, 2004).

Delegation is important because it is impossible for the manager to do everything by himself or herself, especially the daily routine work. The more complex task is delegated, the higher motivation of the subordinates is. Delegation helps managers to focus on the really important things, it extends capacity to manage. It helps to reduce delay in decision-making. Furthermore, delegation increases motivation of the subordinates by extending their authority and responsibilities.

On the other hand, delegation comes with difficulties and risks. The reason for it is, that a manager can never be hundred percent sure that a person who is assigned to do the task has the ability to perform as desired. Therefore it happens that the manager over-controls his/her subordinates, which may lead to inhibition of their authority, make them nervous and stressed, which can cause lack of their confidence. That can lead to unsatisfactory performance and the whole idea of delegation is then compromised.

Other issue with delegation is, that managers might find difficult to let go and they feel that the job is not going to be done never as good as when they do it. In addition, there are managers who do not want to delegate because they simply like what they are doing and do not want to give up doing that (Armstrong, 2009).

Motivation

Motivation helps managers to maximize the performance of the subordinates. Motivated subordinates are more likely to keep their performance up to the required standards. The theoretical ideal manager has to be able to figure out what motivates an individual.

Every single person is motivated by different things, has different desires and different dreams. In order to do that, the managers have to know their subordinates quite well and they also need to treat their subordinates slightly differently (Adair & Thomas, 2004).

Not-motivated subordinates do not find their purpose and they tend to leave the company in time.

According to Jelinek, there are two main types of motivation – Extrinsic and intrinsic motivation. There is a significant difference between those two. Extrinsic motivation is based on material stuff that motivates workers. The most common examples of extrinsic motivation is money, expensive cars, social prestige, fame and etc. Managers who are motivated only by extrinsic motivation are most likely never to achieve their maximal or optimal work performance, because they are not motivated by the activity, but only by the reward that comes from well done job.

The intrinsic motivation, on the other hand, is motivation by the activity. Only when the manager is motivated by his/her job then it can be said that he or she is so called self-motivated. In this case, the manager is able to give the best performance. Marian Jelinek – former personal trainer of Jaromir Jagr – gives two types of hockey players as an example. One hockey player wants to be a hockey player and the other wants to play hockey. The one who wants to be a hockey player plays in the first league but only four minutes per game. He is satisfied because he is a part of the team and his material needs that motivate him are fulfilled. If this player is offered to play one full game in lower contest he gets offended. On the contrary, the player who wants to play is happy when he is offered to play no matter how prestige the contest is. The second player is motivated by the intrinsic and therefore is more likely to reach his full potential

Jelinek thinks that intrinsic motivation is necessary in all professions and it is crucial for the managers but also for the subordinates (Jelinek, 2012).

3.2 Entrepreneurship and Entrepreneur

This chapter is supposed to shed a light on entrepreneurship. It will explain what exactly it is, and what it takes to become an entrepreneur. It will also show the difference between an employer and an entrepreneur.

3.2.1 Entrepreneurship

Even nowadays there is not really the one definition of “entrepreneurship”. Gartner notes that only a creation of a new organization can be defined as entrepreneurship (Gartner, 2001). When an inventor that works for an organization develops a new invention and the firm sells the product, it is not an act of entrepreneurship. Wiklund, on the other hand views that “*entrepreneurship is the creation of new economic activity*” (Wiklund, 2001).

3.2.2 Entrepreneur

According to English dictionaries the word “entrepreneur” can be explained by three definitions. The first meaning notes entrepreneur as a person who is responsible for organization of factors of production in order to receive profit by producing and selling goods. Secondly, the dictionary explain entrepreneur as a person who owns, manages organizes, and finances an organization in order to make a profit. The third meaning suggests “*entrepreneur is a person whose business actions make him a leader in the economic world especially when they result in industrial growth or technical advances*” (Gasparski, Ryan, & Kwiatkowski, 2011).

Deakins and Freel mention two points of view on who an entrepreneur is. Firstly, entrepreneur is a key player in economic development. This theory is based on individual property rights. Entrepreneurs characterize the first class of the three classes. The other two are property-owners and workers. Entrepreneur mostly is a risk-taker who is motivated to “*anticipate risk for the risk of profit*” (Deakins & Freel, 2003).

Lazear (2003) states that the entrepreneur is a person who can say “*I am among those who initially established the business*”. It is important, according to Lazear, to distinguish an entrepreneur and self-employed person. Self-employed person does not need anybody else to help them with their business but only needs a certain skillset. As an example of this kind of self employed person can be mentioned a handyman who works alone. This person does not need other skills as managerial skills and so on, which without a doubt, the entrepreneur needs.

The entrepreneur is someone who does not have to be excellent at one skill but someone who is competent in many skills. The person with balanced skills is more likely to become a successful entrepreneur. To establish a successful business it is crucial for entrepreneurs to have large amount of essential skills. Further more, Lazear (2003) speaks about varied experience. It can turn out to be profitable for a person who wants to create his or her own business. Age, gender, ethnicity and experience do not really affect the chances of becoming an entrepreneur. The main aspects that affect probability of becoming an entrepreneur are positions held by the individual. The more positions, the better. Students with a general education are more likely to become entrepreneurs than students with more particular specialization. Entrepreneur is not a person who is excellent in one specialized area. According to Lazear entrepreneurs are jacks-of-all-trades -> not specialists, but generalists (Lazear, 2003).

There are several these key competencies that successful entrepreneur should have:

- High need for achievement and ability to perceive and act on advantageous situation.
- Proactive approach in that the entrepreneur takes own initiative or responsibility when he or she undertakes an activity and cases changes.
- Entrepreneur is committed to third entities.
- Entrepreneur does not like following a fixed way of doing things, but rather likes different tasks and spontaneity in work (Deakins & Freel, 2003).

3.2.3 Entrepreneur vs. Manager

Many times those two are mistaken as being the same, but this section should point out differences between managers and entrepreneurs.

Litzinger (1965) states that entrepreneurs are, unlike managers, goal and action oriented while managers follow policies and processes in achieving goals (Litzinger, 1965).

Entrepreneurs find an opportunity then build a team, acquire the needed capital, locate resources for the new business idea. That leads to starting new business. Managers, on the other hand, come to the business when it is established. In other words, the managers come after the entrepreneur grounds the business. If it were not for entrepreneurs, managers would not have any business to manage.

Managers are focused on the effectiveness and efficiency of operations within the business, while entrepreneurs are concerned with the sustainability of the business, facing uncertainty.

As it was mentioned above, entrepreneurs are generalists who need to have a general knowledge about *everything*. Martins (2013) says that entrepreneur must have a basic knowledge about “*product development and design, business law, accounting, communication and public speaking, investing, leadership, business systems, finance and insurance, marketing and sales, raising capital and so on*” and those knowledge are always growing. Managers are business management specialists who are fixated on managing, maintaining and growing the business.

Managers are often taught in schools in the area of management and business management. Entrepreneurs get their education “*from the streets*”. It means that they learn by trial and error which means they learn from their mistakes but also from other’s mistakes as well. They start from the bottom and they learn the hard way. Plenty of successful entrepreneurs did not even graduated collage.

As it was aforementioned, entrepreneurs are risk-takers. They say no pain – no gain. Entrepreneurs take risks, which can be very stressful and makes them uncertain of the future. They are willing to be under this pressure in order to reach financial freedom. *“There is no point in being an entrepreneur when you should earn the same money as an employed person.”* Managers, on the other hand, prefer certainty and security is the highest priority. It comes in the form of steady paycheck, pension, gratuity, pay raises, job titles, promotions, bonuses and entitlements.

Mistakes come as experience for entrepreneurs. Managers try to avoid mistakes as much as possible because that is basically their job - to avoid errors.

Entrepreneurs, according to Martins, are motivated by the need to construct a business that provides a product or service, while providing them profit and aforementioned freedom. Managers, on the other hand, are motivated by money, bonuses, incentive, pay off or promotion (Martins, 2013).

To sum it up, the main difference between the manager and entrepreneur is that entrepreneur starts the business and takes the risk that comes with launching the business including possible money loss in case things do not work out. Managers are basically employees whose only risk is that they might lose their job if they fail.

3.3 Multilevel Marketing System

This chapter introduces multilevel marketing system. It explains how it works and what the main concept is. It distinguishes the difference between multilevel marketing and pyramid scheme because these two are often mistaken as the same.

There are many people who say that MLM is a great opportunity and great business and there are, on the other hand, many people who beg the differ. This chapter will present ideas of both of these groups.

3.3.1 Definition of Multilevel Marketing System (MLM)

There are people who love MLM and there are people who absolutely despise MLM and consider it illegal, immoral and dysfunctional (Vandruff). According to Cambridge dictionary, however, MLM is *“a method of selling a product in which someone sells to people they know and then gives training to those people to sell the product themselves. The original person earns money not only from their own sales, but also on what is sold by the people they have given training to.”* (Cambridge Dictionaries)

Investopedia explains furthermore: *“Multi-level marketing is a legitimate business strategy, though it is controversial. One problem is that pyramid schemes, which use money from new recruits to pay the people at the top, often take advantage of people by pretending to be engaged in legitimate multi-level marketing. Pyramid schemes can sometimes be spotted by their greater focus on recruitment than on product sales.”* (Investopedia).

3.3.2 Pros of MLM

The most obvious advantage of MLM is that a regular person gets an opportunity to start a business without any or only a little investment at the beginning. All successful managers in MLM started just like everybody else. However, only people who really understand how money works can be successful. *“The rich don’t work for money”*.

Multilevel marketing company is great for personal development. Joining multilevel marketing company does not only helps people to earn money, but also it allows a person to help others to achieve their dream of financial independence. The idea of multilevel marketing says that it is not possible to earn high level of income unless the person does not help others. A person, who wants to be successful in multilevel marketing organization, should teach others around to help them to get more of their life. The MLM organization helps a person to become a better leader, manager and mentor to others (Hill, Leon, & Block).

Kiyosaki (2000) says the same *“Reason number one is to help yourself. Reason number two is to help others. If you join for only one of these two reasons, then the system will not work for you.”* He points out a difference between employee, self-employed and business owner kinds of people. Employee and self-employed kind are not likely to become successful leaders in MLM because they cannot bear the thought that they would not get paid for their job from the very beginning. Business kind of course work for money as well but differently. They build their business and they invest money they earn back to *their* firm.

According to Kiyosaki (2000), MLM focuses on emotional intelligence development and business skills. Emotional intelligence is something completely different from academic intelligence. People emotionally more developed are able to postpone gratification, which is essential for becoming a successful manager in MLM (Kiyosaki).

A person who decides to join MLM organization is in a way an entrepreneur, but he/she is never alone. There are many people at the top who are ready to help him/her build the

business properly. They will teach the newcomer how to set their goal and how to manage their time. Besides that, there are also many people sharing the same goal. That means that they can share their ideas and they can motivate each other (Hill, Leon, & Block).

Joining the company requires sales skills. The key to be a good salesman is to learn how to sell *yourself*. A person who joins MLM is trained those skills. The industry helps its people to learn techniques and approaches that make the sales process run easy. Unlike other *regular* big companies, in the MLM people have a good chance to meet successful managers who are at the top but started at the bottom like everyone else. They are the ones who help the newbies to overcome adversity at the beginning. Their stories are inspiring and they motivate people to achieve great accomplishments (Hill, Leon, & Block).

The income, that a person has, is solely influenced by that person. The working hours are flexible and there is not obligatory number of hours that person has to be active. The more active the person is, the higher income he/she should expect (Hill, Leon, & Block).

Chirinos sees the big advantage in small amount of risk. In other businesses the start up costs are rather high and that holds many people from starting their own business. In MLM a person can start just with a couple hundreds of dollars but when a person wants to open a restaurant the initial costs are considerably higher. Another advantage is that there is significant demand for good quality products (Chirinos).

Multi-Level marketing is also a great opportunity to get retirement income. Retired people who joined the MLM company do not have to work to get to the top. They might use this as an opportunity to meet new people and make some money on the side. It helps to generate some extra income for the retirement and also it keeps people busy. Laura quotes one retired woman –“*I’m doing this because I’m meeting amazing people ... making so many connections ... and I feel so good about myself.*” Another example

he presents – “*It’s rewarding because I found a product that has made in difference in how I look and feel... and I love selling it and helping other people start a business*” – which confirms what (Kiyosaki; Hill, Leon, & Block) say about helping others. According to Laura’s research, the people really enjoy MLM only when they truly love the product they sell (Laura, 2014).

So overall, according to those who are pro-MLM the idea is great. The MLM system is a decent opportunity for people to start their own business. However, majority of them will not succeed because it requires a certain personality – entrepreneur kind of personality. Not everyone knows that they have it in them and the MLM is a good way to put them in trail, whether they have what it takes. It is relatively easy to join MLM company so many people can try and see if they are or are not meant to be entrepreneurs, unlike every other business where it is not that easy just come and try.

3.3.3 Cons of MLM

The previous section presented some ideas that support the idea of multilevel marketing. This section will provide opinions of those who think differently.

Multilevel marketing system is intrinsically unstable and guaranteed by design to over saturate the market. According to Vandruff, MLM model cannot, even in theory, ever be profitable. The only profit that MLM make comes from the losers who are people lower down in the organization. The person who is at the bottom is the loser without any chance to success.

Economy in the *real world* is driven by demand and supply. Vandruff explains that with MLM there is not real demand but on the supply is over saturated. The model is doomed to collapse under its own weight because of the way the system is designed. The products that are being sold by MLM companies are not unique and it might as well be sold by others companies. Selling the products is not the main goal of MLM companies. The main goal is selling other people the vision and the lie that they can ever achieve financial freedom even though they cannot.

According to Vandruff, the MLM system will cause people who joined their friends and their family. In comparison to other small businesses where there is a slight chance to be successful, there is not a chance to be successful in MLM unless people who joined will not profit from other's people failure (Vandruff).

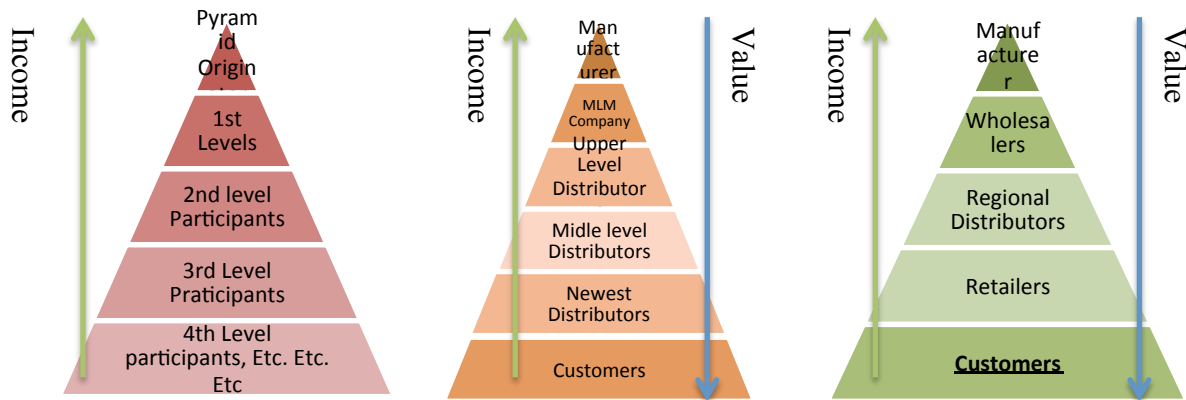
People who join the MLM organization are never even self-employed. It is just an illusion. MLM companies will not allow distributors to carry additional lines. If suitable, the MLM can terminate the distributorship with any distributor without any complications. MLM distributors cannot be ever considered for entrepreneurs since they only join a hierarchical system over which they have almost no control what so ever (Fitzpatrick).

3.3.4 Multilevel Marketing Vs. Pyramid Scheme

This section should explain main difference between the multilevel marketing and the pyramid scheme. Many people consider MLM and pyramid scheme as the same thing without any difference. However, this chapter will define the differences between those two.

Abbott (2011) sees clearly the distinction between pyramid scheme and MLM. Firstly, it is necessary to say that pyramid scheme is illegal and MLM is legal. The most significant difference between those two is the customers. Abbott explains the difference in more depth in the picture.

Figure 2: Illegal Pyramid Vs. Legal Distribution



Source: Own processing

Pyramid schemes basically do not sell any product. To be more specific, they sell product but the products are very little or no value. Therefore the product cannot be sold to customers, because customers will not buy them since they are useless for them. In order to make money, the pyramid originator has to sell people licenses to distribute the products them self. 1st level distributors soon enough find out that no one wants to buy their products so they understand that only money they can make is to sell the licenses and etc. Obviously, this system is wrong and it cannot work in any circumstances and this system is doomed to fail. In pyramid schemes it is given that the more people are signed under the originator, the originator gets more and more money. Volume of sales in pyramid schemes is irrelevant mainly because there are not any sales to the customers what so ever. This means that people who join the pyramid scheme at the bottom of the pyramid are not going to make any money at all (Abbott, 2006).

The MLM, on the other hand, has to be focused on the customers. The customers are the ones who generate profits. According to Abbott it does not matter if a person joins the company at the beginning or at the low level of the structure. Because it is not about how many people are involved but what matters are the sales, which generate the money. Logically, the person who builds a bigger sales team is more likely to earn more money, but the reason for this is that a bigger sales team is going to have more customers (Abbott, 2006).

To sum it up, there is a thin line between MLM legit organization and illegal pyramid scheme. However, the distinction is clear. MLM marketing system is focused on product sales and the idea is to have plenty distributors so more customers is acquired. The product should not be overpriced and their value should respond with price. Pyramid scheme is solely based on attaining more people who would chip in. They are not customer oriented and the profit comes only from the people who join in late and are at the bottom of the pyramid structure.

4 CASE STUDY

This chapter is focused on evaluation of selected managers in selected companies. First, the companies whose managers were interviewed are introduced. The results of the questionnaires are explained one by one and on the basis of the results the characteristic of a successful manager is given.

4.1 Selected organizations

Organizations that were selected are international multilevel marketing organizations in the Czech Republic. They are mainly focused on finances, insurance products but also on cosmetics products as well.

4.1.1 OVB Allfinanz ČR, a. s.

OVB Allfinanz ČR, a. s. is a company that helps people with their finances. The whole company can be considered as a sales representative of almost every financial institution on the market. It is independent on those financial institutions. That means that the company can sell product of all financial institutions according to what is best for the client.

The company OVB Holding AG has been part of European market since 1970. It has more than 2.8 million of private and corporate clients in 14 European countries. It provides financial services with a focus on individual approach to every single customer (OVB Allfinanz ČR a. s., 2009).

The daughter company – OVB Allfinanz ČR, a. s. has been on the Czech market since 1993. Currently it has over 1 million clients and it manages more than two millions contracts (OVB Allfinanz ČR a. s., 2009).

The mother company was founded in Cologne in Germany in 1970 with a goal to provide private clients with individual and complex property and financial advisory. In 1991 the company expanded to Austria. In 1992 OVB was established in Poland, Hungary and the Czech Republic. One year later, the company expanded to Slovakia,

Greece, and Switzerland. In 1999 the expansion continued to Croatia. In 2000 the Company was transformed to joint-stock company. Commission revenues after taxes doubled in comparison to previous year. During the next three years OVB expanded to Italy, Romania, Spain and France. Back in that time there were 7800 co-workers working for the company. Brutto revenues were up to 150 million Euro. In 2005 the OVB Allfinanz, s. r. o. was transformed to OVB Allfinanz, a. s. (OVB Allfinanz ČR a. s., 2009).

4.1.2 Broker Consulting

The company's purpose is to help people with their personal finances. Help them with orientation among loads of financial products and services. The company works as a middleman between the financial institutions and client. The main advantage of it comes from the independence of the company.

The company Broker Consulting was established in 1998. The founders wanted to provide higher standards services of financial planning, which can be counted on by the clients. Currently, the company is conducting business in the Czech Republic and Slovakia. Due to a long-term interest that clients put in the company, the company has been growing for 15 years at the speed 30% a year. More than 300,000 clients use the provided services and almost 4,000 legal bodies are provided with financial benefits for employees throughout tax savings.

The main service that is provided is so called *financial plan*. The clients may have their plan processed at over a hundred client centers from over a thousands financial advisors. The advisors have exclusive, innovative products from international financial institutions. Some of them were developed with help of Broker Consulting analytical center (Broker Consulting, 1998).

The company was established in 1998 in Plzen as Broker Consulting, s. r. o.. In the year 2003 the revenues before taxes were more than 100.000.000 Kč. In 2003 the company was transformed to Broker Consulting, a. s.. In 2005 the company was fused with the company Intergrated Financial Servises, s. r. o. The year revenues before taxes went up to 200 millions a year. The company moved their headquarters to Prague. One year

later, the company expanded to Slovakia. In the year 2008 the company reached number of 200.000 clients. In 2009 the revenues before taxes were up to 500 million Kč. The number of client centers reached 30. In 2013 the year revenues are higher than 800 million Czech crowns (Broker Consulting, 1998).

4.2 Storytelling Interpretation

This section will present the stories of the managers who reached the highest possible position in their organization. Manager A and Manager B are with OVB Allfinanz, a. s. and Manager C is with Broker Consulting, a. s. The managers are all men. Manager A is 29 years old, manager B is 33 years old and manager C is 54 years old. Managers wish to stay in anonymity. Interpretation is divided into ten section/categories so it is comprehensible. The categories follow the pattern, in which the Theoretical attributes of an ideal manager are explained.

The categories are as follows:

- Experience.
- Managerial style.
- Motivation.
- Self-motivation.
- Delegation and Controlling.
- Evaluating.
- Goal Management.
- Time management.
- Communication.
- Entrepreneurship.

4.2.1 Manager A – The Transcript Interpretation

Interpretation:

Experience

It is apparent from the narrative of Manager A, that s/he did not have any managerial skills when he/she joined the company (Narr, lines 2-3). If we compare this to a Theoretical ideal manager (or TIM), it is very unlikely TIM to be employed in a company on managerial position without any managerial practice (see page 28). Manager A was promoted to his/her first managerial position after one year in the

company, but in order to get to this position, s/he had to develop managerial skills during the first year. S/he says that it is important to stick with the system and not try to be innovative much because the system works as it is (Narr. lines 23-26). This is in complete contrast the TIM who is supposed to be innovative (see page 22).

Managerial style

The manager also talks about his team and how important the team is for him/her (Narr. Lines 41 – 43). He also mentions that he spends plenty of time with his subordinates out of the office in his free time (Narr. Lines 92 – 93). He also says that he tries to approach his team with much humane approach possible (Narr. Lines 58 – 60) This can be interpreted that this manager has paternalistic managerial style. However, this manager is also very well self-motivated and also motivates his subordinates well. He never referred to his subordinates as ‘subordinates’ but always ‘my people’ or ‘my team’. It shows that he is a team player. That points out to the democratic managerial style, which can be considered as ideal style (see page 15).

Motivation

The manager says that the key to be successful is to have a vision, or a dream and follow it no matter what. He said that he tries to induce thinking towards a vision to his people (Narr. Lines 53 – 55). With a vision it is easier to overcome adversities, failures etc. Theoretical ideal manager should know their subordinates (see page 24) in order to motivate them properly. The interviewed manager obviously knows his team members well, since he spends his free time with them as well (Narr, Lines 92 - 93). If he knows them, he can understand what their dreams and visions are and then he can use it to motivate them (Narr, Lines 62 – 66). He also delegates his tasks so his subordinates feel like they have been given more responsibility, which also motivates them. In comparison we can see the theoretical ideal manager is matched with the researched manager (see page 24).

Self-motivation

There are several things that motivate the manager. He enjoys the job as it self (Narr, Lines. He notes that seeing his co-workers having success it is motivational for him as well (Narr, Lines 104 - 105). Also, he wants to be better than his supervisor and try to be as good as he is (Narr, Lines 99 – 101). That all may be considered as intrinsic motivation, which is a key factor to his success. (see page 25). He also explains that he is motivated by the vision since the beginning. At first it was to reach higher position after another. Now it is to become well known in the company in whole Europe, not just the Czech republic (Narr, Lines 101). That is, on the other hand, the extrinsic motivation. But in this case, the manager is motivated by extrinsic and intrinsic motivation at the same time. Problem would be, if the manager were only motivated by extrinsic motivation.

Delegation and Controlling

The manager says that without controlling his delegation could not work. Another way of controlling is daily consultations with his subordinates. This way he knows whether his subordinates had the activities they were supposed to and also how the activities were done and what is their output (Narr, Lines 86). Another way of controlling is to see how much money the subordinates make. Their salaries are directly dependent on their performance (see page 16).

Evaluating

In this case, as it was mentioned above, subordinates all make money on commission (Narr, Lines 72 – 73). That is a very big difference from traditional subordinates with traditional managers. Traditional manager has to go through complex process to properly evaluate their subordinates. There we can see a significant difference (see page 16).

Goal Management

The manager mentions several times his plans and his visions. The goals that were set by the manager were real, concrete, possible to attain and measurable (Narr, Lines 19 – 25). The manager speaks about failures and not giving up when there is obstacle. He says it is important to hold on. Goal management is one of the important key management skills and according to the story we can see clear resemblance with how this skill should be handled (see page 17).

Time Management

Another key management skill is ‘Time Management’. The manager describes his regular day. He mentions having consultations, meetings and job interviews (Narr, Lines 85 – 93). Obviously the manager must be organizing his time properly because without correct time management it would be difficult to have those activities done. On the other hand he admits he spends his free time working as well. He goes out with his subordinates and he spends time with them during the weekends as well during the teambuilding events, which take place, as it seems, every weekend. TIM, how ever should plan his/her free time and should not underestimate it. The difference between TIM and our researched manager might be that the researched manager spends more time working that TIM (see page 20).

Communication

The manager said he speaks with his subordinates very often. The communication is usually in person and it takes place in the office during the consultations. Another communication is done over the phone (Narr, Lines 86 – 94). The theoretical ideal manager should spend over 80% on their communication (see page 22). The researched manager also spends plenty of time communicating with his subordinates. It is difficult to estimate how much percent of time it is.

Entrepreneurship

Entrepreneurs are risk takers. It can be said that people who are solely paid on commission are at possible risk, that they might not have any income for some period of

time (Narr, Lines – 72). The manager recruits his own people to his team. While traditional manager comes to the company and starts as a manager the researched manager came to the company as a regular co-worker who worked his way up (Narr, Lines 2 – 10). On the other hand, the manager did not have to come up with new idea or business plan as an entrepreneur does. He joined the company and was told exactly what to do to become successful.

4.2.2 Manager B – The Transcript Interpretation

Experience

The manager B says he studied diplomacy and international relations. His previous experience he worked in telemarketing or as a sales man with energy drinks or as an administrative worker. Obviously he did not have any managerial experience when joining the company (Narr, Lines 112 – 115). However, he had experience with sales and administration, which are skills that are required for the job.

Managerial style

The manager says that he approaches his subordinates as much humane as possible. He spends time with them during informal events and he describes atmosphere in his office as very loose (Narr, Lines 182 – 185). He also mentions that he can very easily to get down to their level, because most of his subordinates are students and when he joined the company, he was student as well. This helps him understand better what his people are going through. Same as Manager A he never referred to his subordinates by the word ‘subordinates’. He is a team player; he often talks about his team (Narr, Lines 134, 155, ...). This suggests that the manager B belongs to paternalistic managerial style and partially democratic style, which is most suited for theoretical ideal manager (see page 15).

Motivation

The manager states that motivation is very important. He talks that he uses himself as motivation. He tries to show his subordinates that they start at the same position once he did and if he could do it, then they can (Narr, Lines 136 – 137). He adds that it is crucial

to find what stimulates the co-workers individually. And on the basis of that, then set a goal, a vision. Manager B tries to reach the state, where his subordinates are self-motivated and do not need him to give motivate them all the time. This can be achieved by setting the vision that his subordinates can follow (Narr, 159 – 167). That relates to TIM. Theoretical ideal manager should know their subordinates in order to know what motivates them individually (see page 24).

Self-motivation

Manager B talks about enjoying his job especially because it is not a stereotype (Narr, Lines 190). This signs that the manager is motivated by the intrinsic motivation. Also, the manager talks about how it is difficult especially at the beginning. Obviously, if he was motivated only by extrinsic motivation, he might not last but he was not that successful at the beginning so he was not getting the material things, which would be extrinsic motivation. He talks about being diligent, persistent and brave (Narr, Lines 145 – 146). The relation between Manager B and TIM is apparent here (see page 25). A person motivated by intrinsic motivation is more likely to succeed.

Delegation and Controlling

The manager has delegates his time management to his assistant and they talk about it everyday. He also delegates work to his direct co-workers at the beginning of every month. He controls it at the very end of the month. He mentioned that his direct co-workers are also managers and they have their own offices, which makes them self-sufficient (Narr, Lines 192 – 200). Despite that, he still tells gives them some tasks and he still controls them. There is a strong relation to how theoretical ideal manager delegates to his/her subordinates (see page 24).

Goal Management

Manager B explains that it is not impossible to reach the top position. How ever, a person needs to be diligent, persistent. The highest position is seen as the “ultimate goal” and to reach it a person must first get to the lower position

(Narr, Lines 152 – 153). Goal management here is obvious and set precisely by the company. The manager's work is to motivate people on himself to move towards the partial goals but keep on mind that there is the ultimate goal.

Time Management

The manager talks about his job being variable. He describes his day as a day with many different activities. He also mentions that he plans his day and week with his assistant. Person with a schedule like this most likely has to have the time management skills handled (Narr, Lines 194 – 201). He admits that he does not have plenty of free time. He spends lots of his free time with his subordinates (Narr, Lines 208 – 211). He spends his time effectively because he uses meals for meetings as well (Narr, Lines 197 – 199). There is a relation with TIM. Theoretical ideal manager should make use of committed time (see page 20), which is exactly what Manager B does.

Communication

According to the transcript, the communication takes place mostly during the meetings and work meals. That means that communication is done mostly on personal level. He notes that atmosphere in his office is informal (Narr, Lines 190 - 191). That signs that even communication has informal form. Nevertheless, communication serves to receive feedback and information about the subordinates and their work. That relates to the communication of theoretical ideal manager (see page 22).

Entrepreneurship

It is apparent that the manager is an entrepreneur. He talks about starting his own business without money to begin with (Narr, Lines 158, 180 - 187). He built his own team without having any subordinates assigned to him (Narr, Lines 122 - 123, 177). He talks about how important it is to realize that this is not a regular job where people have fixed working hours. The manager is an entrepreneur who teaches and helps his subordinates to become entrepreneurs themselves. He also talks about sacrifice

(Narr, Lines 184 – 187). He says it is important to invest money he makes and invest it back to the company. He also invests his free time and dedicates it to the company as well. According to the story, Manager B possesses a variety of skills such as human resources skills, managerial skills, sales skills, etc. That is what a successful entrepreneur should possess (see page 27). TIMs are, on the other hand more focused on efficiency of operations within the business and they are specialist fixated on managing. Theoretical ideal managers most likely do not have to invest their salaries to the company and they also do not work at the expense of their free time (see pages 28).

4.2.3 Manager C – The Transcript Interpretation

Experience

The manager claims to have worked in the industry of mechanical engineering. At first as a regular worker and then he was promoted to higher, more technical position. He does not recall having any experience with managing people in the story. He graduated high school and has no higher education (Narr, Lines 223 – 225). His specialization was very technical and not remotely related to business or management. He thinks that education is not important for him or for his co-workers. He believes that a good quality manager or co-worker has to possess different qualities than education (Narr, Lines 257 – 261). TIMs, on the other hand, have studied management and has university degree (see page 28). But a person who studied management and has very good preposition to be a successful manager often fails (Narr, Lines 258 – 259).

Managerial style

The manager refers to his subordinates as successful and interesting co-workers. He also mentions his firm would not exist without those people. He says that he feels comfortable around his co-workers (Narr, 247 – 250). Manager C is most likely most similar with the paternalistic managerial style because of the family atmosphere (see page 15). With paternalistic managerial style the Manager's style carries resemblance with democratic style. Especially because manager really sees his subordinates as a team and not subordinates. Also *democratic manager* should handle self-motivation and motivation of his/her subordinates (see page 15).

Motivation

The manager says that it is possible to motivate only people who want to be active and want to work themselves. He says that many co-workers are motivated with the job as it self (Narr, Line 279) which is intrinsic motivation that is important for the performance of the subordinates. But extrinsic motivation is present as well (Narr, Line 280), which is ok when there are both types (see page 25). The manager says that starting own business is also a motivational for the co-workers. Then the results of their business are dependable on them, which is considered as motivation as well. Manager also uses rewards as motivation and takes the successful co-workers to variety of events so they can enjoy them selves (Narr, Lines 279 – 283). Manager also tries to motivate his subordinates by having them contest each other. This way he tries to encourage intrinsic motivation among his subordinates.

Self-motivation

Intrinsic motivation is apparent with Manager C. He straightforwardly says he enjoys his job (Narr, Lines 249) Intrinsic motivation can be also interpreted from the narrative lines 241 – 242 and 250 where he says that he is not only motivated by the goal (extrinsic motivation) but also by the road leading to the goal. He is motivated by entrepreneurship and of philosophy of success. As for the extrinsic motivation Manager C mentions money as an important think to the success but it seems that he sees money more as a tool to reach the success.

Delegation and controlling

Manager C does not talk about controlling or delegation during the interview. However, he mentions visiting his branches, which means that he visits his branches to control how they work (290 – 292). He also talks about having meetings with his lower management (296 – 297).

Goal management

Manager C handles this managerial skill very well. He speaks about setting the goal and then following it. He also mentions that some people are easily put off by small letdowns, so he obviously realizes himself that on the way to the goal there are going to be pitfalls (Narr, Lines 273). The fact that the manager is aware of this, states that manager handles this skill that should be handled according to attributes of TIM. In addition TIM should overcome obstacles and should be patient and persistent (see page 17). Manager C mentions about all those things.

Time Management

According to the transcript it can be presume that Manager C is skillful with time management. He states that his working hours are not fixed which means that he must put more afford in managing his time. His description of his normal (regular) week suggests that it could not be done without proper time management. He have meetings with clients, with his subordinates and also he has lectures. He also says that he plans his time for the entire year ahead (Narr, Lines 289 – 298). According to the researched manager he does not have much of free time. However, he does activities that he finds relaxing and soothing (Narr, Lines 300 – 302). In comparison to the theoretical ideal manager there are not any significant differences and Manager C handles time management similar as TIM (see pages 18 – 20).

Communication

The manager speaks about communication being the hardest thing that had to be changed when he started with the company in comparison to being regular employee. He does not explain the difference, though (Narr, Line 237). Communication is most likely done on personal level or phone calls. Managers speaks about being always available on the phone. He also talks about meetings with his lower management. During the meetings there is also communication on personal level (Narr, Lines 289 – 298).

Entrepreneurship

Manager C considers entrepreneurship as one of the most important thing. He says he quit his job as a regular employee to become an entrepreneur but he did not know what field. He chose the company because it spared him first entrepreneurial questions such as what business idea to come up with or where take the money (Narr, Lines 230 – 231) for it as entrepreneurs usually do (see page 29). The manager explains that he likes he is the one who decides whether he is or is not going to be successful (Narr, Lines 229 – 234). He also talks about adversities and risks that he had to go through, especially at the beginning. He sees his failure as experience and not reason to quit (Narr, Lines 236 – 245). Basically it means that Manager C welcomes failures positively but the theoretical ideal manager tries to avoid mistakes as much as possible, because that is their job (see page 30). The narrative lines 252 - 255 suggest that Manager C got helped from his supervisor who helped him understand entrepreneurship. He states that the reason why he spends so much time with his firm is because he thinks that every entrepreneur does that (Narr, Lines 294 – 295). It most definitely was risky for the manager to quit his job after 17 where he had certainty of monthly pay check for work he had studied for. Theoretical ideal manager, on the other hand, needs certainty. They joined a company with managerial skills and they usually are managers while joining the company (see page 30).

4.2.4 Interpretation summary

Despite the managers were from two companies, in all these ten categories the interpretation came up very similar with no significant differences. In this section there is an overview of gathered interpretations provided on the basis of the transcript of the interviews.

None of the three managers had managerial experience before they joined their respective companies. Two of them had college degree and one had only high school degree. None of them, however, had a degree from management. They all learned managerial abilities in their companies.

As for their managerial style, they all might be influenced by growing into managers within the companies, and also by building their teams by themselves. This might explain why each of their managerial style is paternalistic. They pick their subordinates and they teach them, raise them (in career sense) to be managers them selves. They also seem to be part of democratic managerial style that is considered to be an ideal one according to the attributes of theoretical ideal manager. The reason for the democratic managerial style is caused by the fact that their subordinates are entrepreneurs-beginners and under this democratic leadership they have an opportunity to develop them selves as entrepreneurs. The researched managers could be seen as mentors who pass on their knowledge and know-how.

Motivation is very important for all researched managers. They all talk about intrinsic and extrinsic motivation. All of them have the same idea about intrinsic motivation and they all see it as a key to success. They all agree that it is crucial for their subordinates to be self-motivated without their managers to motivate them all the time. They admit that extrinsic motivation is important too but all talk about encouraging their subordinates to have a vision and follow their dreams. Also they try to make their subordinates to contest each other in order to get them motivated on the activity. They approach their subordinates individually in order to know them. Everyone has different dreams and that is why it is important for managers to know their subordinates. In order to create family and friendly atmosphere, the managers organize many team building events.

As for the managers them selves, they are extremely motivated by intrinsic motivation. They all enjoying the job as it self and they seem to not even be that interested in money and the material things, which are extrinsic motivation. However, it is important to keep on mind that those managers are at the highest position in their companies and they already reached the so-called financial independency. Seeing their subordinates having success motivates them too. It is in a way another evaluation of their job, because their job is to raise successful managers. In addition, they all talk about vision, or a goal that

everyone set in the beginning and that helped them overcome adversities and obstacles that came across their road to success. They all say that the vision helped them to stay with the company even where they were going through difficulties. They all agree that being focused, diligent and persistent comes from the intrinsic motivation and it is necessary to be successful.

In order to make their subordinates successful, they have to teach them how to do things. But they also need to give their subordinates tasks they have to do in order to get results. The managers all agree that they have meetings with their subordinates and they talk to them about their activities. Managers have more offices (branches) in several cities over the country. The managers delegate tasks to those branches and then they travel to control whether the branches work correctly and effectively or not.

It is easy for the manager to evaluate their subordinates. Everyone in the company is paid on commission so their salaries are solely dependable on their performances. This gives the managers an advantage while evaluating their subordinates. The performance of every co-worker is easily measurable. It gives the managers an overview on their subordinates' work.

All three managers mention a goal multiple times. According to them having a goal is essential in order to succeed. Emotions that are related to a goal are motivational for theoretical ideal managers and so they are for the researched managers. They talk about motivation by the vision of the goal helped them to overcome obstacles and help them remain persistent and patient. Goals consist of partial goals. In the case of our managers their goal was to reach the highest position with the company and their partial goals might have been lower position that they had to reach in order to get to the highest one. The managers also mentioned career system that is implemented in their companies. It is help from the company with setting the partial goals since it is clearly defined what has to be done to achieve those goals.

All researched managers' work seems to be variable. Despite the fact that they all have flexible working hours their schedules seems to be very busy. They speak about working 10-12 hours a day and that is only in the office. They say they spend time working out of office a lot of time at the end of the day. They all talk about shortage of free time. Nevertheless, schedules they have most certainly require good quality time management skill so it can be presumed that their time management skills are at very good level.

Most of the time, the managers spend with communication. They are mentors and teachers as well and they have to communicate with their subordinates all the time. They all are in touch with their subordinates on the phone, when they cannot be in the office. They all have seminars and consultations where they communicate with their subordinates. According to the stories it can be said that communication is most important part of their job.

None of the researched managers, despite they work for big companies; do not consider themselves as employees. Their start with the company was in a way identical with beginning of the entrepreneurs start business. The difference is, that the managers did not have to come up with the business idea. They did not have to raise money to start their business. They also had supervisors and mentors to help them start the business and teach them everything about it. When they joined their respective companies, they did not have any managerial skills to begin with. They had to learn that during the time. Same as other entrepreneurs they had to build their teams who meant growth for their firms.

They were paid solely on commission from the beginning and their salaries were directly effected by products and services sold. There was no written certainty they would get paid. That can be considered as taking a risk. Real entrepreneurs are risk takers and they learn from their mistakes.

The reason why the researched managers work at expense of their free time, might be also because there are entrepreneurs and not just employees. The TIM goes to work where he/she works for somebody else. When they work hard, they might get promotion or special financial reward, but they are not responsible for anything they built, but for something some entrepreneur built. They have steady paycheck every month and if they spend more hours working then required their paycheck is not really affected by it. The researched managers, on the other hand directly influence their paycheck. The more they spent working the higher their salary might be. However, this extra time they spend working might also not pay off at all and the time would be wasted.

The managers say, that they did not need much money to start their firms. However, during the stories they mention investing the money they earned back to their business. It can be understand that they do not use their entire salary to consume it or save it, but they invest it into their firm in expectation that money would be paid back with the interests. Teambuilding events that are apparently very important for the managers and also they take place very often might be considered as an example of investing money. Those events make the team stronger and improve the team's performance. The higher the performance is, the higher the salary of the managers will be.

4.3 Questionnaire interpretation

In this section the results that come from the questionnaire are interpreted according to the questions from the questionnaire in chronological order. The questionnaire was sent to 20 managers at high-level position. However, only 10 people sent their responses. These questions are supplementary to the narrative stories and should back up the narrative research.

The questions were all open questions and they are also qualitative character. To every respective question there is a summarization of the answers.

1. What is your highest level of education?

This question was asked to find out whether managers in the multilevel marketing organization have college education. Theoretical ideal manager is most likely to have a graduate degree in the field of management.

The answers for this question vary. Half of respondents replied they had a college degree. The other half only graduated high school. That means that each respondent has graduated high school. On the basis of the results we can assume, that MLM managers do not have to have higher education.

2. When you joined the company, what were your managerial skills and experience?

This is additional question to the question number 1. Theoretical ideal manager mostly cannot get a managerial position without previous managerial practice. The answer should determine whether MLM managers need managerial practice to be managers.

Only two respondents of ten admitted they had some managerial experience before they joined the company. The rest of respondents stated that they had no managerial experience at all.

3. When you joined the company, did you do everything according to others, or you were trying to find new ways to be more effective?

The reason for this question was to find out whether the managers were trying to be innovative and tried to come up with new ways how the things are supposed to be done or they followed some kind of pattern.

Most of the respondents stated, that they tried to be as much effective as they could. They say they tried to copy things that were proved to be working. Maximally there were attempts to update current processes but not change them. Only two respondents answered that they tried to find out new ways to make the business work better for them.

4. How often do you invest your money to your job?

This question is supposed to find out whether the MLM managers behave in entrepreneurial way. The entrepreneurs are risk takers (see chapter 3.2.). Investing money always takes some risks and it might not return. The answer suggests whether MLM are willing to invest money or not.

To this question every single one of the respondents stated, that they invest money to their job very often. They said it was a part of the business and they take it as very normal thing for them.

5. Were you satisfied with your income, when you joined the company?

The question is also aimed to answer whether the MLM managers have entrepreneurial characteristics. The TIM would not work where he/she would not get paid for some time. The entrepreneur on the other hand might.

The Respondents who were not satisfied with their income at the beginning all said that it was normal and that this happens in every business. The ones who were, said that it was because they either considered the job as a part-time job in the beginning or they were successful with direct sales. Mostly their satisfaction came later.

6. Do you delegate your job often or you rather do your job yourself?

This question is supposed to answer whether MLM managers delegate their job as the theoretical ideal managers do. Delegation is one of the key managerial skills.

All managers except for one stated, that they would not be able to do their job just by themselves and it is very important to delegate their job. They also mentioned that delegation is sort of way of teaching. They have to delegate managerial task because they are teaching their subordinates to become managers themselves.

7. How important for you is controlling?

Controlling is another key managerial skill that is related to delegation. This question will answer whether MLM managers handle this skill.

All managers say that controlling is very important in their job. One manager even said that controlling is probably one of the most important things in multilevel marketing organizations.

8. What would you do if your salary dramatically lowered due to legislative or company's policy? (Your expenses would remain covered though)

This question is supposed to determine whether the manager is motivated by intrinsic motivation. That means that manager enjoys doing the work and not only the rewards he/she gets. Intrinsic motivation is important for managers in order to reach the highest performance.

Half manager replied that they would continue with their job because they like it. The other half either did not understand the question. Only one manager replied they would leave.

9. How do you plan your activities?

Planning is managerial function and this question is supposed to answer if the MLM managers planning their activities and their future. And how far in the future they plan it.

All managers replied that they plan on daily, weekly, monthly and yearly basis. They say that planning the day and week is very detailed. They also talk about planning the performance of their firms. They say it is possible to plan their performance on the basis of numbers of activities (meetings with clients). One manager

10. What do you think makes you a successful manager?

This is the straightforward question and its aim is to reveal what managers think is main key of their success.

To this question the answers were similar. Most of the managers think that it is important to have a human approach to their teams. They also say that their team, their co-workers make them successful.

11. How do you motivate your subordinates? What do you think is motivational key for your subordinates' success?

This question is aimed to answer how the subordinates are motivated in multilevel marketing organizations.

Every manager notes that there is not a simple key to motivate people. They all agree that everyone is different and everyone deserves a different approach. Other

ideas were, that it is important to convince their co-workers to be motivated by themselves. They mentioned that extrinsic motivation is only temporary and intrinsic motivation is what they have to encourage with their subordinates.

**12. How often do you meet your subordinates out of office (team building events)?
How important those events are?**

This question is supposed to answer how often the managers spend time with their subordinates out of work. It is aimed to find out whether the MLM managers organize teambuilding events or not.

All managers agreed that teambuilding events are very important. One of the managers was very specific and explained, that those events are important for creating a bond between manager and adds an added value to the relationship manager – subordinate. He explains further that those bonds help the subordinates to overcome the obstacles and adversities.

13. How often do you talk to your subordinates about their job?

This question is focused on communication. It should determine whether the MLM managers spend their time with communication as well as TIM's.

Every single answer was the same. All managers stated that they speak with their subordinates at least once a day, every day, if it is possible. Firstly, it is way of controlling and secondly it is constant help and support.

14. What motivates you the most on your job?

This question is another question that is supposed to clear out whether the manager is motivated by intrinsic or extrinsic motivation. Theoretical ideal manager should be mostly motivated by the intrinsic motivation.

There were several answers to this question. Several managers were talking about freedom. Some of them were talking about success.

15. What does your regular day look like?

This question is focused on another managerial function – planning and managerial skills - time management.

All answers to this question were the same. The managers take care of the administrative stuff first thing they get to the office and then they have meetings, consultations, business meals; and last but not least, phone calls.

5 CONCLUSION

The fifth chapter of the thesis deals with final characteristic of a successful manager in a multilevel marketing organization. The characteristics are based on the case study that was constructed on the basis of the qualitative research. The partial aim of the thesis was to find out differences between the attributes of the theoretical manager and successful manager in multilevel marketing organization. Another partial goal was to learn, whether TIM and MLM managers.

5.1 Self-motivation

When comparing the attributes of the theoretical manager with successful multilevel marketing manager we found out, that the two managers do not differ. TIM is motivated mainly with intrinsic motivation in order to reach best performance. After analyzing the narratives and questionnaires it can be said that a successful manager in MLM organization is motivated by the job that he/she does and not only by the material gains the job can give them. According to the narratives not only the managers say they like doing their job, but they also think that that is one of the most crucial key to their success.

5.2 Managerial skills and functions

In the practical part, the managerial skills and functions are introduced and explained. According to the transcripts and questionnaire interpretations it is apparent, that even though the MLM managers do not have previous managerial experience, or managerial education, they manage to be successful in their respective companies. But in overall comparison, the TIMs and MLM managers possess same managerial skills and functions. The most significant difference can be seen in time management. TIMs should have free time to relax. Mostly TIMs would not work during their free time. The multilevel marketing managers, on the other hand work at expense of their free time.

5.3 Entrepreneurship vs. Employment

Most significant differences in managerial work of successful multilevel marketing managers in comparison to theoretical ideal manager are based on that fact that MLM managers are entrepreneurs. Here there are the main differences:

- **No experience needed for the start** - They come to the company with no experience, no skills and no people to lead. Their job is to build their teams by them selves.
- **Constructing the team** - In order to move to higher positions, they have to teach the people in their team how to be managers them selves.
- **Taking risk**
 - **Commission pay** - They do not have steady paycheck and neither their subordinates. Every month they take a risk of not having any income at all.
 - **Investing money** – They invest their own money to pay the teambuilding events etc. The money might not return when co-workers for whom the event was, leave the company anyway.
- **Difficulties to sustain co-workers** - Beginnings for their subordinates are very difficult because with no experience it is learning by the hard way. New co-workers also get paid on commission so their managers have to motivate them, especially when the co-workers do not earn much money right away. Motivation here is very important as well as support and humane approach to the co-workers.
- **Creating personal bonds with co-workers** - To help the co-workers overcome these obstacles and adversities, the MLM managers spend their time out of office with their co-workers very often and they also have teambuilding event nearly every weekend.

5.4 Answer to the research question

The research that was based on narrative method - storytelling and qualitative questionnaire we can say that the main differences between a manager in multilevel marketing organization and the theoretical attributes of an ideal manager come from the fact, that MLM managers are entrepreneurs and TIMs are employees. However, their managerial skills and functions remain identical.

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7 SUPPLEMENTS

7.1 Transcripts – Narrative Lines

1 7.1.1 Manager A

2 *“I got in the organization thanks to my friend Honza. He told me that his friend is*
3 *starting up a new project and he set up a meeting with him. I came to the company*
4 *after my bachelor studies without knowing the company at all. Until then I didn’t*
5 *really have any work experience. I only worked for five weeks at a firm where I just*
6 *put data in the excel table.”*

7

8 *“I joined the company with an attitude ‘I’ll try and see’. I wasn’t convinced that this*
9 *is what I want to do, at first, of course. How ever, during the first two months I earned*
10 *almost 100 thousand crowns, which seemed like I couldn’t get this opportunity*
11 *anywhere else. I was thinking what else could I do, but I couldn’t come up with*
12 *anything.”*

13

14 *“Another thing that I liked about the company was, that it was clearly defined what*
15 *had to be done to be successful and get to the interesting income. I knew that if I go*
16 *back to be a regular employee, it is going to look similar to what I had encountered*
17 *before. So I decided to stay.”*

18

19 *“Success didn’t seem only imaginary to me. My master’s degree I studied during my*
20 *work for the company. I think there aren’t many opportunities like this in the Czech*
21 *Republic. One year after I started, I managed to get to the first managerial position*
22 *‘Sales Manager’. I am a person who doesn’t think about things being too easy or too*
23 *difficult. I had a feeling that things were supposed to be done in some way so I did*
24 *them. It was like I was given a task. I wasn’t trying to come up with new ideas how to*
25 *do the business better. My supervisor told me what to do and I just did it. But of*
26 *course, even I – as everyone new – had to struggle with my self. When you call five*

27 *people and not even one works out, it is complicated to stay motivated and hold on. I*
28 *think every story of a successful person in the company is similar. They come in, it*
29 *doesn't work, they stay and it gets better. The important thing is to know that there is*
30 *a system that works for more than 40 years. Many people who join the company try to*
31 *be innovative and try to come up with better ways to do this job. But eventually they'll*
32 *find out that it is easier just to stick with what they are told. Personally, I was used to*
33 *the defeat because I played hockey professionally for twenty years. My team is full of*
34 *former athletes. I know that nothing goes without failures. Without losing, a man*
35 *never can move on. Without failure I can't be successful. Everything I've been*
36 *through in the company helped me to move on and gave me a lots of experience."*

37

38 *"The year later after my first promotion I was promoted again to the position 'Area*
39 *Manager' and the following year I was promoted to 'Area Director'. I reached the*
40 *position 'Regional Director' after four years with the company. Then I waited two*
41 *years to reach the highest position – 'Land Director'. It is thanks to my team. If it*
42 *weren't for their hard work, I would have never accomplished what I had, no matter*
43 *what kind of a manager I am."*

44

45 *"As for my team, I never really thought about whom to recruit. Many people often*
46 *make the same mistake and try to profile the people they want to add to their teams.*
47 *The fact, that my team consists of lot of athletes, comes from the fact that I spent most*
48 *of my childhood on the stadium. Everyone can join the company, everyone gets the*
49 *same opportunity to try it and they either understand it, or not. This is how I approach*
50 *it, I don't try to anticipate who is suited for this job and who is not because usually,*
51 *the truth is the opposite of you might think."*

52

53 *"The main key to the success is to have your own vision, a dream and share the*
54 *dream with those people that you bring to the company. You cannot let anything to*
55 *take the dream away from you, for example the failures we talked about."*

56

57

58 *“I try to approach people in the most humane way, so they have the feeling they work*
59 *for them selves, not for me. They have to know that they are fulfilling their own goal. I*
60 *want the people I bring to the company, to live their dreams.”*

61

62 *“To motivate my people I have meetings with them, I talk to them and I try to make*
63 *them think about their own dreams. I can, figuratively speaking, open the door or the*
64 *window so they can see further and understand what they are capable to achieve. I*
65 *think that when a person in the company isn't motivated by what they can achieve*
66 *what money they can make, there is no one who can motivate them at all. I am*
67 *motivated by enormous possibilities that the company can provide and I don't need*
68 *anything else. When new person joins our team, I tell them to do the job diligently and*
69 *hold on. People often think they put 100% effort in it, but it isn't true. I always tell*
70 *them to check their date book to see how many meetings with clients they had and*
71 *how much time they actually dedicated to the business. The number of meetings*
72 *directly influences their evaluation – their salaries. We all make money on*
73 *commission only. New co-workers are disappointed that they earned small amount of*
74 *money but they can't be surprised when they had five or six meetings and they earned*
75 *15.000Kč. By the way, it is still very well paid job. It is important for them to*
76 *understand that this is not a regular job but it is in a way their own business.“*

77

78 *“Another way to motivate them is to give them some of my job. For example, if they*
79 *are in the company for some time, I let them to teach something to the new people.*
80 *They feel more important and that is very motivational for them and for me it is good*
81 *as well, because I don't have to do it. All I have to do is to check the new people if*
82 *they know what they should and if their 'teacher' was a good teacher. It could not*
83 *work without me keeping an eye on it. “*

84

85 *“My workdays are pretty consistent. My whole team is in Prague so I don't travel*
86 *much. I wake up around 8 o'clock and by 10 o'clock I arrive at my office. I have*
87 *variety of consultations where I talk to my people about what they did for their*
88 *development. I talk to them about their meetings, how they went and if there was a*
89 *problem, what it was and how is it going to be solved. If they are out of office we*
90 *spend a lot of time on the phone. I call to my direct co-workers twice a day at*

91 *minimum. Afternoon I usually have job interviews where I interview possible*
92 *coworkers. Normally I get home around 9 pm. But a lot of time I go out with the*
93 *people from my team, we have dinner or something like that. In this case I get home*
94 *usually around midnight. On the weekends we have teambuilding events. So there*
95 *isn't really much of free time."*

96

97 *"The longer I am with the company, the more I realize that I can do more and more.*
98 *Results, that I thought I could reach two years ago now seem too small to me. We all*
99 *have this incredible role model that is our 'Senior Land Director'. We all try to catch*
100 *up with him and my personal goal is to beat him, even though it is technically*
101 *impossible. I am also motivated by 'European success'. I wish my name to be known*
102 *all around the Europe. If I could achieve that, let's say in ten or fifteen years, I think I*
103 *can be proud. I thought that with 'Land Director' I cool down and start enjoying life*
104 *more. But so far I enjoying working so much, you can't believe it. When I accept new*
105 *person and then I see their progress it is very motivational for me."*

106

107

108

109

110 **7.1.2 Manager B**

111 *"I was introduced to OVB by my classmate who was studying the same field in the*
112 *University. I studied VŠE in Prague, department of diplomacy and international*
113 *relations. I saw my future in Brussels. I joined the company when I was in second*
114 *year of my studies. Until then, I had only part time jobs such as telemarketing, I sold*
115 *energy drinks and I also work in a bank as an administrative worker. None of those*
116 *jobs were satisfactory to me and I didn't feel like I could do this in the future.*
117 *Everything was only temporary and focused only on earning some cash. OVB gave me*
118 *more in aspect of self-development, information about financial market and also*
119 *career. "*

120

121 *"My biggest problems at the beginning weren't clients. I was good with them. But*
122 *I wanted to move on in the company and I really had troubles with building up my*
123 *team. "*

124

125 *“I wasn’t convinced at the beginning that this is the job that I want to do. I knew that*
126 *I want to stay when I was promoted to the position “Area manager”. One of the*
127 *factors that convinced me was seeing many of my friends after graduation. They went*
128 *job hunting and they ended up in employment office or as regular employees. Their*
129 *dream of working in international companies vanished. I was able to accomplish a lot*
130 *during the two years with the company but my friends did not move anywhere. A lot of*
131 *people who come to the company see this as a way of making some money on the side*
132 *and so did I. I changed my mind during some time.*

133

134 *“As for my team, I try to pick people from my surroundings who are mostly same age*
135 *as me. Most of the times they are university students but it is not conditional.*
136 *Nevertheless, they are usually young students. They are people whom I can trust and I*
137 *can present me as an example to them. I know what they are going through because I*
138 *also started during my university studies. Many people think that everyone can do this*
139 *job but it is certainly not true. The truth is, that everyone can come and try but not*
140 *everyone is good for the job. To be successful and move to the next position it is*
141 *necessary to be diligent and devoted to the job.”*

142

143 *“The job is not easy at the beginning. As everywhere else, new comers meet many*
144 *obstacles, with things that might put them off. Some co-workers wants to end when a*
145 *client cancel the meeting or will not make the deal. That is why it is important to be*
146 *diligent, brave and persistent. Another very important thing is for the people who join*
147 *the company to have their vision to follow. To see whether a person did well or not is*
148 *not matter of one month or two. It is possible to estimate this after six months and*
149 *more. The first two months are only training. I personally wanted to quit several*
150 *times. But I always found the strength to carry on.”*

151

152 *“I tell to every new co-worker that LD position isn’t a fiction and it is possible*
153 *Basically you could say that ‘Land Director’ is the ultimate goal and the other*
154 *positions are just steps to reach it. The beautiful thing is that to get further and*
155 *further on the steps is clearly defined. People know what to do. The system is set that*
156 *everyone who wants and gives it their strength and energy may succeed – no matter*

157 *the circumstances (education, family finances). I come from average family and I did*
158 *not have a million in my pocket to start the business and I managed to succeed despite*
159 *that. And not just me, but also people from my team. My goal is to convince students*
160 *to stay after graduation and see the job as a something more than a part time job*
161 *during their studies.”*

162

163 *“Motivation is very important here. When a person wants to quit due to failures they*
164 *might be going through. It is necessary to set a goal with every new co-worker. You*
165 *know, everyone is motivated by different things. There are people who want to get*
166 *practice in the world of finance and there are people who want money or people who*
167 *just want to help people. It is necessary to approach them individually. When they*
168 *have a goal, a vision, they have reason to overcome adversity and hold on. At the*
169 *beginning, it is necessary to remind them what the possibilities there are with this job.*
170 *But the key to motivate my people is to create the vision so they are self-motivated.*
171 *They become more self-sufficient.“*

172

173 *“My road to success wasn’t without problems. When I first joined company, I wanted*
174 *to quit every time when a client didn’t work out. Later on, when I started building my*
175 *team, I got very frustrated, when some of my co-worker quit. When I got to the*
176 *position “Sales Manager” I still had some doubts but I felt like I accomplished*
177 *something and didn’t want give it up. At the position “Area Manager” I knew for sure*
178 *that I am going to stay.”*

179

180 *Another important thing that person who takes this job serious has to realize, that this*
181 *isn’t really a job where you come, do your 8 hours and you go home. Person gets an*
182 *opportunity to start their own business but they are never alone. There is support*
183 *from above and people who will help the new co-worker with building the structure*
184 *with sales, everything. But they have to know that they will have to sacrifice*
185 *something, they wouldn’t have to in the regular job. Mostly it is time that spend going*
186 *to seminars and meetings and also, they will have to sacrifice money. But it is an*
187 *investment and it will pay off.”*

188

189 *“My team is young and I try to be humane, I don’t think there is another way.*
190 *Atmosphere in the team is not tight and serious but more informal and it suits me*
191 *well. But of course there are some borders. People who get to know me understand*
192 *soon that I like informal events with them, but work is work.”*

193

194 *“My regular day does not exist. My job is very varied And I really like it about my job*
195 *that everyday is different. But If I should describe it, in the morning I spend time with*
196 *administration, I have a meeting with my assistant where I plan my day and week.*
197 *Then I usually have a business lunch where I talk to my people about their activities*
198 *or dealing with financial institutions. Afternoon I usually have a variety of meetings in*
199 *the office or out of office. My day I close with business dinner. I usually work 10 to 12*
200 *hours a day. Twice a month we have a meeting with my direct co-workers; at the*
201 *beginning and at the end of the month. At the beginning I always tell them what is*
202 *supposed to be done and at the end we talk about how it went. My direct co-workers*
203 *are managers themselves and they have their own offices and this is the way I keep an*
204 *eye on them”*

205

206 *To be honest, I don’t really have much of free time. I live by the saying, rest when you*
207 *reach the top. On the other hand, when I want, I just have a free time. That is another*
208 *great thing about my job. I spend a lot of time with my firm. When I’m not in the office*
209 *I still try to spend my time with my team. We do sports together and parties together*
210 *even though I could spend this time with my girlfriend. But this is the sacrificed time I*
211 *was talking about. I give it a lot and I invest a lot in it, because I still don’t feel being*
212 *at the top. I have of course personal life. I try to do sports and I go to ski during the*
213 *winter and play tennis in the summer. I want to find more time to play golf.*

214

215 *I have several mottos: When a man thinks that everything is under control, it means*
216 *that he/she isn’t moving fast enough and doesn’t do enough things. Another motto is:*
217 *When a man doesn’t move forward it is as if he/she was going back. Man can*
218 *accomplish everything they want. Only thing that matters is how much they are*
219 *willing to sacrifice. Basically it is well-known rule from economics – opportunity cost.*

220

221

222 **7.1.3 Manager C**

223 *“I graduated high school that was focused on entirely different industry – mechanical*
224 *engineering. Where I worked for 17 years. I started as a regular worker and later I*
225 *was promoted to higher, more technical positions. After awhile, I found out that I can*
226 *do something else and I started to think about starting up a new business. It took me*
227 *some time, but then I found Broker Consulting. I was really interested in this financial*
228 *services and information. Even more, I was interested in the possibilities and self-*
229 *development in the company. Basically, everything depends on you: if you want*
230 *something and you do something for it, you can succeed. I liked that I was able to*
231 *start immediately without need of big investment at the beginning. The road with*
232 *Broker Consulting was a bit complicated at first because a person has to literally*
233 *reconstruct himself or herself. Change the way of thinking because being employed,*
234 *which I was till then, means think differently.”*

235

236 *“Many things at the beginning were tough but they weren’t impossible to overcome.*
237 *Maybe the hardest part was to change the way of communication that was completely*
238 *different in my previous job. But I liked the new field. I liked the philosophy of*
239 *financial counseling that Broker Consulting provides. Of course, there were many*
240 *failures and I made many mistakes at the beginning but after awhile I found out it*
241 *starting to work for me and for me co-workers. We had very happy clients and the*
242 *structure of co-workers started to increase too. I saw a growth and that motivated me.*
243 *I actually really believed this worked. There were crisis but I never thought of*
244 *quitting. Once a person understands how the business works, all crisis can be*
245 *overcome and they become just new experience.”*

246

247 *“I believe that it is possible to expand the firm and work on it. And I guess it never*
248 *ends. I have plenty of interesting and successful co-workers, without them my firm*
249 *would not exist. I enjoy the work; I am surrounded by people whom I feel comfortable*
250 *around with. Some on sees only the aim but I even like the road to reaching the goal.”*

251

252 *“The great motivation for me was my supervisor. He most definitely gave me the most*
253 *as for the area of entrepreneurship and philosophy of success. He passed on the*

254 *vision of our business. Our other colleagues were very important for my firm's*
255 *growth."*

256

257 *"As for my team, I don't choose my co-workers, but I try to give the opportunity to*
258 *everyone. You know, someone looks very promising at the beginning, they have all the*
259 *theoretical preconditions but then they are not capable of doing this business. Others*
260 *get the opportunity and start working on them selves and they change into a different*
261 *person in a short period of time. I even dare to say that education doesn't really*
262 *matter.*

263

264 *"Ideal co-worker should most importantly like himself or herself. They have to want*
265 *to work on themselves. And I don't mean their appearance but most importantly how*
266 *they think. They have to understand that on the road they are about to take it is*
267 *necessary to make mistakes that will help them learn and they cannot stop. It is in*
268 *most of the fairy tails: who stops, they petrify. Many people read fairy tales as kids*
269 *but stop when they are adult. I am telling you, that even a locksmith can get to the*
270 *managerial position. All that matters is how they work on themselves. A businessman*
271 *has to go to a process of consistent self-improving in every direction and it should*
272 *bring satisfaction. It is not just about the money, although it is very important for*
273 *success. Sometimes it is a long road and small letdowns will put many people off. We*
274 *meet people who have all prepositions but there to succeed but they're missing*
275 *excitement. They still wait to get something. With Broker Consulting a person can*
276 *start immediately without a big investments. There is only one thing they have to do:*
277 *Create a life goal and start working on making it real."*

278

279 *"As for the motivation, it has only sense with people who are active and who want.*
280 *Many of co-workers and managers are motivated by the activity they do. They can be*
281 *happy because of the work they do but high financial evaluation is very satisfactory.*
282 *However, everything is up to them, what they plan they can make happen.*
283 *Entrepreneurship as it self might be motivation for one and fear for other.*

284

285 *“As a motivation I went with my best co-workers to play golf. This is another form of*
286 *rewarding successful co-workers. During these activities they get to know each other*
287 *a little better and it creates a healthy rivalry, which is important for our business.*

288

289 *“I don’t have fixed working hours, or obligatory time that I have to spend somewhere.*
290 *On the other hand with thoughts I work 24/7. I never turn off my phone, but I never*
291 *get stress to get to me. I have divided my week in certain way. I work on Sunday when*
292 *we have events in Prague. On Monday I travel around my branches. Tuesday I play*
293 *golf and Wednesday I travel someplace else. I plan my time and most of it is dedicated*
294 *to my firm, even though there is some time I plan for my self. Entrepreneur is*
295 *basically always with his/her firm. If you’re not in the office you think about the firm.*
296 *I still build my direct line of co-workers, I have meetings with clients, I do meetings*
297 *with my lower management, I go to seminars, where I give lectures. Nowadays I don’t*
298 *plan only a day or week, but I have to plan the whole year.”*

299

300 *“There isn’t much time for activities out of work. I try to play golf if I can, but not in*
301 *order to become a super golf player but during the golf I walk on the green grass and*
302 *clean my head. I also like manual work. It relaxes me.*