

MENDEL UNIVERSITY IN BRNO

FACULTY OF REGIONAL DEVELOPMENT AND INTERNATIONAL
STUDIES

**ANALYSIS OF WORK MOTIVATION
IN MULTILEVEL MARKETING**

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Brno 2015

I would like to thank to Ing. Mgr. Jří Čeněk for his patience with my bachelor thesis.

I really appreciate his attitude throughout the process of writing and all his pointers on how to do my bachelor thesis well. He always found a time in his busy schedule to talk to me and answer my questions, which I'm really grateful for. I would also like to thank to two my friends Michal Majnuš and Igor Feigler who helped me very willingly, when I didnt know what to do.

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ABSTRAKT

The work is primarily concerned with problems of motivation in a multi-level marketing as specific method of management. The key concepts of work processing are motivation work performance, motivation theories, Multilevel Marketing, Structural Company. The aim of this work is to analyze the motivational principles of professional performance in a multilevel marketing.

ANOTATION

The work is primarily concerned with questions of work motivation in multilevel marketing as a specific method of proceeding. The key concepts of work processing are here – work motivation - motivation theory - multi-level marketing - Structural company. The main objective of this work is to analyze the principles of motivational work performance in multi-level marketing. As part of fulfilling the main objective will be firstly described the structural principles of the companies using a multilevel marketing system itself multi-level marketing as a specific method of proceeding. Subsequently it will be analyzed motivation of workers in companies operating on the basis of multi-level marketing. This analysis and subsequent critical reflection will be selected based on the theories of motivation work performance.

KEYWORDS

marketing, multilevel marketing, motivation, motivation theories

Content:

1.	Introduction	7
2.	The Theoretical part	9
2.1	Summary of objectives.....	9
2.2	Multi-level marketing.....	9
2.2.1	Marketing – definition of basic concepts.....	9
2.2.2	Demarcation of multi-level marketing.....	10
2.3	Multi-level marketing.....	11
2.3.1	Origin of the system.....	11
2.3.2	Multi-level marketing – basic terms	12
2.3.3	Myths vs. Reality in MLM	13
2.4	The differences between the network and the conventional marketing in stores.	14
2.5	Network marketing advantages.....	17
2.6	Network marketing disadvantages	19
2.7	Motivation and motivating.....	20
2.7.1	Development of motivational theories.....	21
2.7.2	Theoretical approaches to motivation of work performance.....	23
2.7.3	Motivation theories.....	23
2.7.3.1	Maslow's Pyramid of Needs.....	24
2.7.3.2	Alderfer's Theory of Motivation.....	24
2.7.3.3	Two Factor Theory - Herzberg Fredarick	25
2.7.3.4	Vroom's Expectancy Theory	26
2.7.3.5	Adam's Theory of Justice	26
2.7.3.6	Skinner's Reinforcement Theory.....	27
2.8	Motivation in multi-level marketing	27
2.8.1	Herzberg's two factor theory and its application in multilevel marketing.....	28

2.8.2	Motivating factors.....	29
3.	Methodology	36
3.1	Hypothesis.....	36
3.2	Sample.....	36
3.3	Characteristics of methods	36
4.	Results	38
4.1	Real sample	38
4.2	Description of investigated sample	40
4.3	Raw scores	42
4.4	Comparing obtained raw scores with standards.....	45
5.	Discussion	46
6.	Conclusion.....	47
7.	List of used sources	48
8.	List of figures, tables and of Annexes.....	52
8.1	List of figures	52
8.2	List of annexes	52
8.3	List of graphs	52
8.4	List of tables.....	52
8.5	Annexes:.....	53

1. INTRODUCTION

To the topic and process of this work led me my own experience, when I was convinced by my friend to complete recruitment preparatory course OVB Allfinanz, as Initial feelings of awe, admiration and enthusiasm that was in me during seminars alternated induced me to more deeply examine these systems. Unfortunately, after almost half a year in this company, I found that this area is not for me, not the right, and thanks to my boyfriend, I came to the firm LR Health & Beauty Systems Ltd., in which I work till today. In these days there is increase of companies which work on base of multilevel marketing and most of these companies which are built well are quite a long time on the market. Multilevel marketing is therefore in my view, to a certain extent, a phenomenon that is neglected by society.

The main objective of this work is to analyze the motivational principles work output in multilevel marketing. As part of fulfilling this main objective will firstly described principles of the structural firms using multi-level marketing and multilevel marketing system itself as a specific method of proceeding. Second, I will focus on the analysis of the motivation of employees in companies operating on the basis of multilevel marketing. This analysis and subsequent critical reflection will be based on a pre-selected motivation theories work output.

In the first chapter I elucidate the definition, historical origins and principles of multilevel (or network) marketing, which differs from the classical marketing primarily a means of distribution of products / services and sales force. Not forget to mention also some ethical issues. I will explain the difference between a "pyramid", "avalanche system" or "plane" and multilevel marketing.

The next chapter will be important to describe and define motivation as such. There will be a pivotal concepts as motive, motivation, incentive and stimulation description and resolution of internal and external motivation. I will try to briefly describe the theoretical approaches to motivation job performance aimed at both the cause and the course of which further select one theory suitable for the analysis of the motivation to work in multi-level marketing.

The third chapter is no longer focus on the analysis of motivational funds in companies using multilevel. The aim here is to analyze motivation structures in multilevel companies on the basis of appropriate theory of motivation. The analysis will serve me plus already collected information from available sources and empirical data of regarding companies doing

business on the basis of multilevel marketing as such. For my thesis I chose the company OVB Allfinanz, Inc. and LR Health & Beauty Systems Ltd.

Here we summarize the information, and will be described in detail the applicability of selected theories of motivation on multi-level marketing, or advantages and disadvantages motivation of workers in multi-level marketing. This critical reflection will also be processed based on the selected theories of motivation.

2. THE THEORETICAL PART

2.1 Summary of objectives

Main objective:

Analysis of motivational principles of work performance in multilevel marketing.

Secondary objectives:

- Description of the structural principles of the functioning of firms using multilevel Marketing and description alone multi-level marketing as a specific method of proceeding.
- Description motivation of workers in companies operating on the basis of multilevel marketing based on pre-selected motivation theories of job performance, consequent critical reflection.

2.2 Multi-level marketing

As is mentioned above, the aim of my thesis is the analysis of motivational principles of work performance with multilevel marketing on the basis of pre-selected theories of motivation job performance and according to the research.. But before I get to the actual analysis, I shall devote the first chapter in the multilevel marketing and its basic principles. In the first chapter to introduce multilevel marketing in the whole marketing system, I will entertain detail definition and subsequent understanding of multi-level marketing and try to approach it from a position also differentiate it from other types of marketing. I conclude is that without understanding the basic ideas and principles of this system would subsequent analysis of motivational tools perform very difficult.

2.2.1 Marketing – definition of basic concepts

Toman defines marketing as a way how to get the right goods at the right price right offer to the right customer at the right time at the right place **Chyba! Nenalezen zdroj odkazů..** According to Kotler Keller marketing focused on finding and fulfilling human needs. One of the most concise definition of marketing is: "to meet the needs with profitably." [1]. As is reported by the couple of authors Dědková Honzáková, there are many different definitions of marketing. All have one thing in common and that is the customer and meet their needs. So we can see, for example, marketing as "a social and managerial process by which individuals

and groups obtain what they need and want through creating, supply and exchange value products with others." [3].

All above definitions of marketing are essentially general definitions.

They focus on the general definition and work with the basic concepts of marketing, such as the needs and desires of customers, demand, value, exchange or transaction, marketers and marketing representatives [3].

Given that we have just described, what is generally common marketing without distinguishing the various types of marketing, we should just take a closer look at the various types of marketing, especially on multi-level marketing and its position in the marketing system.

2.2.2 Demarcation of multi-level marketing

A pair of authors Arndt and Braun divided marketing into three categories, direct marketing, traditional marketing and marketing ZIP. Classic marketing is primarily used for brand building and has a much broader scope than direct marketing. Classical and direct marketing are also using varying channels. They are mainly media and multimedia. Direct marketing then uses direct channels of communication such as telephone, correspondence etc. ZIP marketing is derived from the German "Zielgruppe Individual Präsent sein" - "Be present in the target group." It is actually using direct marketing tools in combination with a successful telemarketing and proven components Internet marketing [4].

From the above classification marketing I assume that multi-level marketing is specific type of direct marketing. With which moreover also agrees Ivo Toman, which distinguishes several key areas of direct marketing, which are, for example, sale by mail order direct sale, through personal contacts sales representatives, multi-level marketing, telemarketing and digital marketing using electronic media such as the Internet [5].

In this section, I focused on defining the position of marketing and multi-level marketing system of various types or kinds of marketing. I came to the conclusion that multi-level marketing is one subtype of classical marketing. Multilevel marketing is a type coincides with direct marketing, but some specifics from the direct marketing are clearly different. In my opinion, it can no longer differentiate on the basis of the idea that a specific method of sale will be reflected in systems motivation of employees. In the next section so I'll just deal with multi-level marketing.

2.3 Multi-level marketing

The basic principle of multi-level marketing, like the classical marketing is sale of goods or services[6].

Multi-level marketing (MLM for short), also called network marketing is a form of direct selling. Its essence is shortened to the minimum in the distribution chain [7].

Producer or supplier of services creates the conditions for self-employment of independent direct sellers. This creates multiple layers (multi-level) structure (net) sales, which is more effective and cheaper than traditional distribution chain of warehouses and wholesalers (Multi-level marketing).

Firms using multi-level marketing is so different from other companies primarily through sales, ie. the distribution of goods and services [6].

The products and company are usually marketed directly to consumers and potential business partners by means of relationship referrals and word of mouth marketing [9].

Here arises the question, how to persuade someone to work with you? The only way to impress the other lies in the fact that you talk about what interests them, and show them how to achieve the goals which they set for themselves [10].

2.3.1 Origin of the system

Most sources stated the first mention of MLM in connection with US company California Vitamins in early 1940 (Origin system). But when we go there a bit in the past, we find that this system has its roots in the 20s in twentieth century in the USA. At the time of Prohibition was, despite the ban on the manufacture and sale of alcohol, demand for this product very high [11]. Eventually there was "invented" distribution system, which was rapidly expanded, had clear rules, and which was able to work in long-term run and was also highly motivating. Everyone was in fact rewarded according to what he sells, how much gets vendors and how they sell - how well they learn to sell [10].

This strategy eventually became a legal form of business. In 1940 the company began to California Vitamins, which first put into practice the principle of MLM, sell nutritional supplements **Chyba! Nenalezen zdroj odkazů.** At that time was in the US market, many companies which used direct sales. However California Vitamins allowed its distributors to

be able to bring trade and other interested parties bonus reward distributors for the work of the newly inputted people [11].

This created an independent organization of distributors, which is essentially self organized and trained their sales skills [10]. Each person should have the opportunity to build their own sales organization with the use of products and bonuses California Vitamins (Origin system). In Europe, the system is spread primarily through Amway **Chyba! Nenalezen zdroj odkazů..**

2.3.2 Multi-level marketing – basic terms

Clothier defines network marketing as a method of selling goods directly to consumers through a network of independent distributors (sponsors) who brings other distributors, income is generated by retail and wholesale profits from payments based on total sales of constructed around a distributor. Distributor must be put into the business of another distributor [6]. Multi-Level Mail Order company uses instead of traditional distribution channels and advertising its own direct distributors. Those savings are then used for the training of its distributors and their rewards **Chyba! Nenalezen zdroj odkazů..**

Poe sees in MLM any marketing method that allows for independent agents to acquire new employees and receive from their sales commissions **Chyba! Nenalezen zdroj odkazů..** As reported Rathouský, network marketing seller perceives as his partner, who is able to not only sell product but also the project [1].

Concludes that the sale of the product, thus the idea of multi-level marketing, is the driving force of this system and distinguishes it from similar concept, which is a direct sale. Creating networks is one of the cornerstones of multi-level marketing [2,13].

Network marketing has two basic forms. It may be uni-level or multi-level. In the single-parent company behind the expansion of its own or partner. Partner branches are called franchise (eg. Mc Donalds) [14].

2.3.3 Myths vs. Reality in MLM

Multi-level marketing is often mistakenly confused with "avalanche" or "pyramid" sales systems. These schemes are based on the input of members receiving high charges. Each new participant must for entry into the scheme pay a fee for gets the right to collect this fee from other participants, which itself receives. A selected portion of the fee keeps to himself a part gives to the person who obtained it.

Pyramid scheme does not offer any additional quality product or service. In practice, such a model is not working, since the number of participants is growing very rapidly. Right majority European countries such systems prohibits (pyramid scheme) [15].

Unlike the above schemes, it is multi-level marketing in most countries approved the form of sales (marketing, this can not be in their pure form of fraud). For network marketing system, there are certain ethical rules Sales, which must govern every distributor. The ethics of this type of sale oversees the Direct Selling Association, at European level, this entity is represented by the Federation of European Direct Selling Associations [15].

Direct Selling Association in the Czech Republic imposes on companies using MLM following duties. There are low entry fees, no obligations buy stocks of goods, obligation of the company to buy back unsold goods and no excessive profit from training and promotional materials (Statutes of the Association of personal sales - Code of Ethics).

In the world of multilevel are emerging firms were founded on the so-called binary system. In MLM binary systems, each member directly under him personally register only two new members. Throughout oragnizaci is the entire volume of sales divided into two branches [10].

In most binary systems, the remuneration is paid upon reaching certain volume in both arms as a percentage of the total volume of the weaker branches [17].

Every new member, then you must include in one of its branches - the team under one of their colleagues earlier acquired. Promoters binary system to attract new coworkers just the fact that they themselves will create their structures [10]. Which is true, but in fact it leads to the fact that "people Dave fish" instead, that you teach them "how they can catch fish." In MLM such an approach does not pay. For success you need people who have the strength and determination to "catch the fish themselves" [15].

Binary systems most companies generate very large breakage, which is the amount that is included in the compensation plan, but not disbursed because many people do not reach the necessary qualifications. Just such a trick to unknowing beginners [15,18].

2.4 The differences between the network and the conventional marketing in stores.

Question of distinguishing multi-level marketing from other Marketing types are discussed in detail in this section. Besides this chapter will help me to render the system of network marketing in its uniqueness, it will also help imagine what multi-level marketing really is and what is not. From those differences, which I have already outlined earlier, I would once again highlight the principle of self consumption, which is specific for the type of network marketing.

The second difference, which I have mentioned in previous subsections, is the difference in distribution channels. In classical marketing system is used when a product goes from manufacturer to customer via intermediaries, which are wholesale and retail [19].

In this sales system plays an important role advertising. As stated Toman, distribution chain for multi-level marketing shortens the entire chain eliminates the middlemen, and the distance between the producer and the final consumer is running out as possible [6]. The company decided not to invest in advertising and use saved money, for example on education of distributors, commissions for distributors and rewarding the best of them [4].

Among other differences, which can be between multi-level marketing a classic encounter include marketing communication channels. As was already mentioned, communication channels, which are used in classical marketing are primarily various types of media. Direct marketing then uses direct channels of communication, which for example, correspondence or telephone calls. The main communication channel multilevel marketing is a personal encounter [1]. I assume that the quality of communication stands or falls on the quality of the distributor, as representatives of the communication channel. His skills, business and persuasion skills, all this determines the quality of the communication channel, and his personal abilities or shortcomings is further reflected in the creation of networks and determine its strength and thus profit [20].

Another difference that you can trace the way it transmits information about the product. As I have indicated in the context of the communication channels in case of classical marketing information on products most often spread through advertising [6].

Personal transmission of information on the product is secondary. For multi-level Marketing is exactly the opposite. Oral transmission, preferably face to face is the most important form of transmission [7]. Distributors in multi-level marketing disseminate information about the product and thereby trying to gain new customers by centrifugal direction and from ourselves. Information is therefore transmitted first to their closest, families, friends, colleagues, friends and friends of friends [4].

Difference by Rathouský is that while the focus of trade in the classic marketing network of stores is static, while the focus of trade in the multi-level marketing is a dynamic network of traders [1].

Interesting facts about retailing mentions Roger Cox. Retailing is a type of acquaintance that everyone has some experience with. Many of us do the shopping nearly everyday, at least window shop. Many potential owners of a businesses are persuaded by this consideration to start a business [21]. As considering that this field (“known field”) will be easy way. It is enough to have good manner [10], basic skills in dealing with money and you can become another Jack Cohen (founder of Tesco chain). However doing retail in small volume is not easy and it is really a challenge. A magic of retailing is that it is very close here to cash box checking every change. This changes are very little changes in customers taste. These changes must be recongnized as they mean success or loss [20].

Generally money spent in retail is much higher than money spent within direct selling, however the percentage increase in revenues of direct selling companies is significantly higher compared to increase in retail. In both cases its business in which the sales are dependent on customers satisfaction and choice. In retailing the customer comes to goods which sets the retailer into easier position. Ing. Jana Lyková thinks that selling goods or services is one of the most casual human activities. It is done by every single human or organization that creates offer of products or services. It is possible to say that in easy form selling exists since the beginning of barter of goods and services [22].

Selling has become separated scientific discipline just in recent history because of economical changes and because of changes in psychology of shopping. For this discipline specific knowledge, proficiency and attitude is needed. By its hardeness it rapidly differentiates from other disciplines done by employees in company. The seller has never completely under control the result of activity – acquisition of business [22].

The negative effect for customer and shop owner is that shop assistants are often not motivated to perform the best they can. Shop assistant has wage per hour and sometimes some amount of the wage is variable depending on the results. In this case the results per head are usually much higher (Baťa, a. s. or ELECTRO WORLD).

On the other hand, retailing in Czech Republic has many advantages and especially the customers habit. Customers in Czech Republic are usually not used to shop anywhere else than in retailing stores. For example online shopping – 44 % of people between 25 - 34 bought at least one thing or service in last year on the internet and in case of people over 65 years only 3 % answered positively on the same question [23].

When business raises to certain volume it is nearly impossible to get along without employing other people beside family members. To choose good staff and use them effectively is probably the most important short-run problem in the whole retailing business process. The problem arises from that the owner becomes more of an employer than employee [19].

Key problem in good co-operation is partly only different characters of employees and moreover legislative arrangements. In past 20 years there have been created many new laws defending rights of employees [24].

When having good employees there must be good training. Owners of shops and leading employees sometimes consider training as a waste of time because it usually doesn't bring results immediately. However, value of training as an investment into personnel is an substantial [19].

2.5 Network marketing advantages

Ivo Toman mentions an interesting opinion comparing retailing and network marketing. “Many people think hard about how to get rich. How to earn money, what to do business with, where to invest. Basically how to be an entrepreneur. There is usually a disappointment after all when realizing what means running a business and what it entails. Because in this field can be found not much of money or self-satisfaction however there are many problems. Have you ever thought of what is all necessary to be done when running a business? Have you ever thought of how much trouble accompanies running a department store? There would be needed many long books to be written to cover all worries connected to having a department store” [25].

However network marketing allows to work: when the distributor wants, with whom the distributor wants, where the distributor wants, with product(s) the distributor wants, the distributor has no fixed-wage costs [26]. The distributor doesn't have to own or rent real estates (initial capital), within the of very low financial capital, while quickly adapting to new situations, without the need of investing a lot of money into finding the best and qualified cooperatives because the business model is established in a sense that good workers become leaders on their own [4].

According to World Federation of Direct selling Associations the direct selling provides important benefits to individuals who desire an opportunity to earn an income and build a business of their own. To consumers provides direct selling joy of an alternative to shopping centers, department stores or the like. It offers an alternative to traditional employment for those who desire a flexible income earning opportunity to supplement their household income, or whose responsibilities or circumstances do not allow for regular part-time or full time employment. In many cases, direct selling opportunities develop into a fulfilling career for those who achieve success and choose to pursue their independent direct selling business on a full time basis [27].

The cost for an individual to start an independent direct selling business is typically very low [26]. Usually, a modestly priced sales kit is all that is required for one to get started, and there is little or no required inventory or other cash commitments to begin [28]. This stands in sharp contrast to franchise and other business investment opportunities which may require substantial expenditures and expose the investor to a significant risk of loss [29].

Consumers benefit from direct selling because of the convenience and service it provides, including personal demonstration and explanation of products, home delivery, and generous satisfaction guarantees [30]. Moreover, direct selling provides a channel of distribution for companies with innovative or distinctive products not readily available in traditional retail stores, or who cannot afford to compete with the enormous advertising and promotion costs associated with gaining space on retail shelves [31]. Direct selling enhances the retail distribution infrastructure of the economy, and serves consumers with a convenient source of quality products [19].

An important component of the Direct Selling industry is multilevel marketing. It is also referred to as network marketing, structure marketing or multilevel direct selling, and has proven over many years to be a highly successful and effective method of compensating direct sellers for the marketing and distribution of products and services directly to consumers [27].

Figure 1: Number of people engaged in direct selling worldwide [31].

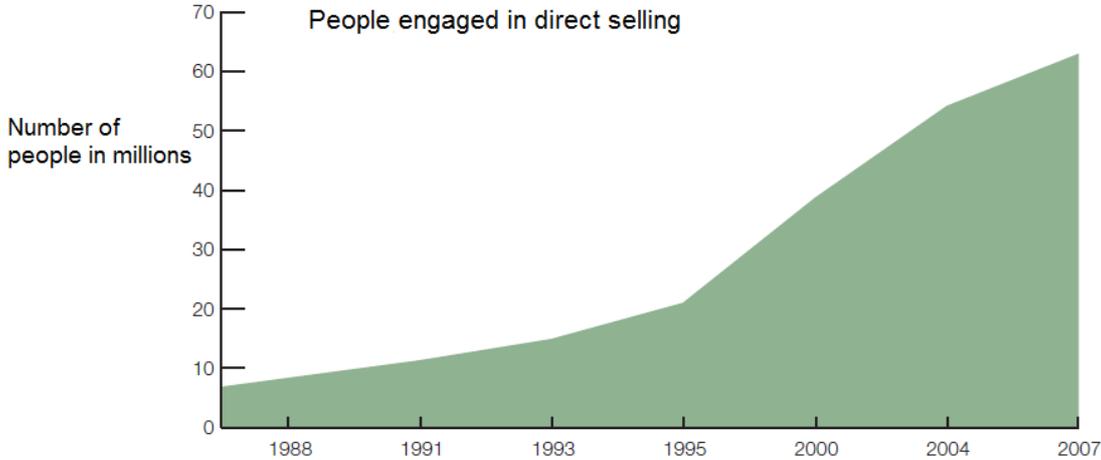


Figure 2: World direct selling revenues [31].

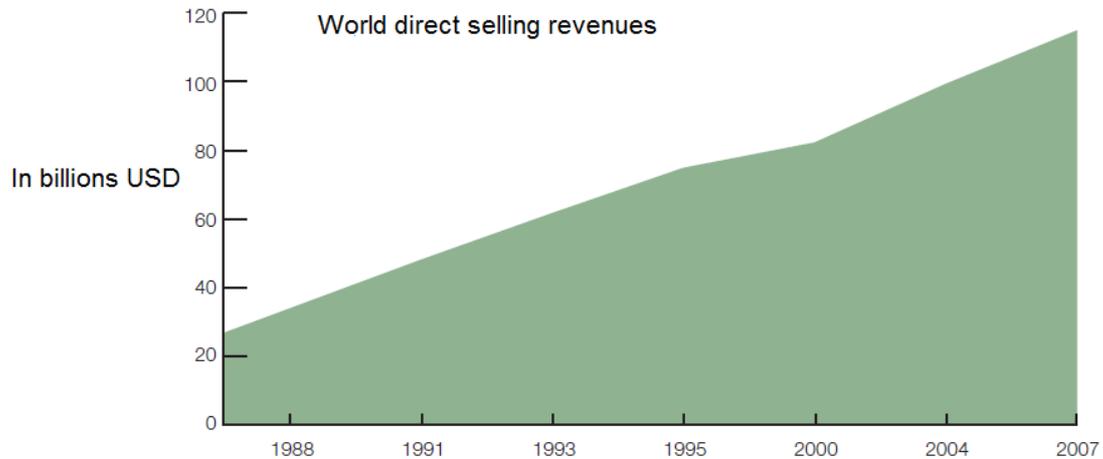
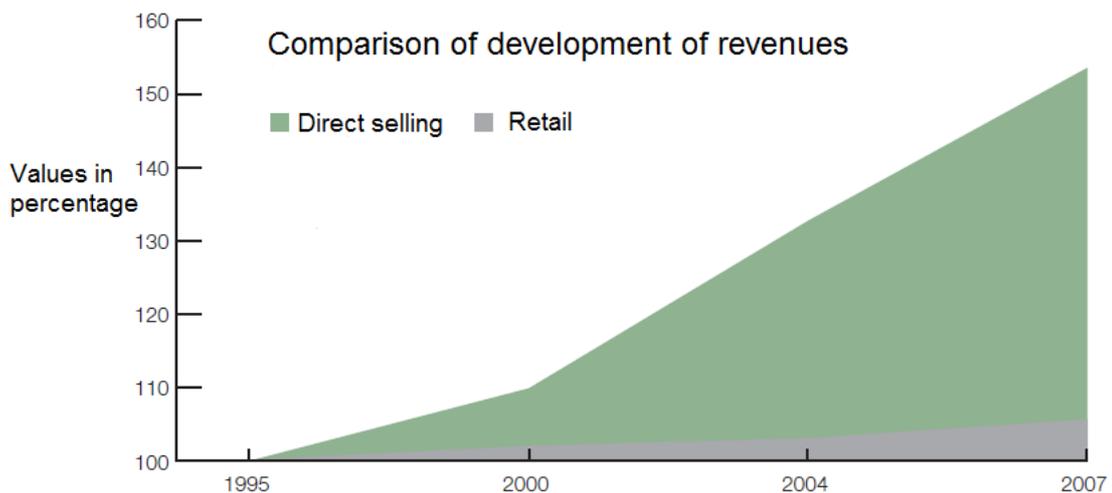


Figure 3: Comparison of development of revenues in direct selling and retail [31].



2.6 Network marketing disadvantages

From the company's point of view, a disadvantage of this economical model is bad name of network marketing. This sometimes causes suspicious reactions among potential customers (some customers might be suspicious about a product, price or a company using system of network marketing).

Rather significant disadvantage for some distributors might be – not having fixed income [12]. In this business distributors are rewarded according to their results. This is very motivating for some individuals. However some individuals might find it hard to deal with it [32].

2.7 Motivation and motivating

Motivation is one of the basic psychological processes. Motivation is an internal impulse that stimulates human behavior. Motivation can be activated by various stimuli (stimulus or motivating factors). Motivation is closely related to human performance [33].

Motivating is the effort of a individual or individuals to create within another individual (other individuals) motivation for the desired behavior and in practice, it is a necessary part of management, and it is based on that person in terms of its natural motives of not wanting to work unless he has a motivation [34].

Self motivating is an effort of a human individual to motivate himself [35].

Motivation in practice: The aim of motivating is activation of a person, stimulation of internal driving forces and direct their behavior to reach an objective. For the organization motivating of individuals is one of the key success factors [33]. Using motivation in the organizations is created and encouraged the inner interest in the people, willingness and their to engage in fulfilling their tasks and goals of the organization [36]. Motivation is simply related to achievement of specific goal and satisfaction of achieving it [35]. The key is to achieve a genuine internal commitment [37].

It is also necessary to understand the difference between satisfaction and motivation [38]. While expressing satisfaction with the status quo agreement, motivation is a desire or need to change or improve the current situation. Therefore not always happy worker is simultaneously motivated [34].

Motivation is a very important component of management. It is necessary to listen to the needs of employees and respond to them [38].

The basic division is on the motivational factors:

- Positive motivation - is based on remuneration for better performance:
 - Factor a material interest
 - Factor of moral appraisal
 - The factor of self-realization
- Negative motivation - is based on the strength factors:

- Factor of existence
- Fear factor (fear of work or job loss)

2.7.1 Development of motivational theories

Workers in the 19th century worked in the not-so-safe environment, working in shifts around 12 - 14 hours per day, 6 or 7 days a week, for very low wages. Ensuring their safety was negligible, but poverty and unemployment was so high that they were grateful to have a job at all. The money was therefore at that time extremely great motivation. This condition persisted until the beginning of the first quarter of the 20th century, when most workers were still very poor, so the money was for them to keep a sufficient motivation.

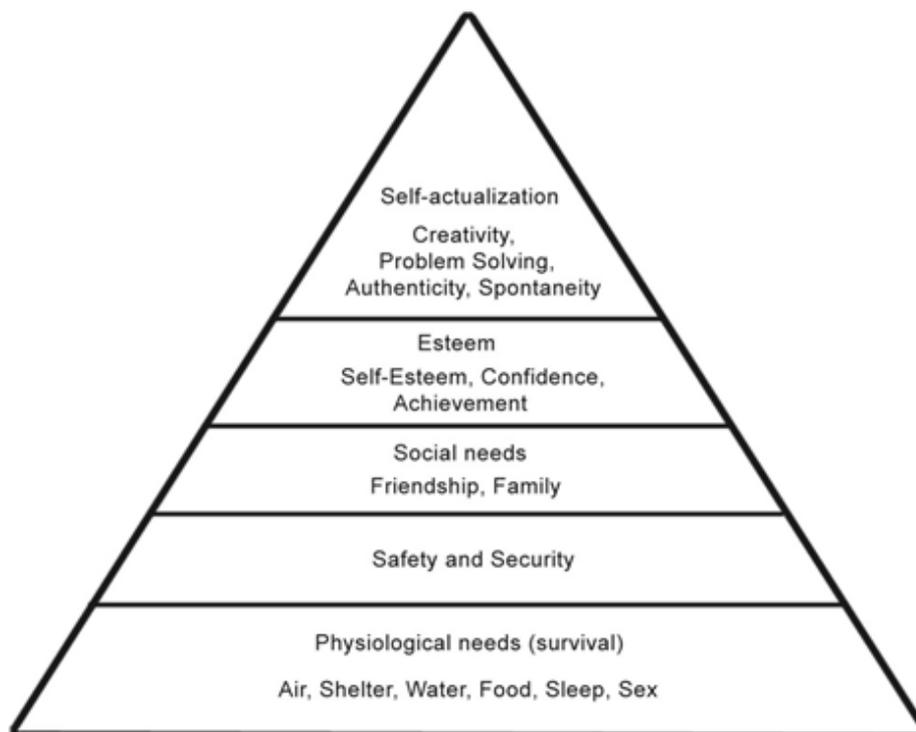
Frederic Taylor (1856 - 1915) developed the mission system. Set a minimum number of products that he expected that employees create. Workers who created a little less or have reached a determined quantity were remunerated at a standard rate for each unit. Those employees who exceeded the prescribed amount, were awarded the higher rate per unit. This rate was then applied to any entity that they created during the reporting period. Not only for those that exceed a specified amount.

In the 30s of the 20th century, the situation changed. According to Hawthorne study have been found that employees are more interested in the appreciation of colleagues than on income levels.

Psychological research, which in 1943 carried out by Abraham Maslow found that many needs can motivate people and money can only satisfy some of these needs. Maslow's famous pyramid of needs is rising from physiological needs, to community, to the needs of selfrealization. Without the prior satisfaction of needs it is very difficult, almost impossible to meet the following needs.

- 1) Physiological needs are basic needs such as food, clothing, etc.
- 2) People need a place where they feel safe. Also, a certain vision of the future becomes more important, eg: living, life or health insurance, savings bank, pension plans, etc.
- 3) Social (social) needs mean that people need to perceive that belonging, the need to interact with people, receive or give love.
- 4) Then one needs to feel that in the eyes of a social level, and people respect him.
- 5) Needs of self-fulfillment represent a desire for being aware of their skills and talent. This need is the highest, it is very difficult to achieve its fulfillment. If a worker gets to the point, it did not work for earnings or to impress others, but because the task is for him an interesting and rewarding knowledge.

Figure 4: Maslow's pyramid of needs



Most people are motivated by a combination of needs. The more needs employees have, the more they improved their work performance.

In Japan applies different theory - the theory Z. In many Japanese factories is treated with employees like wit family, employment is guaranteed for a lifetime and no one is fired or kicked out. To make businesses avoided the extreme specialization of its employees or employment stereotype, employees rotate at different positions. This theory is very effective, because they are trying to satisfy all needs at once.

2.7.2 Theoretical approaches to motivation of work performance

There is no unified theory that would be universally accepted. Motivation theory examines the process of motivating and shaping motivation. Theories of motivation can not give universal instructions on how to motivate different people in different situations, but managers can provide a general overview of the methods and possibilities of motivation. It is a large tray of knowledge, from which the manager can draw on the knowledge of psycho-social characteristics of thinking and behavior [38].

Motivational theories can be divided into two basic categories. First, it is a theory, which focuses on the cause, therefore, tries to answer the question WHY? Looking for the cause of human actions - motives, needs, values and examine the relationships between these causes. Particularly content. Secondly, such a theories, that target waveform. These theories focus on answering the question HOW? [26].

2.7.3 Motivation theories

Overview of best-known motivation theories [37]:

- Maslow's Pyramid of Needs
- Alderfer's Theory of Motivation
- Herzberg's Two Factor Theory
- Vroom's Expectancy Theory
- Adams' Theory of Justice
- Skinner's Reinforcement Theory
- McGregor's XY Theory

2.7.3.1 Maslow's Pyramid of Needs

Base of Maslow's hierarchy of needs theory is that human activity is the basis for meeting the needs. The driving force behind the motivation of human behavior are therefore particularly their needs [33]. Maslow identified five basic groups and put them into a hierarchical system, which is universally called Maslow's pyramid of needs. This pyramid consists of the lower order needs, the base of the pyramid consists of so-called physiological needs. These are basic needs [38]. Their fulfillment is necessary for survival. They include the need for water, food, air, adequate climatic conditions, all that is needed to sustain life. At other levels of the pyramid are then ascending the needs of security and safety, which means preserving and existence in the future, eliminate a hazard or danger [40]. The last of the lower order needs are social needs, including in particular the needs of belonging, love and friendship. Representing the need to integrate into a group of a larger whole, and also good relations with other people [26].

The abovementioned trio needs lower order then follow the so-called needs higher order. It is a necessary recognition and awards that contain mostly need self-esteem, respect and recognition from other people [40]. The highest level pyramids are then self-actualization needs. There is a need to develop potential and skills to become by what a person believes that he is able to become [26].

As I stated above, according to Maslow needs are arranged hierarchically from the lowest to the highest. With a certain level of satisfaction of needs of its importance is declining and started the next level. Therefore, in order to experience certain need must first meet all the needs that precede it in the hierarchy [41].

2.7.3.2 Alderfer's Theory of Motivation

Clayton Alderfer theory is created based on Maslow's hierarchy theory needs. However Alderfer reduced the Maslow's five-step hierarchy for degree three. This reduction formed a group of existential needs, needs to which ranked physical and physiological [37]. The second group are so-called relational needs that they include relationships with people, love, hate, friendship and so on. The last group in his division needs are growing, which lie in the creative work of individuals on themselves and their environment.

Alderfer But besides reduction needs groups also denied their hierarchy. Therefore needs not divided into lower and higher. Recognizes, however, that go from concrete to abstract types of needs [32].

Alderfer further talks about the so-called regression frustration that arises when insufficient satisfaction or dissatisfaction of some groups needs [41]. On the other hand, when failing to meet the growing needs, increasing the importance of needs relationship. This fact called Alderfer frustration cycle of growth [42]. On the other hand, when there is insufficient to meet the needs of relationship is strengthened existential needs. This is then called frustračním cycle of relationships [32].

2.7.3.3 Two Factor Theory - Herzberg Fredarick

Frederick Herzberg and his colleagues in exploring job satisfaction and dissatisfaction found that job satisfaction has two groups of factors, external and internal. Herzberg based on this research found that satisfaction and dissatisfaction are two aspects of one phenomenon, but they are two different phenomena that are not related to each other too. Other causes of causing satisfaction, other causes cause dissatisfaction [43]. This theory is called two-factor theory or theories also motivational-hygiene.

As the name suggests this theory, Herzberg distinguishes motivational factors. These are internal factors [42]. These factors cause satisfaction and favorable work incentives. If these factors are in bad condition, causing the worker is not satisfied and is not adequately motivated to work. Therefore, these factors are also referred to this satisfaction [43]. A second group of factors, which Herzberg mentioned are so-called hygiene factors. Here, by contrast, it is the external factors. These are basic human needs work that actually motivate, but their neglect leads to dissatisfaction. They are also called dissatisfactory [41].

From this theory suggests that work motivation is related to job satisfaction, but job satisfaction does not automatically mean a worker motivation. A precondition desirable work motivation is the absence of long-term job dissatisfaction [41]. From the above, I consider that the goal is to achieve compliance in interaction motivators and hygiene factors, and removing negative incentives and creating conditions for long-term effects of internal motivators.

From the above described theory in the next chapter I will deal with Herzberg's two-factor theory. The reasons that led me to choose just this theory, expand on in the next chapter of my thesis. In addition to further description of this theory I will focus primarily on the application of this theory on motivational principles of multi-level marketing.

2.7.3.4 *Vroom's Expectancy Theory*

The starting point of this theory is the fact that people are thinking about every situation, evaluate it, learn from them, they form their ideas about future conditions and so on. When the motivation is then racovního performance by Vroom important to realize that the worker develops a work effort to achieve such a feat, which will result in a desirable reward. To ensure that a worker has made efforts, it is necessary to fulfill three conditions. His efforts both must be followed by a reasonable result, the result for the second, it must be followed by reward and the reward must not least for the worker to have meaning [43].

Current employee motivation is so dependent on two characteristics. On valence, which is a subjective value the outcome of negotiations. This is the expected satisfaction to which motivated labor negotiations will lead [41]. Motivation is apart from valence extent depends also on the degree of expectation or expektance. This is a subjective probability that the labor negotiations will actually lead to the expected result [43].

2.7.3.5 *Adam's Theory of Justice*

As reported by the New Bedrnová, this theory is based on the phenomenon of social comparison. Man (worker) tends to compare its contribution to the work of the contribution of its employees who perform comparable work [45]. Moreover, it compares the effects that work brings him to the effect that the work brings his colleagues. For the effects may be considered such as money, career advancement or recognition of superior [41].

I assume that justice in rewarding employees motivates injustice has a demotivating effect. However, as stated Belohlavek, it is difficult to objectively determine what is and what is not during fair remuneration. People use different criteria for evaluation. Preference specific evaluation criteria should result from a corporate philosophy [44].

2.7.3.6 Skinner's Reinforcement Theory

Behavior modification is based on the idea that human behavior is dependent on its consequences. Organizations can influence the behavior of workers and handling the consequences of this behavior. System properly selected and term rewards can effectively shape the negotiations, performance [43].

This theory uses the term operant conditioning. This term refers to the fact that they are the consequences of certain behaviors positive for the worker, this behavior will be strengthened. This means that it will repeat this behavior[45]. Conversely behavior, the consequences of which will be evaluated as negative individuals (eg, penalty), the individual will be avoided [44].

In this chapter, I focused on the concept of motivation. In the first part I focused on motivation as such. My aim in this section was to explain basic concepts and bring them closer to the readers of this paper. In the next part, I focused on some basic theoretical approaches to motivation job performance. Despite that, for the purposes of this paper I will detail use mainly two factor motivation theory Frederick Herzberg, briefly, I also dealt with other major motivational theories. The reason it was a simple attempt to show and understand this theory in the context of other theoretical approaches.

Work behavior motivation is an important component of a properly motivated worker is a significant source of each company. I assume that due to the specifics of network marketing, its focus on direct sales and the need for highly motivated workforce, motivation is very interesting tool for comparing the multilevel marketing and classical marketing.

2.8 Motivation in multi-level marketing

As already mentioned, any marketing and not just aims at network selling products. The success of an individual in the organization then depends on the number of products sold by the distributor's turnover and especially in multi-level marketing, the quality of its own structure. We can therefore assume that multi-level marketing is performance-oriented. Therefore, any dealer success is measured precisely for its execution.

Motivation efforts in multi-level marketing will be strictly focused on the motivation to increase work efficiency, it basically means to motivate workers to increase productivity in the form of: increased turnover, increase the number of products sold and all in relation to the

stability of the worker's own network. In this chapter I focus on the analysis of the incentive funds in companies with network character. This analysis is based on the amount of practical examples. Those are a companies OVB Allfinanz and LR Health & Beauty Systems, Ltd.

The company OVB Allfinanz, Inc. was founded in 1970 in Germany. Now operates in 14 countries around Europe and further expands. In December 11, 1992 it was registered in the Register office in Prague 4. On the Czech market is since 1993 and operates mainly in financial advisory. Cooperates with 80% of the financial market in the Czech Republic.

In 1985, LR was founded in the Westphalian Ahlen as "LR Cosmetic". The assortment of the company consisted of several rows of perfumes and body care products. Two years later, the range expands and is listed on the market cosmetic line "Line Racine." In 1988 followed by the cosmetic line "Lady Racine." Today, 30 years later, LR belongs to the companies of direct sale in Europe showing the largest turnover and operates in more than 30 countries.

In the analysis of motivational principles of multi-level marketing will be based on Herzberg's two-factor theory of motivation, which was briefly discussed in the last chapter. I chose Herzberg's theory because I noticed significant similarities, not only in the ways of motivation, but the whole way of existence of multi-level companies, just with motivational factors which are quoted in the theory of Frederic Herzberg. As part of this work I will focus on the analysis of individual factors of motivation, as stated Herzberg and their occurrence in motivational efforts of multi-level companies.

2.8.1 Herzberg's two factor theory and its application in multilevel marketing

Herzberg's model is based on the existence of two groups of factors, it is a so-called satisfactors, which are the real motivators of performance and so-called dissatisfactors. These dissatisfactors or hygiene factors do not motivate work behavior, but rather serves to prevent job dissatisfaction [42].

In my work, I will devote two types of factors. It could seem that the hygiene factors are motivation for work performance in of multi-level marketing is so important. However, I am of the opinion that the motivation job performance is a complex process. Prevention of dissatisfaction is not a separate motivating factor but comprehensive work on motivation. First, the fact that many of the so-called hygienic factors are external factors, this means they are outside of the work itself and they are rather associated with the working environment or

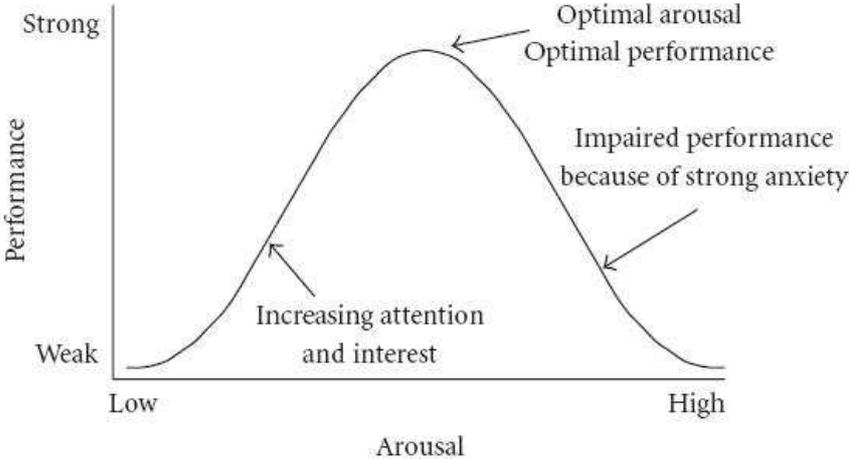
the company. As such, they may be perceived as elements that create a sense of belonging to a group, the company, with its ideas and goals. Secondly, I assume that many of resources of meeting the hygiene factors are largely overlapping or linked to the means of satisfying and motivating factors that indirectly contribute to the motivation.

2.8.2 Motivating factors

The most important motivating factor Herzberg considers the job content. Fairweather notes that for most employees is the most important motivating factor is work itself. If they love their work and they are interested in it, it is likely that they will do better their job and in the morning they will wake up with the taste to go to work and be useful there [46].

I assume that if individuals enjoy the work itself, it is much easier to arouse long-lasting interest of work, encourage efficiency and to motivate them to higher and especially higher-quality job performance.

Figure 5: The relationship between the intensity of motivation and level of performance



As stated Forsyth, one of the ways to attract job content is to expand range of activities. The second important point motivations may be, for example, welcomed ideas and suggestions to the work itself by its employees. It is an attempt to arouse a sense of importance in employees of their work [47].

With this fact operates a lot of of multi-level marketing companies. As stated Rathouský, multi-level marketing is built on a sense of uniqueness to the fact that the individual becomes part of something bigger than himself or the people around you brings so far unexpected possibilities [14].

Forsyth also states facts which can make content of work more interesting. It's for example equipment such as a mobile phone or laptop that workers can use for their own purposes, or functionality. This is the functionality of the system such as a corporate software. Another of the factors that may contribute to the attractiveness of the work itself, according to Forsyth is environment [47]. Here we can notice the above-mentioned facts about the interconnectedness of the factors motivational and hygienic. For example just mentioned environment is undoubtedly a factor hygienic, when it is used correctly, liable to act on motivational factor which translates motivating. However, due to the fact that distributors are not company employees and do not always work in offices, I do not consider the above factors as generally valid elements contributing to the motivation of the of multi-level marketing.

Conversely Fairweather outlines some practical steps to make work more interesting for the worker, which in my opinion are also suitable for use in multi-level marketing. These include further education, delegation of tasks, increase of responsibility, attendance at meetings, etc [46].

Another motivating factor is according to Herzberg success. Success can be understood as follows: Something a person feels like a job well done, which he enjoyed, and after that enters a feeling of satisfaction and pride. In other words, you are looking for an activity that gave you pleasure when you perform it, and then again after finishing as the satisfaction of a good result" [48].

To feel the success it is necessary to determine both of formal and informal aims. For workers is important to have some scale to be able to compare their own success with others [49]. Factors for measuring success are numerous, for example, the amount of sold products by workers, quality and time of work done, cost savings, speed and efficiency, productivity measurement, and other [47]. For this type of activity like selling are best suited criterion of amounts which a sales representative sells, how long he will keep in the company, on what rung of the ladder they are, customer satisfaction etc. Setting objectives for comparison of success is important because without these established criteria workers can create their own criteria, which can be harmful [50].

For companies based on network marketing success is undoubtedly measured by the amount of concluded contracts, month turnover of organisation, network stability, or the

number of obtained recruits. In addition to quantitative elements mentioned above here are also watching qualitative elements [47].

For qualitative element can be considered, for example, customer satisfaction with the product. In OVB for example exists so-called lapse, this means that the client must use the product for a certain period, otherwise the employee commissions retroactively withdrawn. The logic of contracts is re-checked at the company's headquarters in Prague, where all contracts are sent (Annex no. 1).

Bonus system of rewards has most of multilevel companies. As an example I can mention OVB, which provides discounts on entry fees for investments and savings, discounts on car insurance, discounts on computer equipment, competitive tariffs for mobile calls. Other benefits can include, for example, the remuneration from the competitions. Always for a certain period (usually monthly) they are announced by motivational competitions respective heads. These competitions are performance-oriented. An employee who reports for a certain period the largest number of bank units under contract, for example, receives a reward. In the form of a holiday.

Presentation of own success and the associated recognition is, in my opinion, in the multi-level marketing, crucial. On OVB billboards often rises inaccessible mountain peaks which every individual has the option to "conquer".

Here I want to stop for a moment at the commission. Reward for work in business professions is built on commission system. However those really the best and worthy can get employment contract - permanent employment and contribution to retirement in case of OVB Allfinanz as (Annex no. 1).

Responsibility is another in a series of motivational factors. Sense of responsibility is an important factor of motivation, because in addition to being used to improve the attractiveness of the workload, for example it promotes solidarity with the company and self necessity. To enhance the sense of responsibility we use various means, such as the delegation of tasks [47].

Among hygiene factors Herzberg stated company policy and administrative processes, degree of control, working conditions, salary, relationship with others, personal life (and the impact of work on it), job and job security. In my work, I will focus only on some of the above factors.

As a first hygienic factor is interpersonal relationships. Given that in the multi-level marketing each distributor is a part of a network structure, it follows that he is actually part of a team [32]. Given that the quality of the network stand on their individual articles, is for him, especially for the head of its own network important that his structure is without conflicts [51].

Therefore, it is essential to motivate this articles to sense of belonging to this network organisation and complete identification with the vision of the company [25].

Working conditions are another important hygienic factor. These conditions do not motivate themselves, but on the contrary, people are demotivated if their working conditions are deemed as insufficient, or even complain about work[49]. Such conditions include, eg, office equipment, cell phones, laptops etc. For sales positions, it is of course important passenger car [47].

Given that most distributors are working on a freelance, they are not employees of the company, they do not work in the stone office [42]. In multi-level marketing is not therefore on the current positions factors of this type ocuring. Worker can obtain mobile phone, laptop or even a car, but rather as a single performance bonuses [5]. Such rewards, however, are rether classified as motivating factors, than hygienic factors.

Third hygiene factor what I will mention in this work is job security. Job security does not apply only to stay in business, but also to the organization of the company. It is therefore a clarity of rules and organization, workload and individual steps [49]. Job security distributor based in the certainty that if I follow the rules of the organization and I will meet (or exceed) the limits, I'm sure I'll be properly rewarded for instance workflow, bonuses or material reward. For example, the company OVB and LR are precisely determined criteria for career growth [31]. A plan of action within the hierarchy structure of the company is clearly defined and is part of the contracts (agreements) between the company and collaborator [8].

Another hygienic factor, which mentions Herzberg is status. Status means that a person wants to be seen and wants to be considered as important [51]. It is a manifestation of respect, especially respect for age, length of experience, success and time of employment [47].

Last hygienic factor which Herzberg indicates is salary. Question of hygienic and motivational effect of salary is fairly discussed. Forsyth says that the current salary is rarely

motivating. The salary increase for done work is indeed encouraging, but only in the short term. Higher salary is in fact an early adoption of the norm and it is regarded as a standard [47].

It is certain that due to the commission system of multi-level marketing is the salary seen as one of the main motivators of work behavior. After all, the motto of almost every multilevel company is built on the basis of high earnings. In all companies there are tables of calculations rewards.

For example, the company LR Health & Beauty Systems offers the bonus dependent on turnover. The bonus is a reward for the building trade and is calculated according to the table of bonus levels and bonus foundations.

Annexe 1: Table of bonus levels and bonus foundations.

12.000 bodů	21 %	210.000 Kč
8.000 bodů	16 %	140.000 Kč
4.000 bodů	14 %	70.000 Kč
2.000 bodů	11 %	35.000 Kč
1.000 bodů	9 %	17.500 Kč
500 bodů	6 %	8.750 Kč
250 bodů	3 %	4.375 Kč

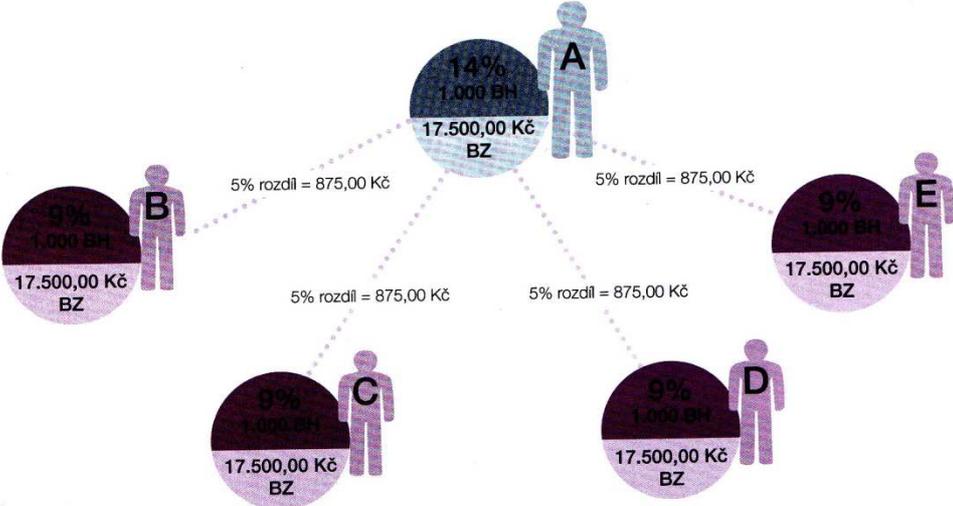
The bonus is calculated on the basis of the bonus (next just BZ), which is the purchase price excluding VAT and shipping. 1 point (next just BH) = 17.50 CZK BZ, 1000 BH = 17.500 CZK (BZ).

To determine the degree of the bonus is calculated by your own turnover + turnover of your organization in BH, which you will achieve the last day of each month. This means that you do not have to collect their orders to get the maximum bonus. This makes it possible, that you can deliver to your customer the goods quickly and on time. Points from individual orders within a month add up. It means that you will receive additional margin in the middle of the month some more procent of your turnover depending on what level you are.

But the most interesting way to make money in a multilevel is differential bonus. Bonuses for group turnover is paid for induction and ongoing support directly or indirectly mediated partners.

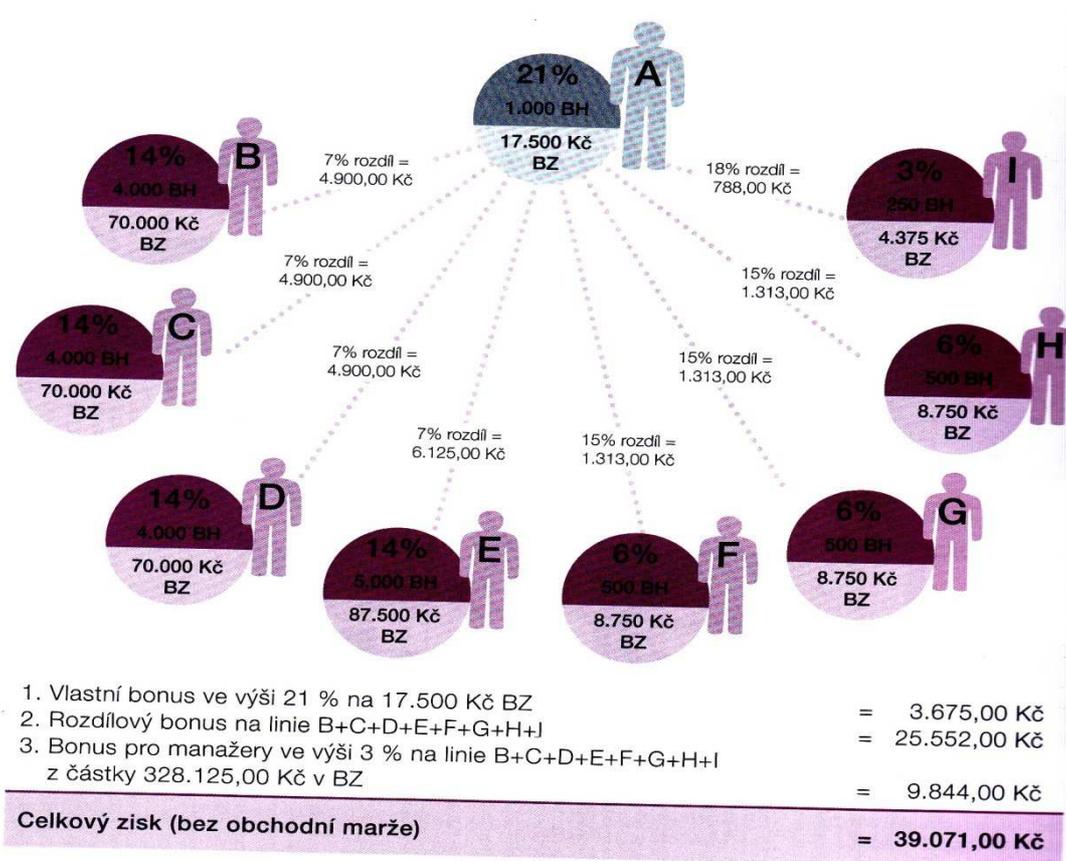
It's very simple. If you are for example on the position of 16% and a person below you at 9%, the differential bonus will be 7% of the turnover of his group.

Annexe 2: Differential bonus



These examples are only a very small organization which is in its infancy. Just for an example I will show you an organization with which you have the right receive a managerial bonus.

Annexe 3: Managerial bonus



This system works with the fact that the more successful your structure, the more will be extensive and higher quality. The longer you will work for a company, the less you actually have to work and the more you earn. Since the higher positions, the sellers are becoming more like managers who are responsible for providing the motivation of the structure and especially motivation for incoming rookies.

3. METHODOLOGY

In this chapter, I would like to state hypothesis, sample and used methods. My research is based on primary data, because, there is not any research concerned about this topic. The research was done in two multilevel companies but each company has different target groups.

3.1 Hypothesis

At the beginning, I stated two hypotheses.

H1: People working in multivelel firms have a greater motivation than employees.

H2: People working in LR Health & Beauty systems s.r.o. have greater motivation than people working in OVB Allfinanz, a.s. ČR.

3.2 Sample

I would like to have a sample of hundret of respondents for each company. Because there is no particular age limit, so I don't want my sample to be limited by age. All respondents will be divided into two groups according to their affiliation to the company. My sample of respondents will be sum of people who is registered at least three months and they have reached the bonus stage. I want to compare the results among themselves by age, sex, education and belonging to the company.

3.3 Characteristics of methods

In this research will be used a method of questionnaire. There are 170 questions. The questionnaire will be compiled by the official model of LMI Questionnaire of motivation to job performance. Questionnaires will be electronic and will be in Czech language. Both groups will have the same questions. For achieving of wanted results I will use a so-called rough score. For each dimension I count it as a sum of questions that are related to each other.

Subsequent procedure for the calculation is as follows. The diameter of each score within the respondents. Each respondent has their own scores for each dimension - 17 numbers. It get 17 averages among respondents whereby, due to the fact that the initial response range was 1-7, so the range of score is 10-170.

I determined the value of clinical significance in the amount of 6 points for comparisons with statistical significance. This is because it is 1/10 of values.

For every company I create the average score among all dimensions, I am counting the extent of these averages, which I count as + - standard deviation from the overall average, which brings point and interval estimate of the value of the total score for each company. I compare these scores among gender, age, education etc.

4. RESULTS

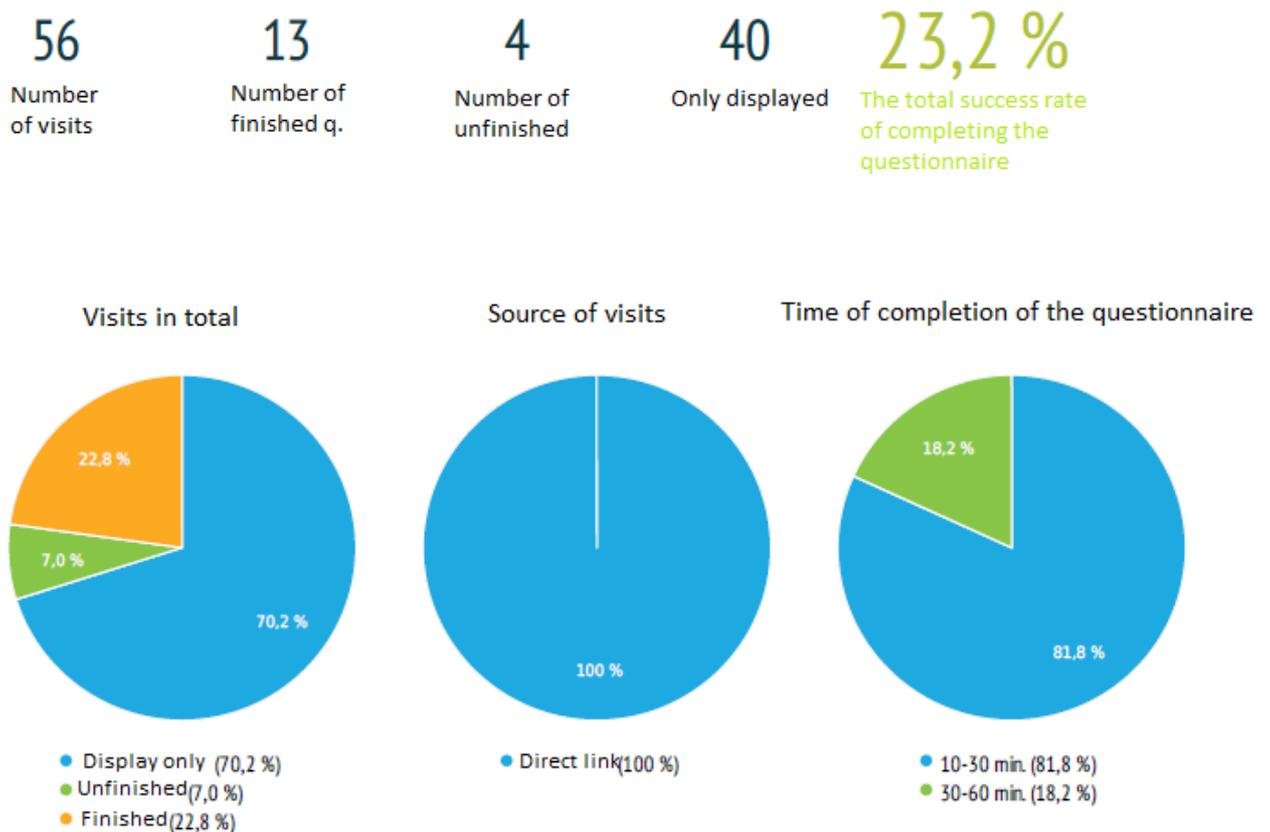
In this chapter are stated the results of questionnaire. I will specify the real sample of respondents and describe the answers of on questions by figures and comments.

4.1 Real sample

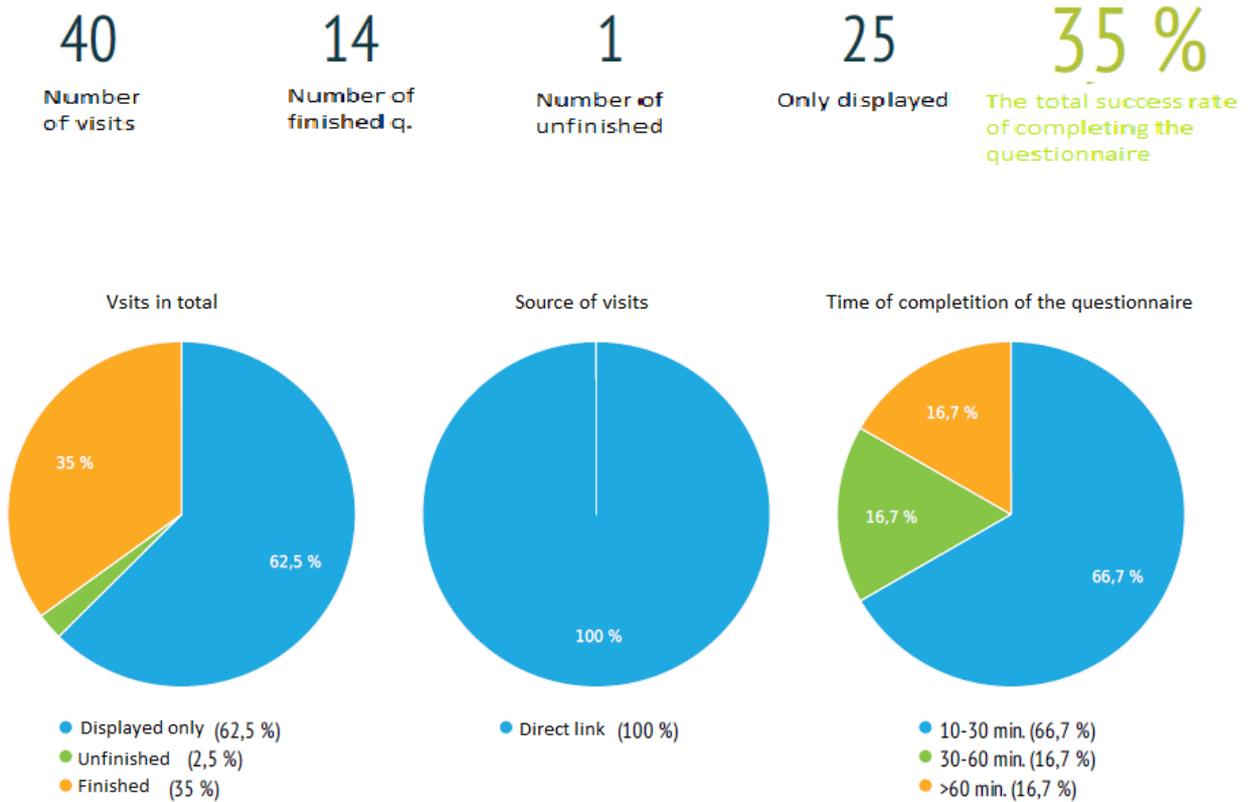
This research was done in the city of Brno. The sample consisted of people representing the members of the two companies such as LR and OVB. The questionnaire was compiled by the official model LMI questionnaire. Data were rewritten into electronic system of Survio.com and there were also evaluated. The final evaluation and tables were created in programm IBM: SPSS.

My idea of a suitable sample was from 50 to 100 people. Unfortunately a large number of people were discouraged by the length of the questionnaire, so my real obtained sample is very small.

Graph 1: Statistics of respondents for LR



Graph 2: Statistics of respondents for OVB



From this figures we can see that the „mortality“ of respondents is very high.

4.2 Description of investigated sample

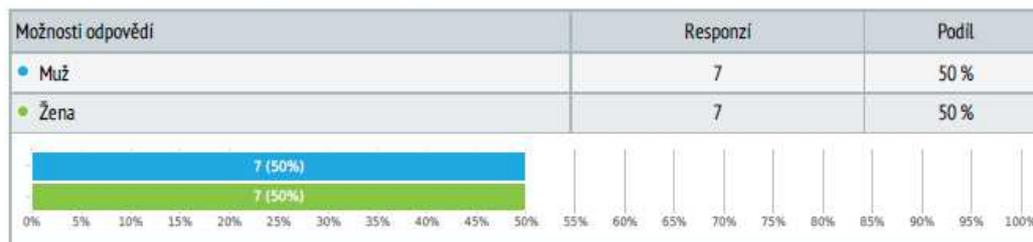
The research sample includes two companies - OVB and LR.

At both companies I monitor age range 18-25, 25-35, 35-50 years. I also monitor the level of educational attainment of secondary schools, university - Bc. And University - Ing / Mgr.

Graph 3: Description of investigated sample - OVB

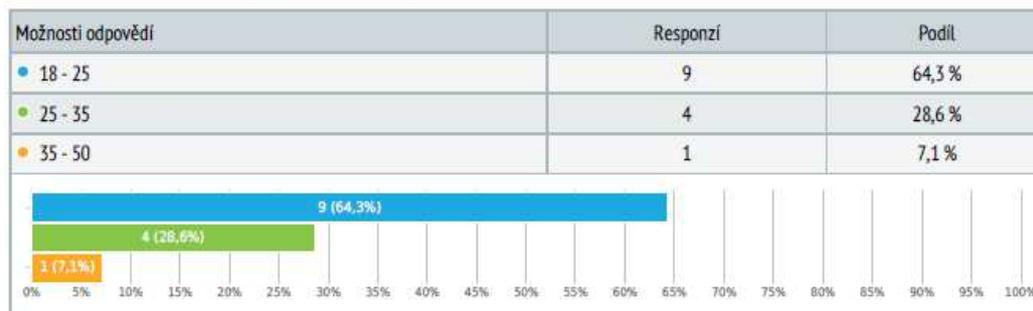
1. Sex

Výběr z možností, zodpovězeno 14x, nezodpovězeno 0x



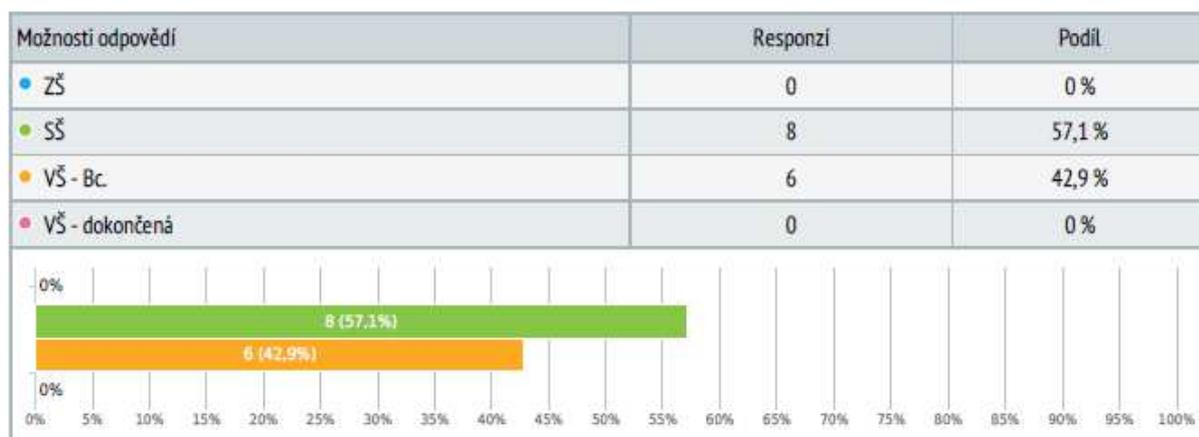
2. Age

Výběr z možností, zodpovězeno 14x, nezodpovězeno 0x

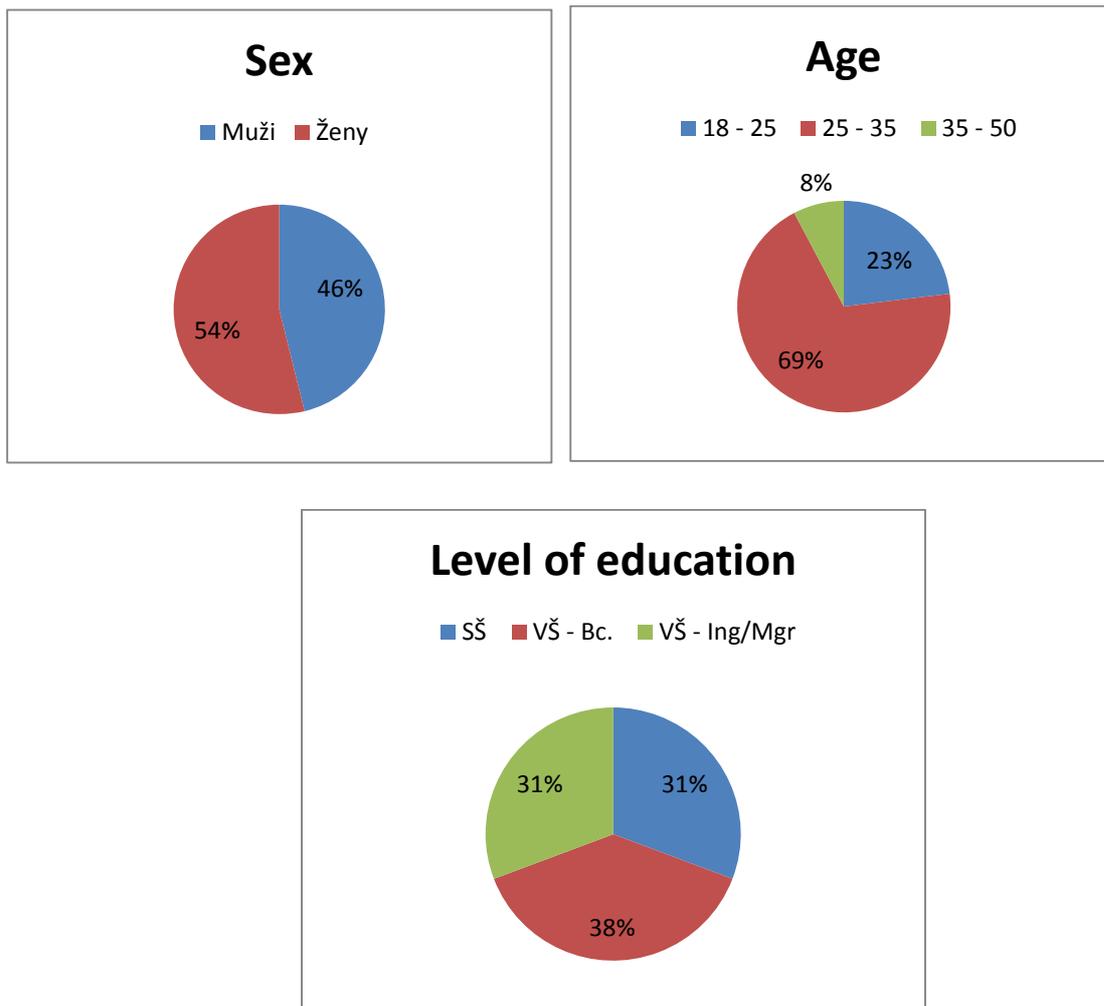


3. What is your highest level of education?

Výběr z možností, zodpovězeno 14x, nezodpovězeno 0x



Graph 4: Description of investigated sample - LR



From the graph above we can see that in the financial sphere, the situation is balanced, while in the company, which is engaged in the distribution of cosmetics, is higher number of women. Also we can see that in case of age, the numbers are almost opposite. In the financial sector is a lot of young people aged between 18 and 25 years old. It can have such a reason that many young people are experimenting with new possibilities and working with finances is a tempting and sounds good.

In our case it is pretty match of the age and level of education. Because in company OVB is working many young people under 25 so it is quite logical that they have in most of cases only high school or degree of bachelor.

In company LR, layout of degree of education is balanced. The opposite effect is seen in the company OVB where none of the respondents have a college degree and is mostly just high school.

4.3 Raw scores

Table 1: OVB and LR raw scores - sex

	Sex	Males	Females	Total
		Raw score		
OVB	persistence	45,7	42,9	44,3
	dominance	48,3	48,9	48,6
	involvement	46,0	43,0	44,5
	confidence in the success	49,7	49,8	49,8
	flexibility	44,9	41,1	43,0
	flow	52,0	49,0	50,5
	fearlessness	42,9	33,0	37,9
	internality	43,0	38,9	40,9
	compensation	44,4	48,6	46,5
	pride	50,3	59,1	54,7
	willingness	53,9	50,4	52,1
	difficulty preference	42,4	36,3	39,4
	independence	51,1	41,3	46,2
	self-control	40,7	41,7	41,2
	focus on status	49,4	50,7	50,1
	competition	46,3	52,3	49,1
	sense of purpose	48,3	49,3	48,8

	Sex	Male	Female	Total
		Raw score		
LR	persistence	41,2	48,4	45,1
	dominance	55,0	53,6	54,2
	involvement	46,5	50,0	48,4
	confidence in the success	52,2	51,6	51,8
	flexibility	49,3	51,6	50,5
	flow	53,8	55,1	54,5
	fearlessness	39,8	39,6	39,7
	internality	44,5	48,5	46,5
	compensation	46,0	56,0	51,4
	pride	61,5	62,6	62,1
	willingness	55,0	59,9	57,6
	difficulty preference	36,5	39,4	38,1
	independence	40,7	46,1	43,6
	self-control	41,8	47,3	44,8
	focus on status	58,3	55,9	57,0
	competition	49,2	54,0	51,8
	sense of purpose	54,7	55,9	55,3

	In Total	Sex		p ¹
		Men	Women	
OVB	46,3 (41,7 - 50,9)	47,0 (43,3 - 50,6)	45,6 (39,2 - 52,0)	0,469
LR	50,1 (43,8 - 56,4)	48,5 (41,5 - 55,6)	51,4 (45,4 - 57,5)	0,220
P	0,061	0,434	0,012	-

p¹ - Statistical significance evaluated by using the two-sided t-test.

Between the sexes, there is no obvious difference. Women in OVB have a wider range of values. This means that they answer consistently less than men, mainly between solved dimensions. It can be said that women are thinking more about the responses. For the second firm LR does not confirm the result of a previous firm OVB. Conversely in LR men correspond consistently less than in OVB because they have double variance. We can see that difference between women in OVB and women in LR is statistically significant, but clinically it is on the border of significance.

Table 2: OVB and LR raw scores - age

	Age	18 - 25	25 - 35	35 - 50	Total		Age	18 - 25	25 - 35	35 - 50	Total
		Raw score						Raw score			
OVB	persistence	43,1	45,0	52,0	44,3	LR	persistence	41,0	46,3	46,0	45,1
	dominance	44,2	58,3	49,0	48,6		dominance	55,0	55,3	42,0	54,2
	involvement	40,1	51,8	55,0	44,5		involvement	43,0	50,4	46,0	48,4
	confidence in the success	46,8	54,3	56,0	49,8		confidence in the success	47,7	52,3	60,0	51,8
	flexibility	38,8	48,3	60,0	43,0		flexibility	50,0	50,8	50,0	50,5
	flow	48,1	54,5	56,0	50,5		flow	56,0	55,0	46,0	54,5
	fearlessness	32,6	46,0	54,0	37,9		fearlessness	34,3	41,0	44,0	39,7
	internality	38,0	44,5	53,0	40,9		internality	49,5	45,2	52,0	46,5
	compensation	45,9	46,3	53,0	46,5		compensation	55,0	50,4	49,0	51,4
	pride	52,4	57,5	64,0	54,7		pride	60,7	62,9	59,0	62,1
	willingness	47,8	58,0	68,0	52,1		willingness	60,3	56,6	59,0	57,6
	difficulty preference	35,6	44,0	55,0	39,4		difficulty preference	36,0	38,1	44,0	38,1
	independence	43,9	48,8	57,0	46,2		independence	44,7	43,3	43,0	43,6
	self-control	41,4	38,5	50,0	41,2		self-control	42,7	45,7	43,0	44,8
	focus on status	47,8	56,5	45,0	50,1		focus on status	59,0	57,4	47,0	57,0
	competition	45,9	52,5	61,0	49,1		competition	60,0	51,4	30,0	51,8
sense of purpose	46,9	48,5	66,0	48,8	sense of purpose	54,0	55,2	60,0	55,3		

	In Total	Age			p ^{1,2}	p ^{2,3}	p ^{1,3}
		18 – 25 (1)	25 – 35 (2)	35 – 50 (3)			
OVB	46,3 (41,7 - 50,9)	43,4 (38,4 - 48,4)	50,1 (44,5 - 55,8)	56,1 (50,1 - 62,0)	0,001	0,006	<0,001
LR	50,1 (43,8 - 56,4)	49,9 (41,6 - 58,2)	50,4 (44,1 - 56,7)	48,2 (40,5 - 55,9)	0,844	0,38	0,552
p	0,061	0,012	0,899	0,002			

P¹ - Statistical significance evaluated by using the two-sided t-test for age group of 18 – 25 years.

P² - Statistical significance evaluated by using the two-sided t-test for age group of 25 – 35 years.

P³ - Statistical significance evaluated by using the two-sided t-test for age group of 35 – 50 years.

Here we can see that in the company OVB are differences between age groups statistically and clinically significant because the difference between their points is equals to 6 or more. We also see that the age differences between companies OVB and LR in the groups 18-25 and 35-50 are also statistically and clinically significant. I could say, that people working in LR are more motivated, but I could be lie, because according to the table above the rearon, why LR has higher number is, that it has a wider range of values.

Table 3: OVB and LR raw scores - level of education

	Level of education	High school	University Bc.	Total
		Raw score		
OVB	persistence	45,3	43,0	44,3
	dominance	49,4	47,5	48,6
	involvement	45,9	42,7	44,5
	confidence in the success	52,4	46,7	49,8
	flexibility	44,3	41,3	43,0
	flow	49,6	51,7	50,5
	fearlessness	40,6	34,3	37,9
	internality	39,3	43,2	40,9
	compensation	45,3	48,2	46,5
	pride	50,9	59,8	54,7
	willingness	52,4	51,8	52,1
	difficulty preference	41,1	37,0	39,4
	independence	49,8	41,5	46,2
	self-control	39,8	43,2	41,2
	focus on status	48,5	52,2	50,1
	competition	45,0	53,8	49,1
	sense of purpose	48,1	49,7	48,8

	Level of education	High school	Uni. Bc.	Uni. Ing/Mgr	Total
		Raw score			
LR	persistence	35,0	46,0	54,0	45,1
	dominance	52,0	57,4	52,5	54,2
	involvement	41,0	48,8	55,3	48,4
	confidence in the success	47,0	53,6	54,5	51,8
	flexibility	47,0	51,6	52,8	50,5
	flow	50,5	57,8	54,5	54,5
	fearlessness	39,0	37,2	43,5	39,7
	internality	43,3	47,2	48,0	46,5
	compensation	41,5	55,0	56,8	51,4
	pride	60,5	61,8	64,0	62,1
	willingness	49,8	62,4	59,5	57,6
	difficulty preference	34,5	37,8	42,0	38,1
	independence	39,0	44,4	47,3	43,6
	self-control	37,3	46,0	50,8	44,8
	focus on status	56,5	60,2	53,5	57,0
	competition	48,0	56,6	49,5	51,8
	sense of purpose	53,3	55,4	57,3	55,3

	In Total	Education			p ^{1,2}	P ^{2,3}	p ^{1,3}
		High school (1)	Bc.(2)	Mgr./Ing.(3)			
OVB	46,3 (41,7 - 50,9)	46,3 (42,1 - 50,4)	46,3 (40,0 - 52,6)	-	0,998	-	-
LR	50,1 (43,8 - 56,4)	45,5 (38,2 - 52,9)	51,7 (44,1 - 59,2)	52,6 (47,3 - 58,0)	0,026	0,681	0,004
p	0,061	0,734	0,035	-	-	-	-

P¹ - Statistical significance evaluated by using the two-sided t-test for group of high school

P² - Statistical significance evaluated by using the two-sided t-test for group of university title Bc.

P³ - Statistical significance evaluated by using the two-sided t-test for group of university title Ing./Mgr.

In this example, we can notice the interesting fact that in the company OVB is not even one person with a university degree higher Bc. Of course, this is not valid for the whole company, but only for a sample of respondents who participated in my research. In the group Bc. between companies is clinical significance lower, but it is statistically significant. Also we can see that difference between level of education in company LR is significant excluding the comparison between bachelors and engineers. Generally, the level of education doesn't have for difference between companies OVB and LR such an importance.

4.4 Comparing obtained raw scores with standards.

Figure 6: Raw scores distribution of Czech standardization sample (2003)

	Celý stand. vzorek (N = 293)				Ženy (N = 209)				Muži (N = 84)			
	M	SD	Min.	Max.	M	SD	Min.	Max.	M	SD	Min.	Max.
Vytrvalost	45,4	9,7	18	69	45,8	9,4	18	69	44,4	10,1	26	61
Dominance	44,8	10,7	14	69	44,2	10,8	14	69	46,2	10,3	19	68
Angažovanost	38,9	10,7	12	67	38,7	11,0	12	67	39,5	9,6	23	59
Důvěra v úspěch	46,6	9,2	17	69	46,1	8,6	17	69	47,8	10,4	22	65
Flexibilita	49,2	8,6	18	70	49,6	8,6	18	70	48,4	8,5	30	68
Flow	48,1	10,3	17	70	48,3	10,5	17	70	47,4	9,5	21	64
Nebojácnost	40,1	11,1	15	66	39,6	10,9	15	66	41,5	11,6	15	64
Internalita	50,3	7,1	32	69	51,1	6,9	33	69	48,3	7,0	32	65
Kompenzační úsilí	49,4	9,2	17	71	50,2	9,0	25	71	47,7	9,7	17	70
Hrdost (na výkon)	56,0	7,3	28	70	56,8	7,1	31	70	54,0	7,7	28	69
Ochota učit se	49,1	8,3	23	70	48,8	8,0	23	70	49,9	9,0	26	68
Preference obtížnosti	41,2	11,1	14	70	40,5	11,3	14	70	43,0	10,3	15	58
Samostatnost	45,3	8,5	17	68	45,0	8,8	17	68	46,1	7,7	28	62
Sebekontrola	45,2	9,6	15	68	45,9	9,5	15	68	43,4	9,8	23	68
Orientace na status	47,3	11,5	13	69	48,1	11,3	18	69	45,4	11,8	13	65
Soutěživost	41,9	9,9	15	67	41,4	10,0	15	64	43,0	9,5	19	67
Cílevědomost	45,8	8,0	24	67	45,7	8,3	24	67	46,1	7,4	27	66
Celkový hrubý skór	784,5	101,7	389	1085	785,6	101,7	389	1085	781,8	101,5	531	1024

Table 4: Results of Total raw score between companies OVB, LR and Standard.

	Female	Male
LR	875,4	826
OVB	776,3	799,3
Standard	785,6	781,8

The result was achieved by summing up all the raw scores of each dimension for all respondents.

According to the table above, we can see that females in the company LR are more motivated than in OVB and even more than the average total raw score of females. Males in both companies are more motivated than the average total raw score of males. From the results we can observe that in LR females are more motivated than males and in company OVB it is conversely. Also we can say, that people in LR are more motivated than in OVB.

5. DISCUSSION

The purpose of this study was to describe and determine how much differs motivation of working people in the multilevel companies against the standards and to compare obtained results between individual companies according to certain criteria such as gender, age and education.

Thanks to the obtained data from the questionnaire, I was able to create a table with a raw score and total raw score and then compare these with each other and with the standards. I found out that people working in multilevel systems are really motivated to job performance more than is common. Finally, I confirmed the hypothesis that LR sales representatives are more motivated than representatives from OVB.

This research is groundbreaking because, as I know, in this manner is not rated yet. I have one value with interval margins which evaluates the entire company and all the people who answered the questionnaire, which is relatively unique.

But it also has its drawbacks. For example, interpretation of the results is somewhat imprecise. It is difficult mathematically deduce any conclusions from the figures obtained , because this methodology is not commonly used. It's a thing that I took and I think it works well, but how it actually works, it is not easy to say. It's a thing that I took over and I think it works well, but how it actually works in reality, it is not easy to say.

As I said, it was used to compare the level of motivation of work performance in multilevel companies. I found out that people working in multilevel systems are really motivated to job performance more than is common. Finally, I confirmed the hypothesis that LR sales representatives are more motivated than representatives from OVB.

If I would make this research next time, it would certainly expand and improve to make it work better. It could be examined as well as according to other characteristics than the age, gender and level of education. For example, race, place of residence, religion, social status etc. Of course it would be great to explore more companies and with a larger number of respondents. That was probably the biggest problem of this research.

6. CONCLUSION

This bachelor thesis deals with analysis of work motivation in multilevel companies. In the theoretical part of the study were used available Czech and foreign literature and scientific articles related to the issue of marketing, multilevel marketing and especially motivation and of work motivation. The gained literature was in accordance with valid dean's norms of FRRMS MZLU as well as with the quotation norm ISO 690.

At the beginning of this part of the study is stated aim. The aim of my bachelor thesis was the analysis of motivational principles of work performance with multilevel marketing on the basis of pre-selected theories of motivation job performance and according to the research. I created two hypotheses: H1: People working in multilevel firms have a greater motivation than employees. H2: People working in LR Health & Beauty systems s.r.o. have greater motivation than people working in OVB Allfinanz, a.s. ČR. And I was able to confirm both of them.

I used quantitative research by LMI questionnaire to work performance. There was 170 questions in 17 dimensions. So each dimension had 10 questions. According this paper questionnaire I prepared an electronic one on Survio. In the empirical part has been described the research of this paper and interpreted data and information that was discovered through research.

The research itself has served as a tool through which we are able to describe the degree of motivation to work in multilevel companies such as OVB and LR. The research sample included in total 27 of respondents, 14 of them were for the company OVB and 13 for the company LR. At the same time I must mention that there was a huge mortality rate of respondents in sense of that 65-77% of the respondents did not complete a test or just displayed it.

After obtaining data from questionnaires I deduced conclusions and I discussed it.

This thesis provides objective insights into job descriptions, job performance and motivation in multilevel companies. Potentially, therefore, may be informative tool for other individuals who are thinking of working in multilevel company.

I met all objectives and bachelor thesis is fulfilled.

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8. LIST OF FIGURES, TABLES AND OF ANNEXES

8.1 List of figures

Figure 1: Number of people engaged in direct selling worldwide	18
Figure 2: World direct selling revenues	19
Figure 3: Comparison of development of revenues in direct selling and retail	19
Figure 4: Maslow's pyramid of needs	22
Figure 5: The relationship between the intensity of motivation and level of performance	29
Figure 8: Raw scores distribution of Czech standardization sample (2003).....	45

8.2 List of annexes

Annexe 2: Table of bonus levels and bonus foundations.....	33
Annexe 3: Differential bonus	34
Annexe 4: Managerial bonus.....	35
Annexe 1: Internal guidelines of OVB Allfinanz, Inc.: General.....	53

8.3 List of graphs

Graph 1: Statistics of respondents for LR	Chyba! Záložka není definována.
Graph 2: Statistics of respondents for OVB	Chyba! Záložka není definována.
Graph 3: Description of investigated sample - OVB	Chyba! Záložka není definována.
Graph 4: Description of investigated sample - LR.....	Chyba! Záložka není definována.

8.4 List of tables

Table 1: OVB and LR raw scores - sex.....	42
Table 2: OVB and LR raw scores - age	43
Table 3: OVB and LR raw scores - level of education	44
Table 4: Results of Total raw score between companies OVB, LR and Standard.....	45

8.5 Annexes:

Annexe 4: Internal guidelines of OVB Allfinanz, Inc.: General

A. Všeobecné podmínky

- Plán postupu v rámci hierarchie struktury OVB (dále jen Plán kariéry) je nedílnou součástí vnitřních předpisů OVB a tím i dohod mezi OVB Allfinanz, a.s. (dále jen společnost) zastoupenou pracovníky vedení společnosti na straně jedné a spolupracovníkem, který má uzavřenou Smlouvu o obchodním zastoupení se společností (dále jen spolupracovník) na straně druhé.
- Plán kariéry je založen na principu výkonnosti. Základem hodnocení je produkce spolupracovníka a jeho struktury. Každý spolupracovník a jeho struktura mají nárok na příslušný postup, pokud splní příslušná postupová kritéria (viz odstavec B).
- Pro povýšení z I. stupně na stupeň II. a z II. stupně na stupeň III. je nutné, aby nadřazený vedoucí spolupracovník s potvrzením oprávněného ředitele písemně sdělil tuto změnu Centrále společnosti. K povýšení do funkce Generálního agenta, Obchodního vedoucího a výše (dle odstavce B, body 4–9) se vyžaduje jmenování vedením společnosti a Zemským ředitelem. Podklady pro povýšení je třeba doručit Centrále společnosti do 25. dne v měsíci. Povýšení je pak platné od 1. dne následujícího pracovního měsíce.
- Všeobecně platí, že spolupracovník má zabezpečený nárok na povýšení, splní-li podmínky uvedené v Plánu kariéry. Zemský ředitel na návrh přímého nadřazeného spolupracovníka je oprávněn zmírnit jeho kritéria postupu anebo postup pozastavit či neschválit, např. na základě neplnění povinností vyplývajících ze Smlouvy o obchodním zastoupení.
- Všeobecně platí, že spolupracovník má nárok na povýšení anebo setrvání na daném kariéřním stupni, jsou-li splněny podmínky uvedené v Plánu kariéry, ve Smlouvě o obchodním zastoupení, ve vnitřních předpisech OVB, v interních pravidlech OVB a v ostatních ujednáních mezi spolupracovníkem a OVB. Spolupracovník nemá nárok na povýšení, pokud stornovota obchodů, které zprostředkoval on nebo spolupracovníci jeho struktury, překročí sazby stanovené OVB. Pokud by zprostředkování smluv vedlo ke zvýšení stornovoty (procento zrušených a redukováných smluv), vyhraňuje si OVB právo pozastavit spolupracovníkovi postup. Sazby včetně určeného výpočtového vzorce pro stornovotu jsou již definovány OVB a jsou k dispozici na Potrálu OVB.
- U vedoucích a ředitelů se vyžaduje, aby získávali, školili, řídili a vedli spolupracovníky k Aktivnímu statutu. Příslušnost ke struktuře je dána dotazníkem spolupracovníka, případně ohlášením schválené změny zařazení spolupracovníka, přičemž tato změna musí být schválena získatelem, přímým nadřazeným, Zemským ředitelem a vedením společnosti OVB.
- Historická produkce spolupracovníka, který mění skupinu nebo strukturu, se nepočítává do data změny do kritérií nejbližšího postupu jeho novému vedoucímu. Totéž platí v případě změny ve skupinách nebo strukturách. Pokud by Obchodní vedoucí ukončil svou činnost, může jeho nadřazený se souhlasem vedení společnosti a Zemského ředitele jmenovat na jeho místo spolupracovníka z této bývalé struktury. Nejpozději do 14 dnů po ukončení činnosti musí příslušný nadřazený vedoucí zaslat písemnou zprávu o této změně vedení společnosti.
- Povýšení na Obchodního vedoucího je možné nejdříve po uplynutí 9 měsíců od podpisu Smlouvy o obchodním zastoupení.
- Povýšení na Oblastního vedoucího, Oblastního ředitele a Regionálního ředitele je možné nejdříve za 1 rok po dosažení předcházejícího stupně.
- Povýšení na Zemského ředitele je možné nejdříve za 2 roky po dosažení předcházejícího stupně.
- Na základě výkonnostního principu je možné dosáhnout a předstihnout následující kariéřní stupeň přímého nadřazeného.
- Splní-li spolupracovník podmínky Plánu kariéry pro povýšení na vyšší stupeň a nebyl-li spolupracovník povýšen, má spolupracovník i Centrála možnost intervence. Centrála vyvolá jednání s příslušným Zemským ředitelem.
- Jestliže spolupracovník nesplní podmínky Plánu kariéry, Centrála vyvolá jednání s příslušným Zemským ředitelem pro vyjasnění postupu pro snížení.
- Pro Aktivní statut stanovený v části C tohoto vnitřního předpisu se započítávají jednotky paralelní skupiny ve výši 50%.
- Pro povýšení od pozice BL a výše se povyšovanému spolupracovníkovi započítává 100 % výkonu všech jeho paralelních struktur.

B. Kritéria postupu

Následující podmínky jsou předpokladem pro povýšení do příslušného stupně nebo pozice.

- Reprezentant I.**
začátek činnosti u OVB
- Reprezentant II.**
240 jednotek/vlastní produkce (historicky)
- Reprezentant III.**
2 400 jednotek/vlastní produkce (historicky)
- Generální agent V.**
11 600 jednotek/vlastní produkce (historicky)
Generální agent VI.
23 200 jednotek/vlastní produkce (historicky)

Činnost Generálního agenta je založena výhradně na vlastní produkci. Vedení spolupracovníků není dovoleno.

5. Obchodní vedoucí

- 1 900 jednotek/vlastní produkce (historicky)
- nejméně 1 400 jednotek celkové produkce za poslední 3 po sobě jdoucí měsíce
- 3 spolupracovníci min. na pozici R2 – v Aktivním statutu (poslední 3 po sobě jdoucí měsíce aktivní)

Obchodní vedoucí je přípravný stupeň pro pozici vedoucího pracovníka. Je oprávněn a povinen získávat a vést pracovníky.

Od okamžiku povýšení se mu započítává produkce podřízených spolupracovníků k jeho celkové produkci.

6. Oblastní vedoucí

- 2 800 jednotek/vlastní produkce (historicky)
- 6 spolupracovníků min. na pozici R2 (posledních 6 po sobě jdoucích měsíců aktivní), přímo podřízeni a vzájemně rovnocenní, přičemž max. 2 R2 mohou být nahrazeni 1 GST – (posledních 6 po sobě jdoucích měsíců aktivní)
- Nejméně 5 600 jednotek celkové produkce za poslední 3 po sobě jdoucí měsíce

Od pozice Oblastního vedoucího obdrží spolupracovník Smlouvu o spolupráci při správě produktů vedoucími spolupracovníky. Od této pozice je třeba vykonávat tuto činnost jako hlavní a jedinou v rámci svých podnikatelských aktivit.

7. Oblastní ředitel

- 4 200 jednotek/vlastní produkce (historicky)
- nejméně 14 000 jednotek celková produkce za poslední 3 po sobě jdoucí měsíce
- 6 spolupracovníků min. na pozici GST (posledních 6 po sobě jdoucích měsíců aktivní), přímo podřízeni a vzájemně rovnocenní, max. 2 GST mohou být nahrazeni každý 2 přímými R2

8. Regionální ředitel

- nejméně 83 600 jednotek celkové produkce za posledních 6 po sobě jdoucích měsíců
- 4 spolupracovníci min. na pozici BL (posledních 6 po sobě jdoucích měsíců aktivní), přímo podřízeni a vzájemně rovnocenní, přičemž max. 1 BL může být nahrazen 3 GST (posledních 6 po sobě jdoucích měsíců aktivní)

9. Zemský ředitel

- nejméně 195 000 jednotek celkové produkce za posledních 6 po sobě jdoucích měsíců
- 6 spolupracovníků min. na pozici BL nebo 4 spolupracovníci min. na pozici BD (posledních 6 po sobě jdoucích měsíců aktivní), přímo podřízeni a vzájemně rovnocenní

C. Aktivní statut

- Pojem Aktivní statut znamená minimální produkci pracovníka, případně celé skupiny za dané období (viz bod 2). Dodržení Aktivního statutu je podmínkou pro setrvání spolupracovníka na příslušném stupni. Základem hodnocení je produkce, přičemž:

Vlastní produkce	= osobně vyprodukovaná produkce spolupracovníkem
Skupinová produkce	= vyprodukovaná produkce vlastní skupinou (bez vlastní produkce)
Celková produkce	= vyprodukovaná produkce spolupracovníkem se skupinou dohromady

2. Kritéria Aktivního statutu

Reprezentant II.	170 jednotek za poslední 3 po sobě jdoucí měsíce
Reprezentant III.	250 jednotek za poslední 3 po sobě jdoucí měsíce
Generální reprezentant V./VI.	480 jednotek za poslední 3 po sobě jdoucí měsíce
Obchodní vedoucí	870 jednotek za poslední 3 po sobě jdoucí měsíce z toho 210 jednotek vlastní produkce
Oblastní vedoucí	2 400 jednotek za poslední 3 po sobě jdoucí měsíce
Oblastní ředitel	3 500 jednotek za poslední 3 po sobě jdoucí měsíce
Regionální ředitel	5 800 jednotek za poslední 3 po sobě jdoucí měsíce
Zemský ředitel	9 300 jednotek za poslední 3 po sobě jdoucí měsíce

Spolupracovník na stupni Obchodního vedoucího a výše může být dle svého výkonu přeřazen na nižší stupeň, nespĺňuje-li v posledních 6 po sobě jdoucích měsících požadavky kladené na jeho aktivitu. Reprezentant II. a III. stupeň může být přeřazen již po 3 po sobě jdoucích měsících své nedostatečné aktivity. O všech těchto případech rozhoduje Zemský ředitel a vedení společnosti. Původního stupně je možné znovu dosáhnout, je-li opětovně splněna podmínka Aktivního statutu pro tento stupeň.