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1 **Network Marketing Businesses and Chinese Ethnicity** 2 **Immigrants in Australia**

3 by **Fu Dai**, **Stephen T. T. Teo** and **Karen Yuan Wang**

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5 *This study adopts two theoretical perspectives, Social Cognitive Theory and Theory of Planned*
6 *Behavior, to examine a model of network marketing business participation by Chinese immigrants*
7 *in Australia. A structural equations modeling analysis showed that the social environment within*
8 *a network marketing organization positively influences the self-efficacy of Chinese network mar-*
9 *keters and their desire to seek opportunities. These factors positively influence the actions under-*
10 *taken by network marketers, and subsequently, impact positively on their performance outcome.*

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13 **Introduction**

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14 It is often the case that immigrants pursue a
15 network marketing business (NMB) as they do
16 not have adequate resources and the skills to
17 establish their own small business in their newly
18 adopted home country (Lin 2007). Network
19 marketing is a system in which a manufacturer
20 (network marketing firm) pays people outside
21 the company to sell its products and services
22 directly to consumers (Harris 2004); in return,
23 each salesperson is given the opportunity to
24 build his/her own network marketing organiza-
25 tion (NMO) by recruiting, training, and motivat-
26 ing others to sell the same products and services
27 (Harris 2004). Some studies (such as Biggart
28 1989; Lin 2007) argue that NMOs have been
29 promoted as a way for ordinary people to pur-
30 sue entrepreneurial opportunities and attain
31 wealth. NMOs provide “an empowering tool” to
32 socially disadvantaged individuals, such as
33 females (Biggart 1998) and immigrants (Lin
34 2007), motivating them to take charge of their
35 own life.

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36 Kuntze (2001) claims individuals who pursue
37 an NMB are entrepreneurial dreamers rather
38 than real entrepreneurs. He suggests that net-

work marketers are far less innovative than real 39
entrepreneurs, because there is no need for net- 40
work marketers to invent or fund a new type of 41
business (Kuntze 2001). Kuntze (2001) also 42
claims that network marketers are motivated 43
extrinsically as they are more focused on pursu- 44
ing the name of “entrepreneur” rather than 45
meeting their “need for achievement.” Bhatta- 46
charya and Mehta (2000), however, express a 47
different view on network marketers and suggest 48
that these individuals have a strong sense of 49
innovation that is embedded in pursuing a suc- 50
cessful business in a creative way. The distribu- 51
tion of products in NMOs is through the 52
organization of social events in business meet- 53
ings (Bhattacharya and Mehta 2000). According 54
to Biggart (1989) and Bhattacharya and Mehta 55
(2000), this type of product distribution in NMBs 56
represents a form of innovation. Groß (2010) 57
found that spiritual elements are propagated 58
within NMOs to motivate their network market- 59
ers. A meaningful life and personal goals are 60
important motivators for network marketers to 61
pursue their NMBs. Groß’s (2010) finding is sup- 62
ported by Biggart (1989). Thus, we argue that 63
these individuals have an intrinsic motivation. 64

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65 Some of the popular terminologies used in the
 66 literature for these individuals include representa-
 67 tives (Biggart 1989), agents (Koehn 2001), network
 AQ6 68 marketers (Dai, Wang, and Teo 2011), distributors
 AQ7 69 (Lin 2007; Pratt 2000), and MLM members (Sparks
 70 and Schenk 2006). One common theme shared
 71 among these individuals is their desire to pursue
 72 entrepreneurship via NMB (Sparks and Schenk
 73 2006). Biggart (1989) argues that entrepreneurship
 74 in the network marketing industry is more than a
 75 type of economic action. "It is a powerful social
 76 ideal that came about with the emergence of capi-
 77 talism" (Biggart 1989, p. 163). In the current paper,
 AQ8 78 "network entrepreneur" is adopted to refer to these
 79 individuals, as they exhibit the traits of successful
 80 network marketers (McClland 1987), such as the
 81 need for achievement (Lin 2007), innovation (Bhat-
 82 tacharya and Mehta 2000), and internal locus of
 83 control (Biggart 1989). They are intrinsically moti-
 AQ9 84 vated to satisfy their internal needs (Groß 2010).

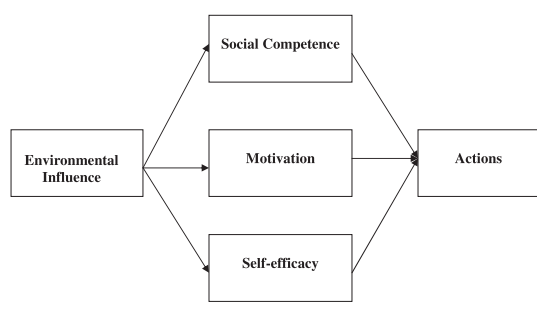
85 It has been shown that Chinese immigrants
 86 typically set up their own businesses in the host
 87 country (e.g., Collins 2002) and one of the busi-
 88 ness activities they pursue is network marketing
 89 (e.g., Lin 2007). Researchers such as Sequeira
 90 and Rasheed (2006) have recognized that the
 91 main reason immigrants pursue entrepreneur-
 92 ship is that they are disadvantaged in the labor
 93 market because of their inadequate host country
 94 language skills, and the depreciation of human
 95 capital. The willingness to become an entrepre-
 96 neur for a particular immigrant group is driven
 97 by this adverse environment and the size of the
 98 immigrant group (Evans 1989).

99 Some studies have examined the motivations
 100 of Chinese immigrants participating in NMBs by
 101 adopting Social Cognitive Theory (SCT) (see,
 102 e.g., Dai, Wang, and Teo 2011). In their study,
 103 Dai, Wang, and Teo (2011) concluded that self-
 104 efficacy positively relates to actions undertaken
 105 in conducting an NMB. However, they did not
 106 examine how Chinese immigrants pursue entre-
 107 preneurship via building their NMBs in their
 108 newly adopted home country. This is an impor-
 109 tant research question as there are a significant
 110 number of Chinese immigrants joining NMBs in
 111 Australia (*Sing Tao Daily (Australia)*, Septem-
 112 ber 28, 2007). This aim of the current study is to
 FIAQ10 answer this question (Figure 1).

114 **Conceptual Background** 115 **and Hypotheses**

116 SCT describes human functioning in terms of
 117 a model of triadic reciprocity in which behav-

Figure 1
Model of Network Marketing
Business Entrepreneurial Action



Source: Dai, Wang, and Teo (2011).

118 ioral factors (e.g., motivation and desire for
 119 opportunity in the present study), personal
 120 internal psychological factors (e.g., self-efficacy),
 121 and environmental events (e.g., environmental
 122 influence) all operate as interacting determi-
 123 nants to each other (Bandura 1986). It explains
 124 how motivation (behavior), desire for opportu-
 125 nity (behavior), and self-efficacy (personal inter-
 126 nal psychological factors) are affected by the
 127 influence of the social environment in NMOs
 128 (Bandura 1986). SCT also suggests self-efficacy
 129 is critical for regulating the actions undertaken
 130 (Bandura 1997), which may in turn affect the
 131 actions undertaken (Wood and Bandura 1989).

132 However, self-efficacy is not fully sufficient in
 133 encouraging immigrants to conduct their NMB if
 134 they do not have the desire to pursue the oppor-
 135 tunity derived from an NMB (Krueger 1993). Fur-
 136 thermore, our literature review suggests that SCT
 137 does not specifically explain how the desire for
 138 opportunities interacts with actions undertaken.
 139 Without understanding this interaction, the
 140 dependent variable (performance outcomes) will
 141 not be addressed adequately and nor will the
 142 research question be answered properly. To
 143 explain the interaction between desire for oppor-
 144 tunity and actions undertaken, Theory of Planned
 145 Behavior (TPB) (Ajzen 1991) is introduced as a
 146 complementary theory.

147 TPB is designed to predict and explain human
 148 behavior in a specific context (Ajzen 1991). A
 149 central factor in this theory is the individual's
 150 intention to perform a given behavior. It postu-
 151 lates three conceptually independent determi-
 152 nants of intention: attitude toward the behavior,

153 subjective norm, and the degree of perceived
154 behavioral control (or self-efficacy). This theory
155 was used to develop the Entrepreneurial Inten-
156 tion Model (Krueger 2000). The Entrepreneurial
157 Intention Model suggests that an individual's
158 desire to pursue entrepreneurship and self-
159 efficacy determines his/her entrepreneurial inten-
160 tion (Krueger 2000). Researchers suggest entre-
161 preneurial intention leads to entrepreneurial
162 actions (Carsrud and Brannback 2011); however,
163 we argue that entrepreneurial actions determine
164 the performance (Kuratko, Ireland, and Hornsby
165 2001). In addition, TPB and SCT can be linked
166 by self-efficacy, as self-efficacy is a critical factor
167 in both TPB and SCT. Therefore, TPB is appro-
168 priate in explaining how the desire for opportu-
169 nity and self-efficacy determines the actions
170 undertaken by network marketers in their busi-
171 ness activities, which in turn are related to per-
172 formance outcomes (Kuratko, Ireland, and
173 Hornsby 2001).

174 Nevertheless, the disadvantage of TPB is that
175 this theory does not explain how the environ-
176 mental influence within NMO affects the factors
177 of an individual's desire for opportunity and
178 self-efficacy. Thus, it is necessary for the present
179 study to integrate SCT with TPB. The integration
180 of SCT with TPB will sufficiently address the
181 dependent variable (performance outcome).

182 Biggart (1989) points out the critical factor in
183 a network marketing firm's success is its ability
184 to engage the energies of thousands of people
185 and shape them into a highly productive organi-
186 zation (NMO). To effectively engage with their
187 salespersons, popular network marketing firms,
188 such as AMWAY, Mary Kay, Nu Skin, and Sha-
189 klee, along with their network entrepreneurs
190 organize many business or training events in
191 their markets every year (Bhattacharya and
192 Mehta 2000). By doing this, an energetic social
193 environment is developed within NMOs (Biggart
194 1989). It follows that the *influence of the social*
195 *environment* within an NMO will thereby affect
196 individual network entrepreneurs' behaviors
197 and personal factors (Bandura 1986).

198 In their study, Dai, Wang, and Teo (2011)
199 identified that the *influence of social environ-*
200 *ment* comprises three subvariables: *cohesion*
201 (Sparks and Schenk 2006), *peer influence*
202 (*encouragement and support between network*
203 *marketers*) (Biggart 1989), and *training*. Dai
204 et al. argue that the training provided by NMOs
205 is essential because many inexperienced individ-
206 uals pursue entrepreneurship via NMBs. A fea-
207 ture of the training undertaken in NMOs is that

most training programs are delivered by other 208
network entrepreneurs (Sparks and Schenk 209
2006). In their training sessions, network entre- 210
preneurs share their knowledge and skills and 211
encourage each other (Biggart 1989). Within 212
NMOs, competition is not encouraged (Sparks 213
and Schenk 2006), otherwise the training pro- 214
grams would not be successful. Therefore, cohe- 215
sion within an NMO is essential and peer 216
influences among an NMO should be consid- 217
ered. *Cohesion, peer influence, and training* 218
within an NMO are important for network entre- 219
preneurs in running their businesses (Dai, 220
Wang, and Teo 2011). Following the study by 221
Dai, Wang, and Teo (2011), the present study 222
defines the *influence of social environment* as 223
the effect of the social atmosphere on network 224
entrepreneurs' cognition and behaviors. *Social* 225
environment consists of three factors: training 226
(Dai, Wang, and Teo 2011), peer influence (Big- 227
gart 1989), and perceived cohesion (Sparks and 228
Schenk 2006). 229

Dai, Wang, and Teo (2011) suggest that the 230
influence of social environment (training, peer 231
influence, and perceived cohesion) positively 232
affect NMB-specific *self-efficacy*. Similar to the 233
study by Dai, Wang, and Teo (2011), NMB- 234
specific *self-efficacy* is defined as a network 235
entrepreneur's belief in their ability to attain the 236
expected results when conducting NMB activ- 237
ities. Empirical support in the study of Dai et al. 238
shows that that NMB specific self-efficacy is 239
comprised of two subfactors: *degree of easiness* 240
and *confidence*. The researchers used the *degree* 241
of easiness to investigate network entrepre- 242
neurs' perception of the difficulties conducting 243
NMB activities (e.g., introducing business 244
opportunities to prospects and selling products 245
to customers). *Confidence* was used to investi- 246
gate network entrepreneurs' assurance in oper- 247
ating their business successfully. 248

SCT suggests that an individual's self-efficacy 249
is related to the attainments of others in that 250
"seeing or visualizing people similar to oneself 251
perform successfully typically raises efficacy 252
beliefs in observers that they themselves possess 253
the capabilities to master comparable activities" 254
(Bandura 1997, p. 87). People appraise their 255
capabilities in relation to the performance and 256
attainment of others (Bandura 1997); that is, 257
social comparison operates as a primary factor 258
in the self-appraisal of capabilities (Bandura 259
1997). Therefore, Chinese immigrants' self- 260
efficacy in establishing successful NMBs is 261
affected by their social environment. 262

263 The philosophy of “anyone can do it” pro- 315
264 moted in NMOs (Biggart 1989; Pratt 2000) has 316
265 attracted many inexperienced Chinese immi- 317
266 grants to NMBs in their new home countries 318
267 (Lin 2007). To equip inexperienced network 319
268 entrepreneurs with the required business 320
269 knowledge and skills, training programs are 321
270 provided and peer support/influence is encour- 322
271 aged within NMOs (Sparks and Schenk 2006). 323

272 The training programs offered by NMOs pro- 324
273 vide two sources for trainees to raise their self- 325
274 efficacy. First, they provide opportunities for 326
275 trainees to be exposed to successful network 327
276 marketers and obtain vicarious experiences 328
277 (Bandura 1986). Second, they let trainees prac- 329
278 tice business skills and gain knowledge to 330
279 obtain mastery experience (Bandura 1986). 331
280 Vicarious experiences and mastery experiences 332
281 are two sources of self-efficacy (Bandura 1997). 333
282 Therefore, we argue that the training programs 334
283 offered by NMOs positively impact on Chinese 335
284 immigrant network entrepreneurs’ self-efficacy. 336
285 This argument implies that the influence of the
286 social environment in an NMO positively affects
287 Chinese immigrant network entrepreneurs’ self-
288 efficacy. Thus, the following is hypothesized:

*H1: The influence of the social environment
(training, peer influence, and perceived cohe-
sion) is positively associated with immigrant
network entrepreneurs’ self-efficacy in con-
ducting NMB activities.*

293 Network entrepreneurs who possess a high 339
294 level of self-efficacy will stay in their business 340
295 longer (Bandura 1997). Individuals tend to 341
296 avoid tasks in which they have low self-efficacy 342
297 and, conversely, are drawn toward tasks for 343
298 which they have high self-efficacy (Bandura 344
299 1986; Forbes 2005). However, self-efficacy is 345
300 not fully sufficient to encourage immigrants to 346
301 conduct NMBs if they do not have the desire for 347
302 the opportunity (Krueger 1993). Desire for prof- 348
303 itable opportunities is an important trait of 349
304 entrepreneurs (McMullen and Shepherd 2006). 350
305 Following Krueger (1993), a network entrepre- 351
306 neur’s desire for opportunity is defined as the 352
307 degree to which he/she finds the prospect of 353
308 conducting an NMB to be attractive; in essence, 354
309 it reflects one’s desire for opportunities derived 355
310 from an NMB. This desire can be influenced by 356
311 group norms (Sekerka and Bagozzi 2007) and 357
312 the social environment (Malhotra 2010).

313 Within NMOs, social events are hosted regu- 361
314 larly and successful network entrepreneurs 362
363

share their personal stories in an emotional 315
manner with others to promote entrepreneurial 316
opportunities derived from NMBs in NMOs 317
(Biggart 1989; Sparks and Schenk 2006). The 318
general impression of network entrepreneurs is 319
of a group of disadvantaged people who are apt 320
to be influenced by such entrepreneurship pro- 321
motions (Kuntze 2001). Immigrants are com- 322
monly considered to be disadvantaged in terms 323
of pursuing employment opportunities in their 324
host country (Chaganti and Greene 2002). Chi- 325
nese immigrants’ desire for opportunities is 326
influenced by the social environment of NMOs 327
(Lin 2007) as they use the social events as an 328
opportunity to socialize with others from similar 329
cultural backgrounds. Adopting a SCT lens, this 330
study expects the influence of the social envi- 331
ronment in NMOs to be positively related to 332
immigrant network entrepreneurs’ desire for 333
opportunities derived from conducting NMB 334
activities. The following is, therefore, 335
hypothesized: 336

*H2: The influence of the social environment is
positively associated with immigrant network
entrepreneurs’ desire for opportunity.*

TPB (Ajzen 1991) and the literature on entre- 339
preneurial intention (Krueger 2000) suggest that 340
entrepreneurial intention is determined by both 341
self-efficacy and the desire to pursue entrepre- 342
neurship. Entrepreneurial intention is the single 343
best predictor of entrepreneurial action (Carsrud 344
and Brannback 2011; Choo and Wong 2006). 345
Furthermore, an individual’s beliefs in his/her 346
efficacy influences the course of action he/she 347
chooses to pursue, how much effort he/she puts 348
into the given endeavors, and how long he/she 349
perseveres in the face of obstacles and failures 350
(Bandura 1997). Self-efficacy is also associated 351
with entrepreneurship (Trevelyan 2011). Self- 352
efficacy has been found to be a determinant of 353
the extent of on-going involvement with net- 354
work marketing activities by network entrepre- 355
neurs (Dai, Wang, and Teo 2011). Thus, the 356
following hypothesis is proposed: 357

*H3: There is a positive relationship between
immigrant network entrepreneurs’ self-
efficacy and actions undertaken in conduct-
ing NMB activities.*

TPB suggests that attitude is the first determi- 361
nant of behavioral intentions (Carr and Sequeria 362
2007). Attitude represents the attractiveness of 363

364 behavior (Ajzen 1991) and is one of the best
365 predictors of desire (Armitage and Conner
366 2001). Attitude has also been defined by
367 Krueger (2000) as the desire to pursue an entre-
368 preneurial opportunity by starting a new
369 venture.

370 Although previous research on entrepreneurial
371 intention (Krueger 2000) has not addressed
372 the relationship between desirability and entre-
373 preneurial action, we argue that the desire for
374 entrepreneurship is positively related to entre-
375 preneurial actions (Choo and Wong 2006). As
376 can be seen by SCT, an individual's desire for
377 opportunity is regarded as a personal and cogni-
378 tive factor (Bandura 1986) while entrepreneurial
379 action is considered a behavioral factor. These
380 two factors have a reciprocal relationship
381 (Bandura 1986), which means the higher the
382 level of desire for opportunity an individual has,
383 the more actions he/she will undertake in con-
384 ducting his/her NMB activities. Therefore, the
385 following is hypothesized:

*H4: There is a positive relationship between
386 immigrants' desire for opportunity and
387 actions undertaken in conducting NMB
388 activities.*

389 Bandura (1986) argues that actions that bring
390 rewards are generally repeated, whereas those
391 that bring unrewarding or punishing outcomes
392 tend to be discarded. Social reactions are the
393 predictors of primary consequences: people will
394 do things for the approval of others and refrain
395 from actions that arouse the wrath of others
396 (Bandura 1986). Individuals are affected by
397 rewards and punishments (Noe 1986; Taormina
398 and Lao 2007); therefore, this research argues
399 that an individual's motivation to pursue his/her
400 goals is affected by the influence of the social
401 environment.

402 Symbolic Self-Completion Theory can be
403 used to explain the reasons why network mar-
404 keters engage in their businesses. This theory
405 argues that important symbols (such as indica-
406 tors of self-definition) are used by individuals to
407 define themselves as competent and accom-
408 plished (Wicklund and Gollwitzer 1981). Kuntze
409 (2001) claims that network marketers are entre-
410 preneurial dreamers rather than real entrepre-
411 neurs, because they are motivated extrinsically
412 to pursue the title of entrepreneurship over
413 actually doing what it entails. Therefore, extrin-
414 sic motivation is an aspect of motivation for Chi-
415 nese immigrants to conduct an NMB.

The literature also suggests that successful
416 network marketers are motivated intrinsically
417 (Groß 2010) to pursue entrepreneurship (Lin
418 2007; Sparks and Schenk 2006). The need to
419 establish a successful business (Lin 2007), need
420 for identification (Sparks and Schenk 2006), and
421 spiritual satisfactions (Groß 2010) are traits
422 identified among successful network marketers,
423 which are similar to entrepreneurial traits (such
424 as the need for achievement, the need for inter-
425 nal locus of control, and the need for autonomy)
426 identified by previous studies (Collins, Hanges,
427 and Locke 2004). All of these are examples of
428 intrinsic motivation (Ryan and Deci 2000),
429 which "refers to doing something because it is
430 inherently interesting or enjoyable" (Ryan and
431 Deci 2000, p. 55). Therefore, we argue that Chi-
432 nese immigrants possess a level of intrinsic
433 motivation which is essential in conducting
434 NMB in the host country.

435 Researchers explain the main reason immi-
436 grants pursue self-employment businesses in
437 their new country is because of their lack of
438 advantages in the labor market caused by their
439 inadequacy in their new home country's lan-
440 guage, their lack of education and specific
441 career-related skills, and the depreciation of
442 human capital (Sequeira and Rasheed 2006).
443 These explanations are supported by the litera-
444 ture on necessity entrepreneurship (Bergmann
445 and Sternberg 2007). Necessity theory suggests
446 immigrant entrepreneurs are pushed into entre-
447 preneurship because they have no better
448 choices for working or making a living (Henrek-
449 son 2005). NMOs promote themselves as an
450 opportunity for ordinary individuals who lack
451 resources and/or required skills to establish
452 their own small businesses (Biggart 1989).
453 Therefore, the attractiveness of an NMB is
454 another factor that motivates Chinese immi-
455 grants to pursue NMBs.

456 Thus, we argue that the motivation for Chi-
457 nese immigrants to pursue NMBs is composed
458 of extrinsic and intrinsic motivation. The present
459 study defines the motivation for individuals to
460 pursue NMBs as internal and external factors
461 that stimulate the desire and energy of network
462 entrepreneurs to be continually interested and
463 committed to NMBs. This motivation is affected
464 by the influence of the social environment of
465 the NMO (Bandura 1986). In this study, the fol-
466 lowing hypothesis is proposed:

*H5: There is a positive relationship between the
467 influence of the social environment within an*

469 *NMO and immigrant network entrepreneurs'*
470 *motivations in conducting their NMB*
471 *activities.*

472 Researchers suggest individuals with a strong
473 need for achievement are more likely to seek
474 entrepreneurial opportunities (Zhao and Seibert
475 2006). This need for achievement can be
476 expressed as a desire to be successful in a com-
477 petitive situation (Rahman and Rahman 2011).
478 Therefore, the following hypothesis is
479 proposed:

H6: There is a positive relationship between
480 *immigrant network entrepreneurs' motivation*
481 *and their desire for opportunities.*

482 Bandura (2001) asserts individuals select a
483 course of action within their perceived capabil-
484 ities. An individual's level of motivation is based
485 more on what he/she believes than on what is
486 objectively true (Bandura 1997); therefore, the
487 present study argues that there is a positive rela-
488 tionship between self-efficacy and motivation.
489 This argument is supported by empirical studies
490 in the area of workplace training (Tai 2006;
491 Tracey et al. 2001). Tai (2006) demonstrated
492 that a trainee's self-efficacy belief is positively
493 influenced his/her motivation to learn. Tracey
494 et al.'s (2001) study showed that trainees' pre-
495 training self-efficacy positively influences their
496 pretraining motivation to learn. Thus, this study
497 argues motivation is positively related to self-
498 efficacy. Therefore the following hypothesis is
499 proposed:

H7: There is a positive relationship between the
500 *self-efficacy of immigrant network entrepre-*
501 *neurs and immigrant network entrepreneurs'*
502 *motivation.*

503 Our literature review suggests that the opera-
504 tions of an NMB are composed of collective ori-
505 ented operations and individual oriented
506 operations (Sparks and Schenk 2001, 2006). In
507 the collective oriented operations, network
508 entrepreneurs work collectively to share their
509 business skills and resources in operating their
510 NMBs (Bhattacharya and Mehta 2000). The
511 main purposes of the collective oriented opera-
512 tions are to motivate each other and train new
513 network entrepreneurs (Sparks and Schenk
514 2006). In the individual oriented operations,
515 each network entrepreneur is responsible for

his/her profit and cost, which directly relates to 516
business activities such as sales, new member 517
recruiting, and network constructions (Lin 518
2007). The main purpose of these operations is 519
to generate income (commission) (Harris 2004). 520
Therefore, the measurement for performance 521
outcome (financial achievement) should be 522
based on individual oriented operations. The 523
present study defines performance outcome as 524
financial results achieved by individual network 525
entrepreneurs. We argue that performance out- 526
come is positively related to actions undertaken 527
in conducting NMB activities (Kuratko, Ireland, 528
and Hornsby 2001). Therefore, the following 529
hypothesis is proposed: 530

H8: There is a positive relationship between
531 *actions undertaken in conducting NMB activi-*
532 *ties and performance outcome.*

533 **Methodology**

534 **Sample and Data Characteristics**

535 This study used two different sources of data:
536 perceptual data and objective performance data.
537 To make sure that the perceptual data and
538 objective performance data were matched, all
539 respondents were recruited from the same com-
540 pany. During our survey, we requested all
541 respondents to provide their unique identifica-
542 tion numbers issued by the company. With this
543 number, we were able to link the perceptual
544 data provided by each respondent to their
545 objective performance data obtained from the
546 company's database.

547 To ensure a representative sample, we care-
548 fully located a network marketing firm which
549 had the largest population of Chinese immigrant
550 network entrepreneurs in Australia. To collect
551 perceptual data (such as the influence of the
552 social environment, motivation, self-efficacy,
553 desire for opportunity, and actions undertaken),
554 questionnaires were randomly distributed and
555 personally collected at the front door of the net-
556 work marketing company's major training ven-
557 ues in the states of New South Wales, Victoria,
558 and Queensland. All respondents were volun-
559 teers. With the permission of the network mar-
560 keting firm and institutional ethics clearance,
561 objective performance data were obtained from
562 the company's database. The characteristics of
563 the sample are summarized and presented in
564 Table 1. It was found that most of the respon-
565 dents were socially disadvantaged individuals

Table 1
Demographic Characteristic of
Sampled Chinese Network
Marketers

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| Characteristics | Percentage |
|--|------------|
| Gender | |
| Male | 26.4 |
| Female | 73.6 |
| Marital status | |
| Single (Including Divorced) | 16.7 |
| Married (Include De Facto) | 77.5 |
| Divorced | 5.8 |
| Age | |
| 18–30 | 16.3 |
| 31–40 | 21.6 |
| 41–50 | 40.5 |
| 51–60 | 16.7 |
| >60 | 4.9 |
| Education | |
| School Certificate and Post School Diploma | 26 |
| Bachelor Degree | 48.5 |
| Post Graduate Certificate/Diploma | 4.9 |
| Master Degree | 12.8 |
| PhD Degree | 2.6 |
| English competency | |
| Don't Speak English At All | 9.7 |
| Some English | 39.2 |
| Competent | 38.3 |
| Proficient | 8.4 |
| Native | 0.9 |
| Sample Size | 227 |

Chinese immigrant network marketers who had been in an NMB for more than three years and built solid businesses (note: these participants were excluded from the path analysis). Each focus group had between six and eight participants. A pilot study was then conducted with 32 experienced Chinese immigrant network marketers (7 males and 25 females). The findings obtained suggested all items described were properly understood by participants, but the instructions for how to answer the questions were reworded. Exploratory factor analysis (EFA) was undertaken to identify and validate the scales used to measure the constructs in the path model. Confirmatory factor analysis (CFA) was then undertaken to examine the reflective scales. Sample items, together with the internal reliability coefficients, where appropriate, are reported in Appendix. Figure 2 shows the hypothesized path model.

Motivation (Formative Scale). In the current study, *motivation* for conducting an NMB was operationalized as a formative, second-order, latent construct. It comprised two first-order latent constructs (*intrinsic and extrinsic motivation*). The study utilized the scales developed by Kuntze (2001) to operationalize *extrinsic* (11 items) and *intrinsic* (9 items) motivation.

Influence of social environment (formative scale): Following Sparks and Schenk (2001, 2006) and Biggart (1989), “influence of social environment” comprise three reflective dimensions (training, peer influence, and perceived cohesion). Following Sparks and Schenk (2001, 2006), four items were used to measure cohesion and seven items were used to measure peer influence. Training was measured with the five-item scale from Dai, Wang, and Teo (2011).

Self-Efficacy (Reflective Scale). Items used to measure self-efficacy in this study were adopted from Dai, Wang, and Teo (2011) and they comprised two “dimensions”: *degree of easiness and confidence*. Results of the CFA indicated a good fit ($\chi^2 = 34.57$, $df = 19$, $p = .02$, CFI = 0.98, RMSEA = 0.07). Convergent and discriminant validity were established.

Desire for Opportunity (Reflective Scale). As there were no existing scales which measure NMO’s desire for opportunity in the literature, we adopted Krueger’s (1993) measurement of *desirability* which contains three subscales (*love, enthusiastic, and tense*) to operationalize

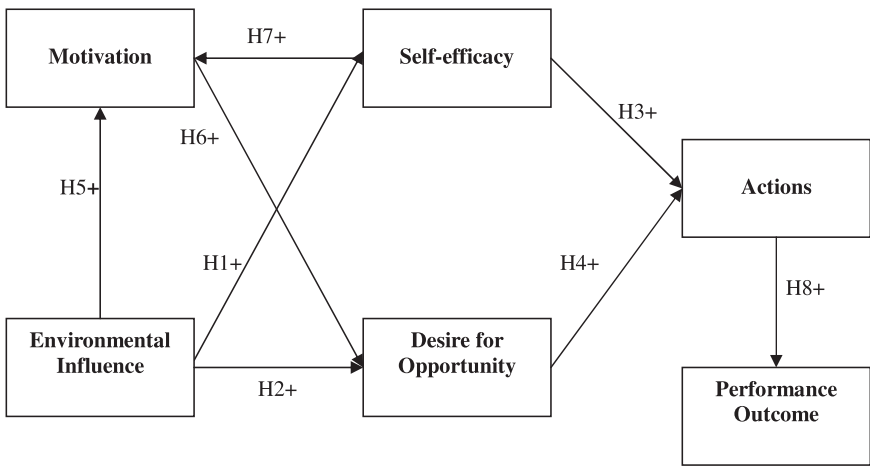
(for instance, 73.6 percent of the respondents were females, and less than 10 percent could speak English proficiently). This finding is consistent with other studies (e.g., Biggart 1989; Lin 2007) which argue that NMOs provide “an empowering tool” to socially disadvantaged individuals to pursue entrepreneurship.

Measures

Both validated and newly developed scales were used in the current study. The procedures set out in Turker (2009) to develop new scales and confirm existing ones were followed. The process included four focus groups and a pilot study. The participants in the focus groups were

AQ1276

Figure 2
Hypothesized Model



632 “*desire for opportunity*” scale. EFA showed that
 633 *desire for opportunity* comprised three factors,
 634 namely *love/enthusiastic, tense, and business*
 635 *attractiveness* subscale (four items) was adopted
 636 from Dai, Wang, and Teo (2011). This construct
 637 had good fit ($\chi^2 = 57.766$, $df = 40$, $p = .03$,
 638 CFI = 0.99, RMSEA = 0.05), and convergent and
 639 discriminant validity were established.

640 *Actions Undertaken (Reflective Scale)*. Following
 641 Dai, Wang, and Teo (2011), the actions under-
 642 taken by network marketers were measured
 643 with seven items. The actions were comprised
 644 of the number of hours spent on business activi-
 645 ties weekly, and the number of presentations
 646 and sales conducted weekly and monthly.

647 *Performance Outcome*. An objective perform-
 648 ance indicator was used as the dependent vari-
 649 able. This was operationalized by computing
 650 the natural logarithm of the average weekly
 651 financial income earned by the respondent in
 652 the past 10 weeks. The data were obtained from
 653 the network marketing firm’s accounting
 654 records.

655 **Measurement Analysis**

656 Considering a substantial proportion of the
 657 study’s model was constructed with unobserv-
 658 able variables measured by formative indicators,
 659 Partial Least Square (PLS) modeling was chosen
 660 as the statistical technique (Haenlein and Kaplan
 661 2004). PLS allows for the examination of both

latent and manifest variables simultaneously. 662
 PLS deals effectively with reflective and forma- 663
 tive scales, it is distribution free, and is a power- 664
 ful instrument for analyzing small samples (Chin 665
 1998). Although the measurement and structural 666
 parameters are estimated together, a PLS model 667
 is analyzed and interpreted in two stages: the 668
 assessment of the reliability and validity of 669
 the measurement model, and the assessment of 670
 the structural model. This sequence ensures 671
 that the constructs measured are valid and reli- 672
 able before attempting to draw conclusions 673
 regarding their relationships to one another 674
 (Brettel and Rottenberger 2013). 675

Tables 2 and 3 show the details of the analy- 676 T2 T3
 sis of the dimensionality, reliability, and validity 677
 of the scales. First, the study examined items 678
 and subconstruct reliability according to load- 679
 ing. Although one item from action and one 680
 subconstruct from motivation had loading val- 681
 ues less than 0.7, they were not eliminated as 682
 they were formative indicators (Petter, Straub, 683
 and Rai 2007). In addition, the average variance 684
 extracted (AVE) of the construct were greater 685
 than the critical value of 0.5 (Fornell and 686
 Larcker 1981). Therefore, the convergent valid- 687
 ity of the construct was satisfactory. The com- 688
 posite reliability of all scales was greater than 689
 the recommended value of 0.6 (Bagozzi and Yi 690
 1988; Fornell and Larcker 1981). 691

A criterion to confirm discriminant validity is 692
 that the square root of a construct’s AVE should 693

Table 2
Reliability and Validity of the Measurement Model^a

| | Loading | t-Value | Composite Reliability | AVE |
|--|---------|---------|-----------------------|------|
| Actions | | | 0.91 | 0.59 |
| Hours per week devoted to distributorship work | 0.85 | 51.45 | | |
| Hours per week devoted to presenting products and business opportunities to others | 0.86 | 45.54 | | |
| Hours per week devoted to motivating and training new network marketers | 0.84 | 36.32 | | |
| Hours per week devoted to learning business skills and knowledge | 0.66 | 13.13 | | |
| Hours per week devoted to customer services | 0.71 | 15.00 | | |
| Number of presentations conducted per week | 0.76 | 24.46 | | |
| Number of sales workshops held per month | 0.65 | 15.74 | | |
| Desire for Opportunity | | | N/A | N/A |
| Tense (Three items) | 0.81 | 19.16 | | |
| Love/Enthusiastic (Four items) | 0.89 | 40.45 | | |
| Establishing Business (Four items) | 0.39 | 4.37 | | |
| Self-efficacy | | | 0.85 | 0.75 |
| Degree of Easiness (Four items) | 0.82 | 21.60 | | |
| Confidence (Four items) | 0.91 | 51.80 | | |
| Influence of Social Environment | | | N/A | N/A |
| Cohesion (Four items) | 0.75 | N/A | | |
| Peer Influence (Seven items) | 0.79 | N/A | | |
| Training (Five items) | 0.86 | N/A | | |
| Motivation [formative] | | | N/A | N/A |
| Intrinsic Motivation (Nine items) | 0.72 | N/A | | |
| Extrinsic Motivation (11 items) | 0.43 | N/A | | |

^aN/A, not applicable as these are formative constructs.

694 be greater than its bivariate correlation with
695 other constructs in the model (Fornell and
696 Larcker 1981). Table 3 shows that the discriminant
697 validity was satisfied as the square root of
698 the AVEs was greater than the intercorrelation
699 coefficients. The formative construct for multicollinearity
700 was also tested using variance inflation factors (Diamantopoulos and Winklhofer
701 2001), and in all cases, as the values were below
702 the cutoff threshold of 3.33, multicollinearity
703 was of no major concern (Cenfetelli and Basselier 2009).
704
705

706 **Results**

707 **Evaluation of Structure Model**

708 Model estimation was undertaken utilizing
709 *SmartPLS 2.0* (Ringle, Wende, and Will 2005).
F3 710 Figure 3 shows the results. The significance of

the coefficients was obtained by means of a
711 bootstrap of 1,000 subsamples (Chin 1998). To
712 further estimate the structural model, global
713 criterion of goodness of fit (GoF) index (Tenenhaus et al. 2005) was computed. A GoF index of
714 0.444 indicated that the data had a high level
715 of GoF with the model (Wetzels, Odekerken-Schröder, and Oppen 2009, p. 187).
716
717
718

719 **Testing of Hypotheses**

720 Table 4 summarizes the results obtained in
721 the testing of the hypotheses. The path leading
722 from the influence of social environment to self-
723 efficacy was positive and statistically significant
724 ($\beta = 0.30, t = 3.19, p < .01$). Hence, H1 was supported. The path from the influence of social
725 environment to desire for opportunities was
726 positive and statistically significant ($\beta = 0.47, t = 8.10, p < .001$), thus providing support for
727
728

Table 3
Means, Standard Deviations, and Correlations^a

| | Mean | S.D. | α | 1 | 2 | 3 | 4 | 5 | 6 |
|---|-------|-------|----------|-------------|-------------|-------------|---------|-------|------|
| 1. Actions Undertaken | 17.18 | 6.22 | 0.91 | 0.77 | | | | | |
| 2. Desire for Opportunity | 60.56 | 8.05 | 0.75 | 0.44*** | 0.73 | | | | |
| 3. Self-Efficacy | 33.01 | 7.90 | 0.85 | 0.44*** | 0.42*** | 0.86 | | | |
| 4. Influence of Social Environment ^b | 43.61 | 4.89 | - | 0.23*** | 0.54*** | 0.26*** | 1.00 | | |
| 5. Motivation ^b | 67.44 | 12.11 | - | 0.30*** | 0.42*** | 0.42*** | 0.40*** | 1.00 | |
| 6. Performance Outcome (log) | 4.66 | 1.55 | - | 0.58*** | 0.37*** | 0.31*** | 0.15* | 0.14* | 1.00 |

^aDiagonal values show the square of the AVE for reflective scales.

^bDenotes formative scales.

-, not applicable.

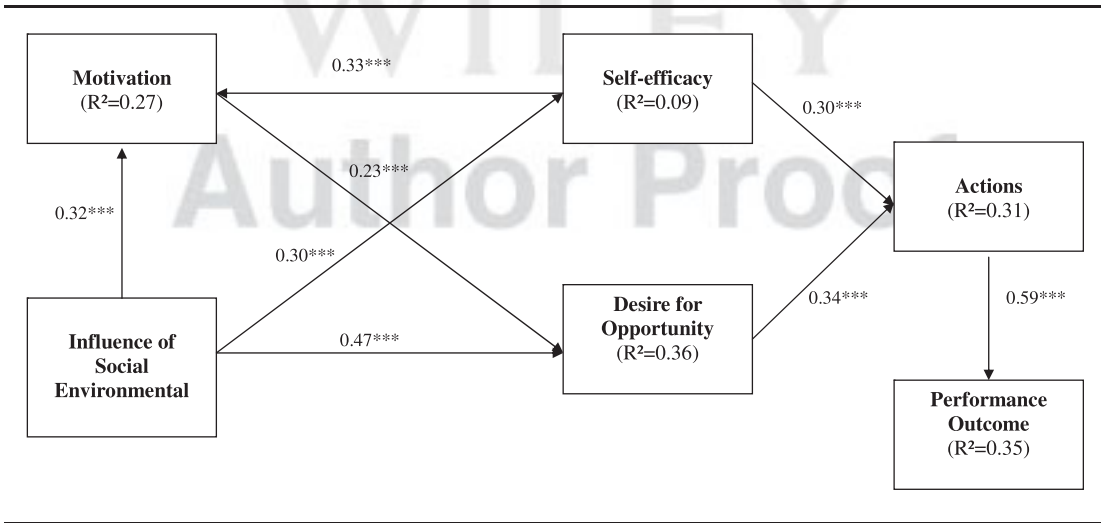
* $p < .05$.

** $p < .01$.

*** $p < .001$.

AQ21

Figure 3
Significance of Path Estimates



** $p < .01$; *** $p < .001$.

729 H2. H3 was supported as there was a positive
 730 and statistically significant path from self-
 731 efficacy to actions ($\beta = 0.30, t = 3.72, \rho < .001$).
 732 The path from desire for opportunities to action
 733 was found to be positive and statistically signifi-
 734 cant ($\beta = 0.34, t = 4.77, \rho < .001$), thus H4 was
 735 supported. The path from the influence of social
 736 environment to network entrepreneur's motiva-

tion was found to be positive and statistically 737
 significant ($\beta = 0.32, t = 4.71, \rho < .001$), thus H5 738
 was supported. The path from network entre- 739
 740 preneurs' motivation to the desire for opportuni-
 741 ties was found to be positively and statistically
 742 significant ($\beta = 0.23, t = 3.19, \rho < .001$), thus H6
 743 was supported. H7 was supported, as the path
 744 from self-efficacy to network entrepreneurs'

Table 4
Results of Hypotheses Tests

| | Path Coefficients | t-Statistic | ρ-Value |
|--|-------------------|-------------|---------|
| H1: Influence of Social Environment → Self-Efficacy | 0.29 | 4.76 | *** |
| H2: Influence of Social Environment → Desire for Opportunity | 0.42 | 8.10 | *** |
| H3: Self-Efficacy → Actions | 0.30 | 3.72 | *** |
| H4: Desire for Opportunity → Actions | 0.34 | 4.77 | *** |
| H5: Influence of Social Environment → Motivation | 0.32 | 5.77 | *** |
| H6: Motivation → Desire for Opportunity | 0.25 | 3.19 | ** |
| H7: Self-Efficacy → Motivation | 0.33 | 4.71 | *** |
| H8: Actions → Performance | 0.59 | 16.09 | *** |

AQ22 **p* < .05.
 ***p* < .01.
 ****p* < .001.

745 motivation was positive and statistically signifi- 777
 746 cant ($\beta = 0.33, t = 5.77, \rho < .001$). The path from 778
 747 action to performance outcome was found to be 779
 748 positive and statistically significant ($\beta = 0.59,$ 780
 749 $t = 15.68, \rho < .001$), hence H8 was supported. 781

750 **Discussion and Conclusion**

751 NMOs provide “an empowering tool” to 783
 752 socially disadvantaged individuals, such as 784
 753 females (Biggart 1998) and immigrants (Lin 785
 754 2007), and motivate them to pursue entrepre- 786
 755 neurship via NMB and take charge of their own 787
 756 life. This study aimed to examine the factors 788
 757 influencing the performance outcome of Chi- 789
 758 nese immigrants in NMBs. The findings sug- 790
 759 gested that the performance outcome of 791
 760 Chinese immigrant network marketers was 792
 761 influenced by the actions they undertook when 793
 762 conducting NMB activities. According to the 794
 763 findings, the more actions that were under- 795
 764 taken, the better was the performance outcome 796
 765 achieved. The analysis also suggested the 797
 766 actions undertaken were connected to Chinese 800
 767 immigrant network marketers’ self-efficacy, their 801
 768 desire for opportunity from an NMB, their moti- 802
 769 vation to conduct NMB activities, and the influ- 803
 770 ence of the social environment in NMOs. The 804
 771 results indicated that an increase in self-efficacy 805
 772 and the desire for opportunity increased the 806
 773 number of actions undertaken. The results also 807
 774 indicated that desire for opportunity was posi- 808
 775 tively affected by the influence of the social 809
 776 environment within NMOs, and this desire for 810

777 opportunity was affected by the motivation to 778
 779 conduct NMB activities. It appeared that motiva- 780
 781 tion to conduct NMB activities was also posi- 782
 783 tively affected by the influence of the social 784
 785 environment and self-efficacy. 786

787 The findings obtained in this study corrobo- 788
 789 rate those in the literature and have several 790
 791 important theoretical and practical implications. 792
 793 The study shows that network marketers work 794
 795 together in a cohesive manner, despite being 796
 797 responsible for their individual profit and cost 798
 799 (Biggart 1989). Also in support of the literature 800
 801 (see Biggart 1989; Sparks and Schenk 2006), it 802
 803 was found that ethnic Chinese network market- 804
 805 ers work together by influencing and training 806
 807 each other in the required capabilities. The 808
 809 social environment within NMOs positively 809
 810 influences network marketers’ motivation, self- 810
 811 efficacy and desire for opportunity, thus provid- 811
 812 ing support for Bandura’s (1986) SCT. 812

813 This study demonstrates that the self-efficacy 814
 815 and desire for opportunity of Chinese network 815
 816 marketers positively influence their actions in 816
 817 pursuing NMB activities. This finding is consist- 817
 818 ent with the ethnic entrepreneurship model pro- 818
 819 posed by Krueger (2000). The study also 819
 820 demonstrates that marketers’ activities lead to a 820
 821 higher level of objective performance outcome, 821
 822 a finding that corroborates the findings of Kur- 822
 823 atko, Ireland, and Hornsby (2001), Sparks and 823
 824 Schenk (2006), and Lin (2007). 824

825 The present study provides empirical support 825
 826 for understanding the antecedents and conse- 826
 827 quences of NBM participation by Chinese 827

811 immigrants in Australia. The findings suggest
812 that the social environment has a positive influ-
813 ence on network marketers' desire for opportu-
814 nity, and the positive influence of the social
815 environment on motivation is positively medi-
816 ated by network marketers' self-efficacy. The
817 findings also suggest that self-efficacy and desire
818 for opportunity positively affect actions under-
819 taken, which in turn positively determine per-
820 formance outcomes.

821 The present study provides new theoretical
822 insights. First, a contribution to the literature is
823 made by showing the influence of the social
824 environment on the desire for opportunity. This
825 finding shows that there is support for SCT
826 (Bandura 1986). SCT suggests that environmen-
827 tal events, behavior, and personal factors all
828 operate as interacting determinants of each
829 other. This study presents specific definitions of
830 environmental events as they influence the
831 social environment, which is comprised of three
832 subfactors: training, peer influence, and cohe-
833 sion. The study also defines the specific mean-
834 ings of behaviors and personal factors as
835 motivation, desire for opportunities, and NMB
836 specific self-efficacy. These findings show how
837 the influence of the social environment within
838 NMOs positively impacts on the desire for
839 opportunity and supports SCT (Bandura 1986).
840 One of this study's contributions to Bandura's
841 (1986) study is that it provides empirical evi-
842 dence to demonstrate environmental events
843 (influence of social environment) and deter-
844 mines behaviors (motivation and desire for
845 opportunity). The other contribution made is
846 that the study provides empirical evidence to
847 show that the personal factor (self-efficacy)
848 determines the behavior (motivation).

849 The present study shows that entrepreneurial
850 intention is the single best predictor of entrepre-
851 neurial action (Choo and Wong 2006). The
852 entrepreneurial actions undertaken in the con-
853 text of NMBs can be predicated by the desire
854 for opportunity and self-efficacy. This study pro-
855 vides empirical evidence to support this argu-
856 ment and contributes to the findings of the
857 studies of Krueger, Reilly, and Carsrud (2000)
858 and Choo and Wong (2006).

859 This study integrates SCT (Bandura 1986)
860 with TPB (Ajzen 1991) to explain the relation-
861 ships between the influence of the social envi-
862 ronment and self-efficacy, the desire for
863 opportunity, and actions undertaken in the con-
864 text of NMOs that have so far been elusive. Pre-
865 vious researchers suggest that network

866 marketers are independent small business own- 866
867 ers (Biggart 1998; Harris 2004), but they work 867
868 collectively in operating their businesses under 868
869 the cohesive social environment within the 869
870 NMO (Sparks and Schenk 2006). This study sug- 870
871 gests that training and peer influence within the 871
872 cohesive social environment of an NMO raises 872
873 network marketers' self-efficacy and desire for 873
874 opportunity, which in turn increases the actions 874
875 undertaken and leads to better performance 875
876 outcomes. 876

877 The model developed in this study suggests 877
878 if individuals work together in a group and 878
879 form a social environment characterized by 879
880 training, peer influence, and cohesion, then 880
881 they will be more motivated and their self- 881
882 efficacy and desire for opportunity to be suc- 882
883 cessful will be at a higher level. As a result, indi- 883
884 viduals will develop the competence to take the 884
885 necessary actions in conducting their business 885
886 activities. 886

887 Individual network marketers may also gain 887
888 benefits from this study. This study suggests 888
889 that network marketers should work with others 889
890 to create a favorable social environment within 890
891 NMOs when they are building their own NMBs. 891
892 In addition, immigrants who lack resources may 892
893 be informed by this study to establish their own 893
894 NMB using the collective power of immigrants. 894

895 A NMB is a home-based business (Biggart 895
896 1989); hence, most of the business owners are 896
897 housewives who need to look after their fami- 897
898 ly's lives as well their business (Biggart 1989). 898
899 The female dominant sample implies that the 899
900 findings obtained in the present study reflect 900
901 the truth of the network marketing industry 901
902 (World Federation of Direct Selling Association 902
903 2014). However, to generalize these findings to 903
904 a non-network marketing industry more 904
905 research/theorizing should be undertaken. 905

906 **Managerial and Practical Implications** 906

907 The present study provides several manager- 907
908 ial and practical implications. First, the results 908
909 obtained may assist managers of NMBs to 909
910 understand the behaviors of their network mar- 910
911 keters in operating their businesses. With such 911
912 an understanding, managers can invest in proj- 912
913 ects that train ethnic Chinese network marketers 913
914 to conduct an NMB. This will allow the creation 914
915 of a cohesive social environment, which is 915
916 essential for improving the confidence and com- 916
917 petence of network marketers. This cohesive 917
918 social environment will reinforce the self- 918
919 efficacy and confidence of these immigrants in 919

920 undertaking entrepreneurial activities in a coun-
 921 try dissimilar to their country of origin. Network
 922 marketers may gain potential benefits from this
 923 study. Some network marketers dislike partici-
 924 pating in business events (Pratt 2000) because
 925 they cannot perceive the values of these events.
 926 By learning from the findings from the present
 927 study, these network marketers may be more
 928 willing to work together with other network
 929 marketers, such as learning business skills and
 930 becoming more confident in running their NMB.

931 **Limitations and Future Study**
 932 **Implications**

933 Despite specific contributions made, this
 934 study has its limitations. First, the sample was
 935 limited to Chinese immigrants in selected Aus-
 936 tralian states (New South Wales, Queensland,
 937 and Victoria). To generalize the findings of this
 938 study, more studies with heterogeneous sam-
 939 ples, such as network entrepreneurs from other
 940 ethnicities and different host countries, should
 941 be examined. Like all cross-sectional research,
 942 the primary data in the current study was col-
 943 lected at a single point in time with a survey
 944 questionnaire. Therefore, the current research
 945 cannot explain the effect of time on the relation-
 946 ship posited in the model (Bryman and Bell
 947 2007).

948 It is important that future research continues
 949 in this direction with further extension of the
 950 current study. Future research may consider
 951 moderating or mediating factors such as social
 952 skills to extend the current model. Social skills
 953 are an individual's ability to successfully inter-
 954 pret and manage social interactions (Witt and
 955 Ferris 2003). They allow individual network
 956 marketers to participate cohesively in the social
 957 environment of NMBs.

958 In summary, the current study has sought to
 959 identify the factors that determine the perform-
 960 ance of Chinese immigrants in NMOs. Results of
 961 the path analysis provide support for integrating
 962 the SCT with a TPB lens to show the positive
 963 effects of the social environment within NMOs
 964 in influencing the self-efficacy and desire for
 965 opportunity and motivation of Chinese network
 966 marketers, and the continued participation in
 967 NMB activities. Together, these were found to
 968 positively result in a higher level of performance
 969 outcomes. The current study contributes to a
 970 better understanding of the management of
 971 NMOs.

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Appendix : Sample Items 1228
Used in the Questionnaire 12A Q23
Influence of Social Environment 1230
[Formative Scale] 1231

For each statement below, 1 = strongly dis- 1232
 agree ... 5 = strongly agree 1233

- (1) *Peer influence* (reflective subscale, 1234
 $\alpha = 0.91$) 12A Q24
- My sponsor and other uplines lead by 1236
 "doing" rather than "telling" 1237
 - My sponsor and other uplines are an 1238
 excellent source of information about 1239
 being a successful member of this NMO 1240














| | | | |
|------|---|--|------------------------------|
| 1241 | (2) <i>Training</i> (reflective subscale, $\alpha = 0.87$) | For each statement above, 1 = not enthusiastic at all ... 5 = very enthusiastic | 1279 1280 |
| 1242 | • Training provided by this NMO is essential for me to operate my NMB | | |
| 1243 | | | |
| 1244 | • The training I receive in this NMO is effective | | |
| 1245 | | | |
| 1246 | (3) <i>Cobesion</i> (reflective subscale, $\alpha = 0.81$) | • How tense would you be in sharing the opportunity of the NMB with others? • How tense are you in conducting your current NMB? | 1282 1283 1284 1285 |
| 1247 | • The members of my organization are very cooperative with each other | For each statement above, 1 = not tense at all ... 5 = very strongly tense | 1286 1287 |
| 1248 | | | |
| 1249 | • There is a great deal of trust among fellow members in my organization | (3) <i>Business Attractiveness</i> (reflective subscale, $\alpha = 0.79$) | 1288 1289 |
| 1250 | | | |
| 1251 | Self-Efficacy [Reflective Scale] | | |
| 1252 | (1) <i>Degree of easiness</i> (reflective subscale, $\alpha = 0.89$) | • To start up my own business without financial pressure • To start up my own small business with the lowest investment and risks | 1290 1291 1292 1293 |
| 1253 | | | |
| 1254 | | | |
| 1255 | • How easy do you think it would be to introduce your current NMB to others? | | |
| 1256 | | | |
| 1257 | • How easy do you think it would be to sell the products to others? | | |
| 1258 | | | |
| 1259 | | | |
| 1260 | For each statement above, 1 = very difficult ... 5 = very easy | Motivation [Formative Scale] | 1294 |
| 1261 | | For each statement below, "1" = it is not a motivation for me at all ... "5" = it is a very important motivation for me. | 1295 1296 1297 |
| 1262 | (2) <i>Confidence</i> (reflective subscale, $\alpha = 0.86$) | (1) <i>Extrinsic motivation</i> (formative subscale) | 1298 |
| 1263 | • Do you know enough to conduct a NMB? | • To make a lot of money | 1299 |
| 1264 | | • To have influence over and create a positive impact upon my community | 1300 1301 |
| 1265 | • How sure are you of yourself in communicating with others effectively? | (2) <i>Intrinsic motivation</i> (formative subscale) | 1302 |
| 1266 | | • For personal accomplishment | 1303 |
| 1267 | | • To have fun | 1304 |
| 1268 | For each statement above, 1 = not confident at all ... 5 = very confident | | |
| 1269 | | | |
| 1270 | Desire for Opportunity [Reflective Scale] | | |
| 1271 | (1) <i>Love and enthusiastic</i> (reflective subscale, $\alpha = 0.87$) | Actions Undertaken [Reflective Scale] | 1305 |
| 1272 | | • Hours per week devoted to distributorship work | 1307 1308 |
| 1273 | | • Number of presentations conducted per week | 1309 1310 |
| 1274 | • I would love to conduct my current NMB | | |
| 1275 | | | |
| 1276 | • How enthusiastic would you be in sharing the products sold by this NMO with others? | | |
| 1277 | | | |
| 1278 | | | |













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