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(IJEMP)**www.gaexcellence.com/ijemp**EXPLORING THE LEADERSHIP STYLES AMONG THE
MULTI-LEVEL MARKETING (MLM) LEADERS IN
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Abstract:

The long-term sustainability of Multi-Level Marketing (MLM) industry are strongly depending on proficient and skilfulness of MLM leader's leadership, in which led to stronger growth network and market expansion. Although MLM industry provide long-term sustainability in market and key contribute Malaysia economy, but this industry still faced some key challenges, such as negative perception among community as money laundering business, no proper structured succession planning and lack of qualitative research. Therefore, this research resolves the issue by exploring the leadership styles adopted by MLM leaders in Malaysia. This study utilizes a single case study approach by using semi-structured interviews and focus group discussion. This research examined 10 key leadership styles as well as determine beyond leadership styles factors that contribute long-term sustainability in MLM industry. The results shows that transformational, coaching and servant leadership styles are the most dominant leadership styles as well as product quality are playing the role for the industry sustain in long-term. This research blending of three key theories to offer a comprehensive model of MLM leadership, which include of Leader-Member Exchange (LMX) Theory, Contingency Theory and Resource Based View (RBV) Theory. The findings also provide practical contributions to MLM practitioners, government regulators, and academic institutions to better understand and professionalize the industry leadership practices.

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Keyword:

Business Sustainability, Leadership Styles, Malaysia, Multi-Level Marketing (MLM), Qualitative Case Study.



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Introduction

The conceptualization of leadership has been rapidly evolving over the last century, from the “Great Man” theory in the early 1900s to the human-centric technologically combining of “Leadership 5.0” theory in 2026. These transformations of over a century, created the viewed and meaning of leadership been changing drastically across the year, from portrait a leader as hero, intrinsic and by born trait as leadership. However, due to global changes and sustainability of competitive advantages needed a leader who are sustainable, systematically and collaboratively behavioural framework. As supported by Whitehead et al. (2025), Ahmad (2025), the evolution of leadership are critical due to globalization changes in economic, political, social and technological, in which led to unpredictability competitiveness, corporate governance and integrity challenges as well as business operation challenges across all industries. Therefore, due to this rapid transformation in the world, created organization to expand their traditional physical boundaries to the “Leadership 4.0” model, in which heavily rely on technology, leaders are more focusing on managing virtual teams, to create and guide complex digital transformation (Warner-Søderholm & Kuoppamäki, 2025). Nonetheless, the over-dependent on digitalization of industrial revolution 4.0 studies has showed strongly inadequate for long-term sustainability and relationship management in the organization.

As a result, the global leadership continues evolving into the “Leadership 5.0” domain. According to Haleem et al. (2024), these transformations created a blending of technology by enhancing human well-being, improving integrity and ethical practices, strengthening the organization connection across nation. In this framework, advancement of technology can’t be only factors to decide performance of an organization, but needed on critical thinking, social and emotional intelligence, organizational empathy and sympathy. These human-centric behavioural created an operation centred of modern leadership, in which helping global leaders to maintaining global relationship and economy, when handling global issue to produce a long-term sustainability.

Despite the need of leader 5.0 to handle complex global hurdle, yet also crucial needed these human centric leadership in global Multi-Level Marketing (MLM) industry. As defined by Agbo (2023), Groß & Vriens (2019), MLM industry are operated as a direct-selling marketing technique, where distributors sales product as well as doing recruitment, in order to earn income or commission. During the last decade, this industry has transformed from a minor

business activity to a global business, in which led by international companies like Mary Kay, Avon, Tupperware, Amway, Nu Skin and Herbalife (Manyam, 2025; Reingewertz, 2021).

This MLM industry is governed by World Federation of Direct Selling Associations (WFDSA). Their key role is to be providing rules and regulations, sets ethical standards and codes, as well as to provide legal statistical data of legitimate registered MLM companies. Based on the from WFDSA (2024), this MLM industry generated global revenues of \$163.9 billion by annually, with 104.3 million direct seller is globally. Therefore, this MLM industry have a unique structural organizational structure compared to traditional organizational, whereby they operate solely independently leaders or entrepreneurs, without any legal employment contracts or fixed basic salaries, they income majorly from sales commission and recruitment. Besides that, the MLM leaders don't have any control over distributors or downlines on direct or punish them. therefore, their productivity and success highly rely on inspire, motivation and coaching. Nonetheless, this study was conduct to define the concept of leadership in MLM leaders, to explore the different types of leadership style inherent by MLM leaders, to explore the importance of different leadership styles among MLM leaders, to describe the different leadership styles that can contribute MLM leaders in achieving long-term business sustainability and to discover apart from leadership style, other success factors to make a successful MLM leaders in MLM Industry in Malaysia.

Problem Statement

Although the MLM company's contribution to economic and social development of the country, but these industries still some crucial challenges in order to sustain in long-term in the market. According to Hauvala (2022), even though MLM industry operated under independently, but it also majors caused to lead high turnover rates among distributors, particularly during the uncertainty of environment. The leaders also often faced challenges on maintain team spirit and cooperation, in which caused to networkers continues break apart.

Apart from that, Malaysia MLM industry also continuous been suffering from negative perception among community that this industry as a money scam business. As stipulated by Groß & Vriens (2019), society always misunderstand between legitimate MLM companies and illegal pyramid scams, money laundering business and financial scam business. This negative perception created a sense of fear and lack of trust among public, which caused distributors to hard to continues recruitment, difficult to expand market, difficult to gain trust among customers. Furthermore, another key issues among MLM industry is don't proper structural succession planning, these industries strongly build by individual charisma, the founder's own idea and capabilities. Therefore, the problem arises when the founder's passed away or retired, the company is collapse, the united among distributors and leaders disappeared, the industry can't be sustained without founder's proper guidance and support (Chigaga & Mpundu, 2024). The MLM industry's founder didn't provide or proper blueprint or succession planning for second generation for continues the pathways. Lastly, a theoretical gap within these frameworks, where prior studies heavily focus on leadership in top-tier hierarchical in public and private sectors, but leadership styles in MLM industry are lack of research, particularly on the succession planning. Additionally, the majority research in MLM leadership are heavily focused on quantitative research, more on numerical data, rather than focusing on human behaviour or relationship or experiences.

Literature Review

In order to apprehend the behavioural and operational complexities of leadership in MLM industry, this research didn't just depend on a single theory, perhaps blending of 4 key theories, include of Leadership Theory, Resource-Based View (RBV) Theory, Contingency Theory and Leader-Member Exchange (LMX) Theory. Firstly, according to Amanchukwu et al. (2015), leadership theory offers a fundamental groundwork for analysing a leader behavioural and actions, in which aid to determine how different leadership behaviour affect followers. After that, as defined by Kozlenkova et al. (2014), Kamasak (2017), RBV theory are used to identify a company's competitive advantage through its internal sources. Therefore, in this study, researchers utilized RBV theory to conceptualize leadership among MLM leaders via RBV's key components of rare, valuable, inimitable and non-substitutable (VRIN) as an intangible organizational resource for decentralized downline networks. It will help to build a leader's capability as well as to train and sustain distributors which led to sustainable of organization performance in long term. Based on Ji et al. (2023), LMX theory are concentrate on the dyadic relationship between a leader and follower. If under a circumstance, where there is not any legal employment contract, which drive to high-quality LMX relationship between leader and subordinates are built by mutual respect and trust, which serve as important tool make MLM distributors to achieve organizational goals. Lastly, as defined by Fiedler (1972), contingency theory is referred to as a not a single leader's leadership styles are fit to all situations, but it depends on how well their leadership behaviour are effectively matches the environment they faced. As stated by Amghar (2022), the uncertainty of MLM industry, a leader's success is relying on their effectiveness and efficiency on adapt or changing their leadership styles according to the changes of market environments and team structures or performance of distributors.

Conceptualizing Leadership Styles in MLM

The idiosyncratic structure of MLM industry required leader to adapt varies leadership styles, to maintain, monitor and inspire distributors in long-term. Therefore, this study adopted 10 key leadership styles as listed in below:

Transformational Leadership Style

Transformational leadership style is referred to a leader to inspire and influence his subordinates with stronger ethical values and motivations as well as transactional exchanges too. According to Alqatan et al. (2025), the key components of transformational leadership are idealized influence, individual consideration, inspirational motivation and intellectual stimulation. In MLM industry, transformational leadership plays are crucial role in inspiring and influencing downline by educated them with legitimate MLM companies and products, by removing negative perception as money scam business. Besides that, these leadership can help to motivate distributors to achieve higher sales goals and create a sense of belonging in organization.

Servant Leadership Style

According to Sendjaya et al. (2008), servant leadership styles are known as the leader focus on their subordinates needs, well-being, personal growth, rather than leader's target, achievement or success. In MLM industry, these styles provide the leader to focus on continuous coaching

to downline to be independently perform, provide product knowledge and consistent training to their distributors. It helps to create a sense of belonging in organizational, and gain trust in the companies, as well as to produce long-term sustainability.

Coaching Leadership Style

According to Karlsen and Berg (2020), coaching leadership style are defined as a leader continues guidance and support to their subordinates, by identifying their strengths and weaknesses and mould them to become better individual by achieving personal and organizational goals. This leadership styles are important for new distributors to become productivity leaders in this unpredictable MLM environment.

Entrepreneurial Leadership Style

According to Adu et al. (2024), entrepreneurial leadership style are referred to as a leader, who grab the opportunity, by identifying calculate risk and focusing on provide entrepreneurial opportunity in creative and innovative way. Mostly, entrepreneurial leaders will give instruction to their downline on exploring rapid transformation of technology, in order to sustainable competitive advantage.

Transactional Leadership Style

Transactional leadership style is operating under an understanding between leader and subordinates, if followers perform beyond expectation, they will give rewards and recognitions as sources of motivation and encouragement to better performance. In vice versa, if the subordinate performs under expectations, he will give punishment to correct the mistake and perform well in future. Therefore, according to Kalansooriya and Wehigaldeniya (2023), in MLM industry, these leadership styles are useful to monitor sales performance, managing commission and provide ranking achievement to performer, it will encourage team members to achieve goal and ensure organizational compliance.

Ethical Leadership Style

According to Xue et al (2021), ethical leadership are demonstrated moral behaviour by leader, as well as motivate and encourage their subordinates behave in ethically via fair treatment, communication, guidance and support. Therefore, ethical leadership are played crucial role in MLM industry, because this industry been frequently misperception as money laundering business and illegal pyramid schemes. Nonetheless, leader must execute high ethical behaviour among downline and public, to gain trust.

Additional Leadership Styles

The research also highlights that Islamic leadership (leadership styles that practice and comply with Islamic principles to support the business activities), autocratic leadership (leadership styles that practice by leader on taking decision independently, without participated by subordinate), collaborative leadership (these leadership styles are involve on dual training and marketing operation between leader and followers) and democratic leadership (these leadership styles are involve participation of follower's in decision making process) are adopted by MLM industry.

Non-Leadership Success Factors

Although, leadership styles are crucial for sustaining MLM industry, perhaps past literature demonstrated non-leadership factors also contribute the success of this industry. According to Estedadi and Hamidi (2015), Selamet et al. (2023), product quality, structural succession planning, marketing planning are key factors to contribute to MLM success in long-term.

Methodology

This study employed subjectivist and constructivist ontological research paradigm as well as epistemological frameworks (Aliyu et al., 2015). It's due to not a single leadership style, will be suitable for every circumstance. On the other hand, MLM industry plays as individual and independent employees by voluntary basis, therefore, MLM networker not viewed as one singular, but measured by objective truth. According to Scotland (2012), these MLM leaders and distributors are created by the experiences, personal relationship and common understanding and interaction between leader and subordinates. Therefore, this research employed a qualitative case study approach, where it allows to inductive, study deeply on conceptual meaning of real-world experiences, by using multi data collection techniques to achieve comprehensive insights (Chung, 2017).

Research Sampling

In this study, the researcher adopted two non-probability sampling techniques called as purposive sampling and snowball sampling. To produce depth and rich data (Kumar, 2018) from well experienced MLM leaders. The key criteria that researcher implemented in order to select the respondents is based on their working experience in MLM industry as a leader or distributors, their tenure in MLM industry, the leader been involved in management experience, legally registered in Direct Selling Association in Malaysia, a legitimate MLM company which operates in Malaysia. In order to prevent bias during data collection, researcher implemented data triangulation between leader and distributor. Therefore, in this study total respondents participated in data collection process are 35 respondents, consisting of 13 distributors and 22 leaders, who experienced in MLM industry between 1 to 42 years. The data collection was conducted entirely in Malaysia via virtual and physical, from 12 legitimate MLM companies. As demonstrated in table 1, the demographic profile of 35 respondents involved in data collection process in this study. Lastly, data collection was continued until achieved data saturation, which mean no novel themes or codes had emerged from additional sessions.

Table 1: List of Respondents Participant on Interview Session

Respondents Code	Profession	Age	Gender	MLM Tenure
L1	Chief Marketing Officer	45	Male	20
L2	Top Leader	30	Male	30
L3	Chief Marketing Officer	53	Male	20
L4	Founder	39	Male	16
D5	Senior Crown Ambstrator	55	Male	23
L6	Senior Crown Ambstrator	62	Male	24
D7	Trainer	51	Male	30

L8	Crown Ambassador	52	Male	16
L9	Top Leader	53	Male	27
L10	Leader	55	Female	40
D11	Premium Level Leader	59	Male	6
L12	Super Crown Senior Manager	61	Male	30
D13	Trainer	40	Male	20
L14	Crown Ambassador	50	Female	20
D15	Distributor	27	Female	1
D16	Amway Business Owner (15% Pin Level)	45	Female	1
D17	Crown Council Ambassador	45	Female	8
L18	Chief Executive Officer	63	Male	22
L19	Chief Executive Officer	53	Male	30
L20	Senior Leader	72	Male	42
D21	Top Leader	56	Female	6
L22	Crown Ambassador	60	Female	25
L23	Gold Entrepreneur	53	Female	25
D24	Goal Achiever	46	Male	4
L25	Chief Operating Officer	52	Male	15
D26	Manager	50	Female	5
L27	Marketing Director	44	Male	7
L28	Chief Operating Officer	54	Male	30
L29	Leader	67	Male	25
L30	Marketing Manager	35	Male	15
D31	Manager	44	Female	15
D32	Crown Council Ambassador	46	Male	8
D33	Distributor	39	Female	12
L34	Chief Executive Officer	51	Male	32
L35	Future Star Manager & I-Elite Speaker	35	Female	14

Data Collection Techniques

In this study, the researcher conducted data collection technique via focus group discussion (FGD) and semi structured interview. The interview was conducted by physical and virtually to MLM leaders and distributors. The interview session was conducted according to interview protocol by answering the five key research questions. It allows the respondents to share their insights and experiences with flexible. After that, all the interviews were recorder in hand phone of researcher, then manually transcribe the recording to words, next the data was analysis by using Nvivo. Besides that, FGD been conducted between leaders and distributors, in order to them shared collective viewpoint, insights, experiences, behaviours among the downline and team cooperation in MLM industry.

Data Analysis

The data was analysis by thematic, according to Braun and Clarke (2012)'s six-phase of thematic analysis. Then, using the software of Nvivo 15 for analysis data and arrange data in structured manner, as well as do cross-case comparison between participants insights according to research questions (Nowell et al., 2017). According to Alhojailan (2012), King (2004), the data analysis process begins with transcript data from voice to word, generating codes,

grouping codes into bigger categories, reviewing and refining different themes and lastly by connecting relationship and build a conceptual model. Besides that, as stipulated by Elo and Kyngäs (2008), in order to align thematic mapping, this study adopted qualitative content analysis methods for used strategically and systematically categorized big data of narrative text into explicit, meaningful categories based on explicit or inferred communication. According to Hsieh and Shannon (2005), Kleinheksel et al. (2020), Prasad (2008), this process are strongly efficiency and effective when used to tracking frequency and operational context on keywords and leadership behaviours across different cases in companies.

Trustworthiness and Ethical Considerations

In order to gain the trustworthiness and conducted the study with ethical considerations, it carried out some key validation protocols, such as data triangulation between leaders and distributors, to prevent bias in data collections. After that, theory triangulation by adopted 4 key theories in this study, which include of contingency theory, RBV theory, LMX theory and leadership theory, for purposes of analysis research findings in depth and detail. Lastly, with ethical consideration in conducting interview protocols, by get acknowledgement from consent letter from participant before conducting the interviews.

Result and Discussion

Theme 1: Conceptualization of Leadership in Multi-Level Marketing (MLM)

Based on the research findings from MLM top leaders and distributors, the theme 1 demonstrated leadership in MLM industry viewed as continuous process on influence, coaching, inspire and moulding the downline, rather than fixed position of authority. According to MLM leaders, leadership are conceptualization as a transformational leadership by inspire the downline with higher visionary goals and build trust in this uncertainty environment. From the perspective of leader of L9 on 26/7/25, *“I will begin with influence them, then continue the accompany them by coaching until they can independently perform and become successful”*. It's due to MLM leader don't have any authority against their distributors as in traditional organizations. Therefore, they believe that to continuous create positive working culture and overcome the hurdles of negative perception by motivate distributors to work together with company organization goals. On the flip of coins, the distributors perspective on leadership as continuous availability of leaders, open communication and consistent commitment of leaders on helping downline to achieve their personal financial goals. According to distributor (D21, 16/8/25)'s viewpoint, *“leaders refer to a person who can encourage, inspiring, motivating, coaching the downline and become the best version of them”*. It demonstrated that a leader is a person who can mould them become better person and bring them to achieve success in their life, rather than giving orders or instruct them. Therefore, based on the insight of MLM leaders and distributors on conceptualization of leadership, it aligns with LMX theory, which leadership are built by mutual respect and trust between leader and distributors, which drives to high-quality dyadic relationship, as supported by Wytsma (2023) and Willie (2024). On the other hand, the empirical findings of these studies, both distributors and leaders in MLM industry keep on emphasizing the word of “reproduction” on defining leadership, which mean leader have to continue produces it's replication of characteristics and leadership styles to his distributors, in order to them to perform independently and become successful, it synthesizes with high-quality of LMX. Furthermore, data triangulation demonstrated strong relationship and heavy commitment between leaders and distributors on view leadership as reproduction

and mentoring as their main role in MLM industry. Nonetheless, the results indicated that MLM leaders and distributors success are heavily relies on mutual beneficial relationship between them.

Theme 2: Leadership Styles practiced in Multi-Level Marketing (MLM)

The empirical findings demonstrated that success of MLM industry heavily depends on mix leadership styles, instead of single leadership styles. Based the results, this study identifies three key most dominant leadership styles practiced by MLM leaders, which include of:

Transformational leadership style, this style been practiced by approximately 60% of MLM leaders, according to the research findings. In order to build united and team commitment, leaders continue motivate, influence, inspire and encourage distributor. According to the leader (L4, 3/8/25), *“the leader will encourage, motivate and inspire the downline, by showing them the right ways, until they become independently and achieve financial stability”*. It illustrated that transformational leadership styles plays crucial roles during uncertainty of market and new recruitment on board phase. According to Ladkin and Patrick (2022), transformational leader’s key characteristics of encourage, motivate and inspire their subordinated, which drives and motivates the subordinate to perform better results align with organizational goals.

Secondly, servant leadership styles. Based on the research findings, the respondents defined servant leadership as a leader give priorities to his follower’s needs and well-being over their own needs. As leader (L29, 12/9/25) explained that *“newly join distributors are lime my children, I will nurture them, I will show them love and care, instead of punishment and instruct them”*. Similarly respondent (L14, 3/8/25) emphasized that *“In MLM industry, we are not just doing business, perhaps we treat all team members as our family members, we serve them with care and love”*. The findings are consistent with the previous studies by Crittenden and Bliton (2019), in order to build team commitment, loyalty and achievement sustainable competitive advantage in long-term, the teams must be affective with commitment and passion. In overall, in MLM industry, leader practiced servant leadership styles, by creating nurturing, support and coaching relationship with downline, for build an environment that prioritizes nurturing rather than directing. Therefore, it will drive to long term sustainability, team engagement and commitment among MLM leaders and distributors.

Lastly coaching leadership style, which refer to leaders implemented one to one or one to many of continuous guidance and support with newly onboard team members by identifying their weaknesses or insufficiently skills or knowledge, by transform them to become successful leader. In MLM, leaders will provide training, mentorship and coaching programs, classes on improvise communication skills to newly recruited distributors. As distributor (D26, 8/9/25), explained that *“As a leader, I will give all my knowledge gain in these MLM industry to my downline, I will consistently motivate them. If have any programme or course conducted by company, I will request my downline to attend it. If have any doubts, I will clear it off and make my team to understand it”*. It illustrated that in MLM industry, coaching leadership plays an essential role by support the downline to increase their competencies, achieving their sales target and developing the personal growth. Ultimately, these coaching styles enabled leaders to provide and build internal motivation to distributors by coaching the distributors with both technical and practical training on become successful in MLM industry, as a learning curve.

Theme 3: The crucial of practiced varies leadership styles in Multi-Level Marketing (MLM)

According to research findings, the crucial of MLM leaders practiced various leadership styles in MLM industry are consistently with their characteristics, maturity, experiences and life curve of leaders and distributors. During the earlier recruitment phase, MLM leader practiced transformational leadership styles to their distributors, in order for newly recruitment to gain self-confidence and create awareness to them that MLM is legitimate business and not money laundering or scam business. Then, the distributors will go to maturity phase, where at this stage leader will focus on coaching and servant leadership styles. When the distributors enter the market to sold product, they will frequently encounter rejection, where in these phase leader plays very critical role in provide continuous mentoring and coaching skills on product knowledge and develop their communication skills. It will prevent demotivation among distributors and resignation. After that, when the distributor transforms to leader stage, he or she needs to practice entrepreneurial and democratic leadership styles. It's due to at this stage, his network already expanded, he already has own team to monitor, therefore, must delegating task, participate in decision making and manage their performance and commitment. According to leader (L25, 5/9/25), he emphasized that *"As a leader, we can't practice one style of leadership to every individual, because we met variety of personality of people by characterises, behaviour and attitude. Therefore, we must use variety technique and strategy to approach them. For an instance, younger group of distributors are prioritized on money, income and earnings, while elderly group of distributors focussing on health and well-being. Nonetheless, as a leader we must understand their needs and wants, then only we decide which leadership styles are suitable for them"*. According to Amanchukwu et al. (2015), Bolden et al. (2003) and Fiedler (1964), the findings allign with the theory of contingency by Fred Fiedler, in which explained that there is no single leadership styles can fit for every circumstances. Perhaps, leadership effectiveness are relies on conforms with the leader's leadership styles and the environment they faced. Furthermore, according to Malakyan (2014), contingency theory highlighted various situations and various behaviours of subordinates, the leader need to implement various leadership styles, in order to achieve maximum results. Nonetheless, in MLM industry, the leader's versatility on certain situation and characteritics of their downlines are plays crucial role in decided what leadership styles are need to practiced, as well as to sustain the network, reduce turnover rate among distributors.

Theme 4: Sustainability in Multi-Level Marketing (MLM)

The research findings demonstrated that versatility of leadership styles of a leader and MLM business sustainability have a strong influenced. It emphasized that sustainability of MLM networkers are depends on a systematically transition of a leader's charisma to formed a organizational structures. As one of the distributor (D17, 8/8/25) noted that survival of MLM industry are relies on systematic internal system approach and mindset of a distributor or leader, *"The system is very important... zero to a millionaire... 99% is about your mindset, 1% is skill. You can learn skill, but when your mindset is correct, you can do everything right. Every Tuesday, every week, we have this meeting... monthly seminars... product topic and a system topic (sponsoring, servicing, sharing). Even how to begin is a system topic, name list, appointment, and the 3S: sharing, sponsoring, servicing. I understand them first... we have a system called FORM, Family, Occupation, Recreation, Money. The more I understand you, the more I know your needs. Leaders... are very positive. When you have positive vibes, you can influence people... leadership comes from your ability to solve problems. We remind them why they wanted to do BE. When you're tired, remember your reason, work hard first, then*

life becomes easier. BE is very fair... the more people you help, the more money you make. My downline can even earn more than me if they work harder. Founder's vision and mission... strong products... fair marketing plan... system education... family culture... innovative technology (BE4U app). BE values talent and education. Achieve a rank, you get recognized—from HQ stages to grand recognition nights. Travel campaign twice a year... car fund, house fund—success is meaningful because you have helped a lot of people”. It illustrated the dominant leadership styles practiced by MLM leaders are transformational and servant leadership styles are strongly connected to distributor's stability on sustain on the industry and the company's goals on achieve maximize profit. Besides that, coaching and entrepreneurial leadership styles plays an important role on providing training to downline, for them to become independent leader to monitor their own team. Ultimately, the empirical findings of theme 4 demonstrated that versatility strategies, duplicate methods, structured systems and constructive attitude are the key to sustain of MLM industry in long term and become competitive advantage in global market. It required strong correlation between MLM leaders and distributors, whereas correspond to theory of LMX, in which efficiency and effectiveness of leader's leadership occur when the leader and his followers have a high level of trust, respect and support, to produce high dyadic relationship (Willie, 2025). In MLM context, high level of dyadic relationship is created through a leader's continuous coaching, guidance, support, learning, replication of leader's behaviour and attitude to their downline. Therefore, the MLM industry can penetrate global market, sustain networkers' engagement and commitment, be sustainable competitive advantage via mutual strong leader-member relationships.

Theme 5: Non-Leadership Factors

Although the leadership styles of leader play crucial roles to sustain distributors and company in long-term, perhaps beyond leadership factors contributing success of MLM industry too. According to research findings, the primary key factors are product quality which contributed to the success of MLM company in long-term. As distributed (D17, 8/8/25) stipulated that “in MLM industry, the company tangible or physical products plays an important role to the public, if the product are beneficial to consumer, the sales will automatically increase, and vice versa”. It illustrated consumer have a high demand and keep on have repeatedly sales on specific products are due to high quality of products and legally certified products from government and private agencies, particular in industry operated in voluntarily basis (Selamet et al., 2023). Then, marketing plan also plays important role on success of MLM leaders. The transparency of commission calculation, legal law and regulation, reward and recognition will gain if achieve higher sales volume and recruitment. According to a MLM leader (L1, 13/7/25), he emphasized that “the marketing plan of a MLM company should very simple and easily to understand, as well as the plan must align with the product, then only we can easily sell the product to end user. On the other word, the marketing allows us to make money”. According to Seun et al. (2022), in MLM industry, a transparency marketing plan can lead to build trust and maintain the trust among distributors in long-term. After that, structured succession planning plays the most important role on sustain MLM industry. Majority of MLM industry are operated by one man shows, in which a single individual charisma to lead the entire empire. As emphasized by the leader of L4 on 16/7/25, “if a company have structured succession planning or blueprint on how to run a business, the company will survive, even the founder passed away or retired”. According to Chigaga and Mpundu (2024), the importance a build a structured succession planning for an organization are to make sure that the company can sustain over multi-generational. The empirical findings are aligned with the theory of RBV, whereas in MLM success factors beyond leadership styles of a leaders are product quality, marketing plan and

structured succession planning. These three factors are tangible and intangible products, which are rare, hard to imitate, valuable and difficult to substitute, which drives to long-term sustainable competitive advantage. On the other hand, product quality can build trust among consumers and increase motivation among distributors too. Ultimately, the success of a MLM industry are not heavily relies on leadership styles of leader only, perhaps other external and internal factors play an important role for the company to sustain in multi-generational, maximize profit, increase the market penetration and reduce the turnover rate among the distributors.

Conceptual Model

According to Simsek (2022), this study adopted Input-Process-Outcome model, by integrating the key results of the research and this study advances past the tentative conceptual models. In this conceptual model, input phase was synthesized 4 key theories, include of leadership theory, LMX theory, RBV theory and contingency theory. Then, the process phase demonstrated 10 key leadership styles adopted by MLM leaders, by highlighting the most dominant leadership style practiced by MLM leaders, which include of transformational, servant and coaching leadership styles. This process is assisted by important environmental factors, which include of high product quality, compensation plan, training and mentoring factors, recruitment and financial factors. Eventually, it drives to the outcome phase, where led structural succession planning, lower turnover rate among distributor, stable sales growth and sustainable competitive advantage (Stone, 2019; Wong, 2008).

Model Of Exploring The Leadership Styles Among The Multi-Level Marketing (MLM) Leaders In Malaysia

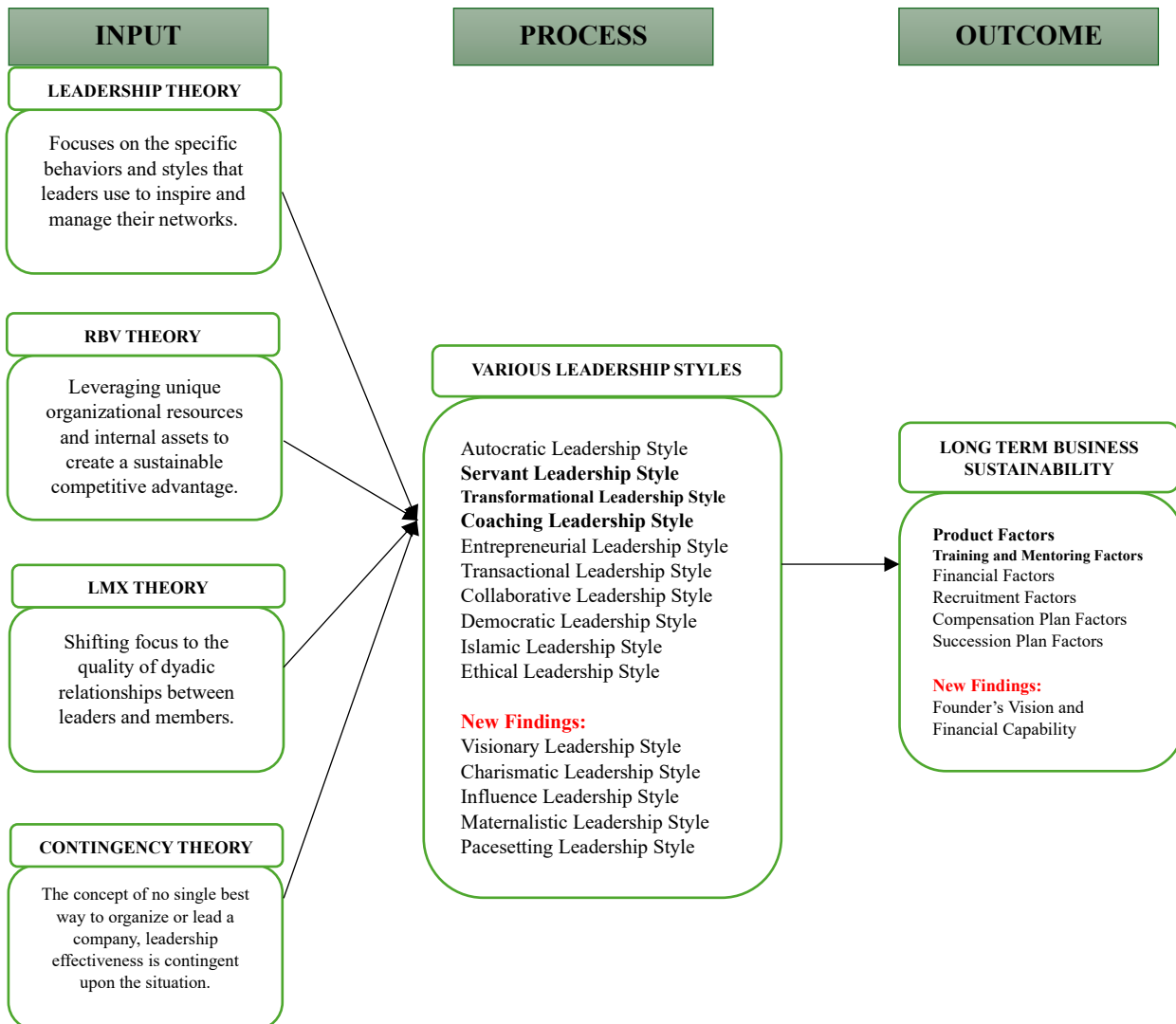


Figure 1: Model of Exploring the Leadership Styles among the Multi-Level Marketing (MLM) Leaders in Malaysia: A Qualitative Case Study

Source: (The Model Was Developed Based On The Study's Findings And Is Supported By Relevant Existing Literature (Refer To Literature Review))

Conclusion

In general, this study theoretically contributes to the body of knowledge by integrating for 4 key theories to provide a comprehensive conceptual model, particularly on organizational behaviour and leadership styles in MLM industry. This research also expanded the scope of RBV theory by demonstrated that a MLM leader's characteristics and behaviours are rare, valuable, inimitable and intangible organizational resource which leads to long term value through adaptive leadership. Then, LMX theory highlighted high-quality dyadic relationships

between MLM leaders and distributors are built by mutual trust and growth, are the key sources to achieve organizational goals.

Implications

The practical contribution of this research are provided blueprint and guidance to multi-stakeholders across the country. Firstly, MLM executive top tier management, leaders and distributors must shift their training module from traditional transactional, and recruitment focus KPI to structured leadership programs that execute transformational vision training, servant hearted groundwork support to new distributors and systematic coaching techniques to downline. After that, these studies also contribute to university students and future entrepreneurs as a source of module, particular to the subject of business management and entrepreneurship, it provides a real-life case study on how different leadership styles contribute to the success of MLM industry and contributed to long-term sustainability. Last but not least, this study contributes to the government regulators and policy makers, especially Ministry of Domestic Trade and Consumer Affairs. This research is helpful to government agencies to differentiate between legitimate MLM companies and illegal pyramid scheme business. It will drive to gain trust among community and reduce the negative perception about MLM industry as money-laundering business.

Limitations and Future Research

This study has some limitation due to time constrains, the researcher suggestion in future, the research can expand to more geographical location, instead of focusing on Malaysia scope only. Future research also can do some cross-case analysis between MLM industry and other industry practiced on leadership styles, to provide different perspectives on organizational behaviour and leadership practices. Furthermore, in exist study the researcher employed qualitative case studies methodology, in future researcher suggestions to explore on quantitative or mixed method, for test and validated large scale survey data. Lastly, future research can expand the scope of study to external stakeholders, like government agencies and retail consumers, for capture a more in-depth perspectives on leadership behaviours.

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