



**KOZMINSKI UNIVERSITY**

*Kozminski Working Papers Series*

**No. 01-2013**

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ON A CORPORATE IMAGE:  
THE CASE OF AMWAY POLAND**

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**Warsaw 2013**

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Negative impact of emotional labor on a corporate image: The case of Amway Poland

Working Paper

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## **EXECUTIVE SUMMARY**

This article analyzes the effect of the emotionality of Polish direct sales representatives on the corporate image of Amway Poland in mainstream media. The findings are based on the interpretative analysis of public discourse on multi-level marketing in Poland. The article concludes that business practitioners that are willing to apply some forms of emotion management in a different country should be especially sensitive to its prevailing forms of emotionality. Learning which behavior is and is not acceptable in a society could be accomplished by conducting analysis of its public discourse.

JEL Classification: M14

## INTRODUCTION

The multiplicity and radicalism of critical comments about Amway and network marketing in the public discourse are striking (Pratt 2000). The most serious accusations are those of alleged manipulation – or brainwashing– and of their sectarian nature (Butterfield 1985). The empirical research presented in this article shows that one of the most common criticisms is the larger-than-life emotionality of direct sales reps. As this article focuses on interdependencies between the corporate image of an organisation and the perceived emotionality of its members in a post-socialist context, findings are based on analysis of Amway's operations in Poland.

This article examines emotional management in network marketing,

especially the ways in which sales reps perform "emotional labour." I show that emotionality may influence perceptions of network marketing<sup>1</sup> and of enterprises applying this sales force's management system. The findings are based upon an analysis of the empirical resources of Amway Polska, and its sales force. Amway is chosen for analysis because it is one of the longest-established and widely recognised MLM companies in Poland, and because it has been associated with much of the criticism surrounding MLM. The theoretical framework of the present considerations is the concept of "emotional labour" which was formulated and then refined by Arlie Russell Hochschild and colleagues.

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<sup>1</sup> Network marketing is also referred to as multi-level marketing or MLM.

## EMOTIONAL LABOUR – SOME CRITICAL COMMENTS ON THE CONCEPT

Since the early 1980s, the concept of emotional labour has had a major role in research investigations of work patterns in service industries. Hochschild formulated the definition of emotional labour in *The Managed Heart: Commercialization of Human Feeling* where she described the work patterns of Delta Airlines flight attendants and bill collectors in the 1970s, a time marked by enormous competition among passenger airlines. One of their main areas of competition was the quality of customer service.

At the beginning of her book, Hochschild draws an analogy between a seven-year-old boy working at a wallpaper plant, as described in Karl Marx's *Das Kapital*, and Delta Airlines flight attendants. According to Hochschild, the body of the boy who worked in the factory was used as a work tool, and the boy himself became a "means of work" (Hochschild 2009, p. 3). At this point, Marx would proceed with questions about the costs of work, profits earned by factory owners and fairness of the salary. Hochschild asks similar questions, however, but in the context of emotional labour in the service industry. In the century between the publication of *Das Kapital* and

of *The Managed Heart*, the labour market changed considerably, and a new branch of industry appeared, one that was no longer based on an interaction between man and machine, but upon interpersonal relations. A child at a factory performed physical labour, which despite being extremely taxing, only required "coordination of mind and arm, mind and finger, and mind and shoulder. [...] The flight attendant does physical labor when she pushes heavy meal carts through the aisles, and she does mental work when she prepares for and actually organizes emergency landing and evacuations (Hochschild 1983, p.6). Meanwhile, a flight attendant, apart from performing physical and intellectual work, is also expected to perform what Hochschild terms "emotional labor."

This labor requires one to induce or suppress feeling in order to sustain the outward countenance that produces the proper state of mind in others – in this case, the sense of being cared for in a convivial and safe place. [...] This kind of labor calls for a coordination of mind and feeling, and it sometimes draws in a source of self that we honor

as deep and integral to our individuality. (Hochschild 1983, p.7)

The core of Hochschild's criticism is directed towards exploitation of the "integral part of personality" by employers.

Hochschild's analysis is built on the premise that the professional and private spheres are separated. This division is relatively new, and is not universal even in the United States or Europe. The distinction appeared only at the beginning of the 18th century. According to Adam Smith, the

emergence of market economy was the first moment when the division between "private" and "public" work sphere marked its presence. Although we are now accustomed to viewing the contemporary world from such a dualistic perspective, there are many situations when this division does not apply. In Poland, the best example is life in the countryside, where there are no clear-cut boundaries to separate labour, leisure, private, domestic and public spheres (A. Krzyworzeka 2013).

## **THE LITERATURE GAP**

The phenomenon of emotional labour in the service industry has already been broadly discussed in the literature. However, new approaches and research questions may still be encountered. New problems are typically detected in cross-cultural studies of emotional labour, especially in cultural zones outside of the United States, where the concept originated and was developed (Lam & Chen 2012; Hoang 2010; Moran et al. 2012; Bloch 2011). In this article I analyze the perception of emotional labour in public discourse and how the corporate image of an enterprise may be affected by the perceived emotionality of its direct selling distributors.

Ronnie J. Steinberg and Deborah H. Figart (1999) present a review of publications devoted to the issue of emotional labour. Although the article was published more than 10 years ago, it is particularly valuable, as it goes back to the period when the most prominent works referring to Hochschild's concept were published by scholars including R. Leidner (1993), J. van Maanen (1991), G. Kunda (2006 first published in 1992), A. Rafaeli and R. Sutton (1987), B. E. Ashforth and R. H. Humphrey (1993). These authors focused on the consequences of emotional labour, such as professional burnout and non-authenticity of emotions. Although

descriptions of negative consequences of emotional labour prevail, some researchers claim that “emotional labour does not have a uniformly negative impact on job satisfaction” (Steinberg & Figart 1999, p.13). Another type of research focuses upon interdependencies between emotional labour and corporate efficiency. The third type of studies is concerned with remuneration that is paid for emotional labour, or rather, its absence. The emotional dimension of labour, although it is crucial at work, and subjected to surveillance, is not treated equally to other labour aspects, both in the recruitment and remuneration stages. Those professional

dimensions which are, unlike emotional aspects, appreciated, named and evaluated include education, job seniority, professional experience and performance.

The research concerns that are most relevant in the theory of management, have been explored and described many times. However, one perspective that seems to be missing from the literature, which, for the purposes of the present article, has been called "external" – it is the possible effect of emotional labour on the perceptions of an enterprise that requires its employees to perform such labour. This perspective is presented in the empirical part of this article.

### ***RESEARCH METHODS AND SITES***

Amway Corporation was established in 1959 in the US by the Van Andel and DeVos families.<sup>2</sup> Its founders were Americans of Dutch descent. Their origin and upbringing in a Protestant culture shaped the values that they later followed in their careers. Respect for hard work, faith in God and honesty are the themes of the speeches addresses delivered by the founding fathers.

Amway entered Poland in 1992. Before that time, the only Central-European market in which it had made its presence was Hungary, because of its proximity to Austria. Amway Polska, headquartered in Warsaw, now employs approximately 50 people and co-operates with 57,000 distributors who are independent contractors. These sales representatives' conduct creates Amway's corporate image in the eyes of its customers and in society.

Amway is a typical example of network marketing. The key feature of this sales force structure is the character of

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<sup>2</sup> The story based upon *An Enterprising life. An Autobiography* by Jay Van Andel (1998) and *Promises to Keep* by Charles P. Conn (1985), nicknamed “Amway’s hagiographer.”

distributors' salaries which consist of two components: the actual value of sold products, and the distributor's share in the sales generated by the entire network. A distributor's network is a group of sales reps who have been either recruited by that distributor. Any such network may comprise many generations of distributors. Implicitly, a distributor's network may include people whom he has never met, or who live in countries that he has never visited.

The present article is based upon analysis of the following documents:

- The *Amagram*, a monthly magazine issued by Amway Polska for its distributors.
- Polish press titles taken from Factiva database.
- Internet forums at *gazeta.pl.* and *goldenline.pl.*

The collected texts describing activities of Amway distributors and Amway enterprise itself have been analysed using the open coding technique, and interpreted

in accordance with the interpretative paradigm (Kostera 2007).

This study of impacts of emotion management upon corporate image is a part of a larger research project of direct marketing in Poland (P. Krzyworzeka 2011b; P. Krzyworzeka 2011a) initiated by the author in 2005. All studies have been conducted based on qualitative methods: interviews and observations (participant and non-participant). This larger body of data was used for triangulation of findings presented in this article.

This research is a work of organizational ethnography (Schwartzman 1993). In line with this approach, the article relies on narrative analysis and the research findings are presented through data-rich, longer paragraphs. Naturally, this form of presentation is a matter of personal preference, but the concept is still academically justified and practiced (Van Maanen 1995; Jemielniak & Latusek 2007).

## ***RESEARCH RESULTS***

### ***AMWAY POLAND – EMOTIONS SEEN FROM THE OUTSIDE***

Multi-level marketing has always been controversial. Even Amway Polska itself in its *Amagram* has expressed concern about

negative opinions in newspapers. In an article published in *Amagram* in 1996,



Amway's Press Spokesman, Piotr Czarnowski wrote that:

All, luckily only few, negatively charged publications about direct sales system and Amway, always displayed the total ignorance of journalists, whose opinions were based upon a single meeting with a distributor. The mistake that is sometimes made by distributors, which is most frequently exploited by journalists, is presentation of their job as a chance for earning big money fast, without much effort, or as a single goal in life. Such perceptions are reinforced not only during face-to-face meetings, but also during public presentations. As a result of such interactions, social perceptions of Amway become very negative.

Some problems are also attributable to foreign publications and other sources of information about Amway company, which are disseminated on this market often without our knowledge. Due to multiple cultural differences, some phenomena that are considered as absolutely normal somewhere abroad, may not appeal to Polish audiences at all (Czarnowski 1996, p.12).

Further in his article he suggested that the distributors should direct all journalists interested in Amway's business straight to the corporate headquarters, where they would obtain reliable and professional feedback. The article published in the September 1996 issue of *Amagram* was preceded by a famous piece of reportage: "Zabierz nas do Diamentu" [Take us to the Diamond] by Mariusz Szczygieł, which was published in Poland's largest daily newspaper *Gazeta Wyborcza*. This article was inspired by the journalist's personal experience. In 1995 he was asked to co-host, with Grażyna Torbicka, a famous TV presenter, an annual distributors' congress, in The Congress Hall in Warsaw, and was attended by 3000 people. In his article Mariusz Szczygieł described his recollections of the congress. He was struck by spontaneity and expressiveness of distributors' conduct.

- I have some fears – this is what I told them at Amway Polska's headquarters – that is going to be a whole lot of people! How will we contain all this crowd?
- Don't be afraid, just move your little finger like this, and they will do the same – one of their officers smiles moving his little finger.

Subsequently, the author described the events in The Congress Hall:

- You know – the sound engineer says to me – I used to work in the Hall during Edward Gierek’s regime at communist party congresses. But what happens today, is something that even the communists would never had dreamed of.
- Those folks don’t need vodka to freak out like that - a lady in an apron standing behind the curtains says.

*As Szczygieł noticed, Amway people’s reactions perplexed other observers. In his article he often referred to what the distributors themselves said. Many of their comments focused on emotions, emphasizing the importance of smiling, staying positive, optimistic and enthusiastic.*

Ms Milewska: - Now, whenever we attend a social meeting and people start complaining, we are really amused by such situation, because my husband and I always keep smiling.

Mr Milewski: - Have you heard that man must use as many as 65 facial muscles to make a grim face, and only 14 to smile? So tell me which one is better? Being at Amway, you gain lots of information like that [...]

Mr Krygier: - All such great emotions are connected with Amway! [...]

- Do not think that we are being intoxicated, just because we are so joyful.

Having presented many examples of unfailing optimism and happiness, the journalist concludes his article with the question: “Is Amway a sect? Or perhaps an economic sect resembling a religious one?” Some experts on sects have defined Amway as a “social movement resembling a religious sect” (Bromley), whose distributors display evangelistic zeal (Samways), and use techniques typical of religious movements (Levin). Although Szczygieł has also included quotes from Marek Florczuk, Amway Polska’s CEO, who tried to refute allegations of the company’s sectarian character by explaining that “any expanding business must have its charismatic leader” (Szczygieł), the evidence presented in the article makes it beyond question that Amway is not the same as “any expanding business”:

*The caption AMWAY sparkles in the air. So I tell them: “Ladies and Gentlemen, you are the heroes!...” [...] Grażyna: “Your work has proved that we can create a brand new image of a Pole ... thanks to Amway... But*

*what is Amway?" Myself: "It is a manifestation of a certain idea. The idea which tells the rest of the world: it does not matter who you are, and where you come from. You only need to be confident of your future success." A round of applause and screams of delight follow. Even though everything sounds just like a slipslop<sup>3</sup>.*

The spokesman blames the negative image of Amway conveyed by some journalists on cultural differences. Such differences were exactly what struck Mariusz Szczygieł, who perceived the script as a sheer double-talk, although it aroused enthusiasm among the attendees. The cultural shock experienced by Mariusz Szczygieł is symptomatic of typical encounters with Amway distributors. It has been also experienced by many external observers who get in touch with MLM distributors, but also by sales reps themselves at the beginning of their cooperation with MLM companies.

The article in *Gazeta Wyborcza Magazyn* inspired subsequent media criticism of Amway. Other important steps were the publication of *Tajemnice Amwaya* [Mysteries of Amway] by Jerzy Sławomir Mac (1998) and lawsuit over the film

*Witajcie w życiu* [Welcome to Life] directed Henryk Dederko, whose fame could be attributed not only to his content, but mainly to the total ban on its presentations imposed by the court. The ban evoked intensive media coverage of this news, and proliferation of illegal copies of the film.

The article by Mariusz Szczygieł, the book by Jerzy S. Mac, and the film by Henryk Dederko have shown that sales reps have virtually no control over their depiction in the media. However, this problem is of key importance. I am not concerned with the lawsuit against the director/producer of *Witajcie w Życiu*, which resulted in a ban on the film's presentations, which, in court's opinion, depicted the company and its distributors in a bad light. What is important, however, is that the point of view of the distributors, or more broadly, of direct sales reps is not presented. Even though exact statements expressed by sales reps are quoted, the choice of such quotes and background comments, just like in Mariusz Szczygieł's article, make it obvious that the authors set themselves apart from them.

When I interviewed an editor-in-chief of a health and beauty magazine, she admitted that she had asked one of her journalists to write an article about beauty consultants. The journalist arranged

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<sup>3</sup> Op.cit.

interviews with Avon and Mary Kay distributors, and presented her article to the editor-in-chief for approval. However, the editor-in-chief refused to publish the article. "The article which she delivered to me was just a sheer pulp, as it reflected the way that the consultants themselves talked about it". "The way that the consultants themselves talked about it" was not seen as a good reason to present their standpoint, but rather as "sheer pulp" or "double-talk." Something that journalists consider "pulp" or "double-talk" can also be viewed by great many people as part of their reality, and sometimes even lead them to extreme emotional responses.

To conclude the present outline of controversies that have surrounded MLM in Poland, we need to mention the change which has happened thanks to the Internet. Although mainstream media still continue to disregard distributors' point of view, the amount of distributor-generated Internet content has increased. However, most of this content is meant for the eyes of other distributors. Nevertheless, the possibility of confronting various standpoints which is offered by web forums, social networks and blogs makes a difference. The discussions about MLM enterprises become most emotional when they are online. Whenever

the question of direct sales or MLM, or Amway itself has been raised in any of several dozens of discussions at Polish web forums, a bitter dispute has emerged between MLM opponents and followers. Most of the followers are people who have been personally engaged in direct sales. Meanwhile, the opponents are those who have either come across direct sales reps, or former sales reps who feel that they have been treated unfairly. Highly emotional statements, often bitterly critical or even hostile have appeared not only on web forums where interlocutors are anonymous, but also on non-anonymous websites such as Golden Line discussion group<sup>4</sup>.

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<sup>4</sup> Op.cit.

## ***DISCUSSION***

The conduct of Amway distributors is a perfect example of emotional labour, as defined by Hochschild. However, in one respect Amway and other network marketing enterprises are unique. the boundaries between private and professional spheres are in their case more blurred than in the case of other professions, such as the flight attendants studied by Hochschild. The division between private and professional spheres lies at the very core of emotional labour. For direct sales reps working in MLM system, the boundaries between these two spheres become blurred. Many Amway entrepreneurs are married couples, whose children assist them with work that is partly performed from home (such as phone calls, product storage, packing and dispatching), and plan to join Amway when they grow up. Moreover, new customers and distributors are often recruited from family members and friends. Hence, it is difficult to establish whether adapting one's own emotions to the patterns defined Amway takes place in the

sphere of professional work only, assuming that any person in any circumstances may become either customer or business partner. Customers are hardly ever startled by the politeness of service industry workers, even though they realize that that their positive emotions may be feigned. However, if such positive emotions go beyond business interactions, as it often happens in the case of direct sales reps, they can be perceived as unnatural and suspect. In extreme cases, such as in the article by Mariusz Szczygiał, a description of such unique optimism and emotional expression can evoke connotations with a cult.

As a result, this kind of emotion management has contributed to the emergence of a negative corporate image among Amway distributors in Poland. Amway-like emotional expressions are perceived as superficial, and exaggerated because they contrast with typical Polish behavior in business situation.

## **MANAGERIAL IMPLICATIONS**

Business practitioners who are willing to use emotion management in another country should be especially sensitive to that

country's prevailing forms of emotionality. Promoting feeling rules (e.g. staff should be cheerful and informal in interaction with

clients) that stay in contrast with local culture could have negative effects on a corporate image. Learning which behavior would not be accepted in a given situation could be achieved by conducting the kind of analysis of public discourse that was presented in this article.

W. Reddy, one of the leading researchers of cultural aspects of emotions, offers a very useful theoretical framework. According to Reddy, every society has its own “emotional regime” (Reddy 2001), that is a set of widely accepted and enforced on its members' forms of emotional

expressiveness. Those who do not comply are marginalized and stigmatized. As the example of Amway Poland shows, punishment could take the form of stigmatization by comparison with religious cult and harsh criticism in mainstream media. “Emotional regimes” varies from culture to culture, but also changes over time within a society. Important political and economic changes (e.g. transformation from planned to market economy in Central and Eastern Europe) could result in evolution of emotional regimes, but it could be a long process.

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