

WHEN I ENTER THE ELEVATOR
OF MY HOUSE, I ALREADY FEEL
LIKE I AM AT WORK': BORDERS
BETWEEN WORK AND NOT-WORK
IN NETWORK MARKETING.

Summary

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This article analyzes the activities of distributors working with multi-level direct-sales organizations in Russia. The activity of the distributors is characterized by fluid boundaries between work and non-work, which makes this activity similar to new forms of labor activity, while the organization of direct sales resembles “the third spirit of capitalism.” The main research question of this article is: what facilitates the dissolution of boundaries between work and non-work? What transformations occur as a result of this process?

This article is grounded in data gathered from thirty in-depth interviews and from participant observation conducted by the author between 2003 and 2011. The main research subject is the company Mary Kay—a multi-level direct-sales organization, dedicated to the distribution of cosmetic products which has been active in Russia since 1993.

Direct-sales organizations first appeared in the United States in the 1940s; by the 1960s–1970s they had taken on the form familiar to us today. They appear in Russia only after Perestroika. They differ in fundamental ways from bureaucratic organizations, which are reliant on local hierarchies with their formally established and rigidly fixed systems of rules and emotionally neutral relationships between coworkers. Direct-sales organizations are characterized by a lack of limitations on initial entry (anyone 18 and older who is able to purchase the basic product packet is eligible to sign the contract) and by a status system that precludes relationships of power. In accordance with the signed agreement, the distributors act as individual entrepreneurs, who are themselves responsible for the organization and the output of their activity, while the organization is free of any social obligations towards them. The lack of social protections for distributors turns out to be the flip side of their freedom and of absence of bureaucratic limitations on salary growth and career advancement that social marketing allows them.

Direct sales presuppose distribution of the product outside a fixed point of sales, based in direct interactions between the customer and the seller. The company Mary Kay is a multi-level direct-sales organization, which means that the distributors can not only sell the products, but may also recruit and train other distributors, who become a part of their personal network. Thus, the distributors' income is comprised of two main components: the difference between the sale price of the products and their initial purchasing cost (40%) and their commission bonuses. Commission bonuses are calculated based on the sales volume of a distributor's group and are paid to those who reach a certain status (the leader of a business group). The status system within the Company is based on two main indicators: the individual sales of the distributor and the sales volume and the size of her network. To reach a certain status, it is necessary to fulfill the conditions of the program determining the necessary characteristics of these two indicators. If, upon reaching a certain status, the distributor cannot manage to retain the sales volume and the size of their group on the same level, they automatically lose their acquired status.

Although initially the Company is involved in the basic training of the distributors, the majority of the expenses connected with distribution activities are shouldered by the distributor herself. These expenses may often be incomparable with the profit, as the distributor's profit depends on the sales, rather than the volume of services provided or time spent. When buying the consultant's services, the clients pay for the product. This means that if the product is not sold, the service is not compensated. In the context of direct sales, the control functions, which in the cases of bureaucratic organizations are managed and enforced by the bureaucratic system itself (in the form of worker obligations, contracts, hierarchy of power, the possibility of termination, etcetera), are transferred to the groups, the families, and the immediate environment of the distributor herself, making self-motivation and emotional mobilization important components of her work. Finally, the fact that interactions between customer and seller occur without any formal institutional filters means that the importance of personal qualities of the distributor is magnified. The personality, manners, preferences, communication skills, and long-term relationship management skills become important qualities for a successful career. As a result, "the business that does not require material investment" not only implicitly requires some very real (although often unforeseen) material investment, but also presupposes emotional mobilization and the transformation of personal qualities into comparative advantage.

The necessity of high personal involvement on the part of the distributors can be observed on virtually all levels of their work, starting from the strategies for establishing contacts, searching for clients, and recruiting consultants, and ending with the maintenance and mobilization of customer and partner networks.

The presence of clients is one of the basic conditions allowing the distributor to start their career and to ascend the internal hierarchy ladder. To secure a customer flow, the distributors turn to several resources. The first is their own social network, including their immediate surroundings; the second is others' social networks, which can be accessed through references; the third is "cold contacts"—"strangers" with

whom personal interaction is possible. Although at first friends and relatives become the main clients and partners of the distributors, it is “cold contacts” that often form the base for the business groups.

Working with “cold contacts” presupposes the possession of skills that the distributor acquires over time, for example, the habit of looking for and recognizing potential partners or clients in their surroundings. Because anyone can turn out to be a potential client, and the meeting with them can take place anywhere, the “cold contact” technique requires constant vigilance from the distributors. This vigilance and preparedness are expressed in the dress code as well as the mandatory presence of the cosmetics, business cards, and samples, regardless of time, place, and circumstances.

Another quality of the work involved in maintaining client and partner networks is the potential for integrating it into everyday relationships not only with strangers, but with one’s close surroundings—friends, colleagues, relatives. This leads to the reassignment of personal (for example, friendship) networks of the distributors, as they are transformed into client networks. So, in a natural progression, the practices of sales and recruiting become a part of leisure time spent with friends or while on tourist trips. As a result, the borders between work and not-work become fluid. Prior to starting work with the Company, the practices of work and non-work were more or less compartmentalized in time and in space. As the distributors develop their professional practice, work and non-work gradually collapse into each other, becoming practically indistinguishable over time: colleagues are friends, friends and relatives become colleagues and partners, leisure time is used for work, while personal news and problems are discussed at business-group meetings, etcetera.

The flip side of the transformation of a member’s immediate social sphere into potential and/or real partners or clients lies in the increased control over the professional activities and successes of the distributor. In the case of looking for contacts through the cold contact approach, the distributor controls herself and may, at one moment, refuse to maintain the behavior and appearance that marks her as a worker in the beauty industry. In cases where the immediate surroundings of the distributor become integrated into her professional sphere, she always has to be “at work” when interacting with neighbors, friends, acquaintances, etcetera. Thus, the transformation of the boundaries between work and not-work is maintained by the immediate surroundings of the distributor—friends, relatives, colleagues, acquaintances, neighbors—who, in becoming potential and/or real clients and partners, are infused with the power to affect the distributor’s behavior and activities.

The overlap of the different spheres has other effects in addition to the transformation of the distributors’ practices. First of all, it becomes challenging to separate work time from leisure time, as recruitment of clients and consultants, as well as product sales, may become integrated into and eventually overwhelm leisure practices (meetings with friends, trips, etcetera). Secondly, it is impossible to clearly identify what is work and what is not work. The particulars of the distributor’s activities are such that sooner or later social interactions that previously had nothing to do with work themselves become “work”—socializing with friends, maintaining

social networks, personal grooming, as well as the emotional and subjective affect sphere. This further strengthens the reassignment of work as not-work, "leisure," or "hobby" which supports the belief of the distributors in the fairness and advantage of their own position and helps justify the expenses connected with their work for the Company.

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