Leadership Moderating the Impact of Personality Traits on Sales Performance

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ABSTRACT

This study aims to detect the impact of three personality traits on agents’ sales performance. The moderating role of the unit manager’s leadership style is highlighted too. MLQ-5X and Mini-IPIP questionnaires were distributed to 200 insurance sales agents in Lebanon. Using SEM, extraversion is found to be positively and significantly affecting sales performance whereas the neuroticism’s impact is found to be negatively significant. Moreover, the transformational and the laissez-faire leadership styles are found to strengthen the positive relationship between extraversion and sales performance. Transactional leadership seemed to boost the negative relationship between neuroticism and sales performance. This study fills a gap in the literature and enriches it, specifically when it comes to the insurance industry in a Lebanese context.

KEYWORDS
Extraversion, Leadership, Moderator, Neuroticism, Personality Traits, Sales Performance, SEM

INTRODUCTION

In the organizational behavior field, scholars have been always in the pursuit of forecasting and clarifying the factors triggering employees’ performance (Barrick et al., 2013; Hasan & Hassan, 2021). In doing so, many researchers tackled the employees’ personality traits (Barrick & Mount, 1991; Hurtz & Donovan, 2000), and others highlighted the leadership styles that can effectively boost followers’ job performance (Derue et al., 2011; M. A. Griffin & Hu, 2013; Salman & Battour, 2020). More specifically, the leadership style and its impact on employees’ performance has been the focus of researchers in different countries, whether in Lebanon (Mattar, 2012; Mattar, 2016), Iran (Vatankhah et al., 2017), Vietnam (Ha & Nguyen, 2014), Germany (Braun et al., 2013), Taiwan (Chang et al., 2018), India, and in the insurance industry exclusively (Kumar, 2014) and other countries (MacKenzie et al., 2001). The same is true for the personality traits, as researchers studied their effects on sales performance (PERF) in different countries, such as Pakistan (Waheed et al., 2017) and Poland (Janowski, 2018). However, none shed light on the impact of personality traits on PERF in the Lebanese life insurance industry knowing that it is a vital one for the Lebanese economy; and
none of the studies tackled the impact of the leadership style as a moderator between the personality traits and PERF. Therefore, this study fills a gap in the literature and enriches it, as it aims to detect the factors affecting the insurance sales agent’s performance, by examining the agent’s personality traits and by checking the moderator effect of the perceived unit manager’s leadership style on this relation.

The insurance sector is a vital part of any growing economy as it helps in maintaining a balanced system of risk transfer (Buckham et al., 2010). In Lebanon, the free economy has contributed to the development of the insurance sector that has witnessed a boom in the 1990’s after the civil war, and is still growing unexpectedly in the last few years. In 2015, Swiss Re (a leading provider of insurance) ranked Lebanon the first country in the Middle East and the 42nd globally in terms of its penetration rate. In 2016, it was reported that 52 insurance companies in Lebanon generated $1.6 billion of gross written premium, which is equivalent to 3.08% penetration rate (premiums relative to the size of the economy). These figures have classified Lebanon among the top ranked countries, not only in the Middle East but at a global scale as well.

In this research, the authors selected a leading insurance company, established in more than 50 countries and offering several insurance products, with more than 100 million customers around the world. As of 2019, it was the number one company in Life insurance with a 17% market share of the Lebanese insurance industry.

The remainder of the paper is organized as follows. Section two reviews the academic literature and discusses the hypotheses development. The third section describes the questionnaire, the sample, and the model followed by data presentation in Section four. Section five discusses the findings and Section six concludes the paper.

THEORETICAL FRAMEWORK

The Big Five Personality Traits and Hypotheses Formulation

Personality research reported that individuals’ personality traits influence their satisfaction and their performance. The most extensively adopted model for traits assessment is the five-factor model of personality (Barrick & Mount, 1991) which consists of (1) agreeableness (AGREA), (2) conscientiousness (CONSC), (3) extraversion (EXTRA), (4) neuroticism (NEURO) and (5) openness (INTEL). An agreeable person possesses pleasant traits such as, generosity, helpfulness, cooperativeness, tolerance, and flexibility (Digman, 1990). On the other hand, a conscientious person is disciplined, responsible, and organized (John & Srivastava, 1999). He/she is determined, hard-working, and aims to achieve the goals in a conscientious way (Barrick et al., 1993). As for EXTRA, it describes the personality of a person who is confident, communicative, outgoing, and sociable. An extravert is characterized by the inclination to achieve status and power (Côté & Moskowitz, 1998). Extraverts are sociable, ambitious, and enjoy sociability as well as dominance (Perrewé & Spector, 2002). When it comes to emotional stability, people who rank high on NEURO tend to be stressed, anxious, sensitive, unsecure, and unconfident (Bruck & Allen, 2003). Moreover, people who score high on neuroticism experience negative emotions and are more likely to delay or even fail to decide so that they will not make errors (Germeijss & Verschueren, 2011). Finally, Costa & McCrae (1995) argue that the last trait (openness) suggests artistic, creative, and always curious and ready to new experiences. In addition, such people tend to welcome others’ opinions, and are ready to accept their behaviors and attitudes (Liebert & Liebert, 1998).

Many scholars tackled the link between personalities and occupational choices and reported that some tend, more than others, to join specific occupations; attributing this to the importance of some personality traits in different jobs. For instance, extroverted individuals are inclined to go for careers involving interpersonal relations (Krueger & Schkade, 2008). Moreover, different professions require different personalities for goals attainment and enhanced efficiency. Barrick & Mount (1991) revealed that CONSC affects job performance in all groups, while EXTRA is important for managerial and
sales positions. AGREE is the most pertinent to job performance in contexts where collaboration is needed (Mount et al., 1998). When it comes to openness to experience, Griffin & Hesketh (2004) revealed that it had the least impact in predicting employees’ job performance, although it is found to better predict creative performance (Feist, 1998). Janowski (2018) argues that in the praxeological context of the life insurance sales transaction, the personality traits of the insurance agent are crucial in determining sales effectiveness. Given that some personality traits are more critical than others in boosting sales performance or in weakening it, the authors in this research focus on the following three traits: conscientiousness, extraversion, and neuroticism. Agreeableness and openness are excluded, as individuals with such traits are believed to join other professions.

First, while holding different variables constant, CONSC is found to be the greatest predictor of job performance and satisfaction in different work contexts and types (Judge et al., 2002). Barrick et al. (1993) found that CONSC salespeople can achieve greater performance since they show more commitment to goals. The same positive relationship was found in Poland in the life insurance industry (Janowski, 2018).

Second, extraverts are known for their inclination to move ahead, get attention and accomplish power (Barrick et al., 2002). Indeed, sales position enable extraverts to follow their implicit status by achieving and/or exceeding sales objectives (Hogan & Hogan, 2007; Vinchur et al., 1998). A positive relationship is revealed between EXTRA and agents’ PERF in the pharmaceutical and electronic industries (Waheed et al., 2017), as well as in the IT one in Chandigarh (Tuteja & Sharma, 2018).

Conscientiousness and extraversion, triggered by the distinctive characteristics of outdoor sales positions, stimulate trait-relevant, embedded higher-order accomplishment and autonomy attempts, respectively (Barrick et al., 2013). This will consequently develop salespersons’ insights of the importance of their work’s purposes, and eventually their performance.

Based on the above arguments, a positive relationship between a) CONSC b) EXTRA and sales agent’s PERF is expected.

H.1.a: There is a positive relationship between conscientiousness and sales agents’ performance.
H.1.b: There is a positive relationship between extraversion and sales agents’ performance.

On the other hand, neuroticism has a strong negative influence on both, the cultural and psychological adaptation (Widiger, 2009). Such lack of adaptation limits the individual abilities and his/her efficiency in performing certain jobs (Collings & Mellahi, 2009; Eaton & Bradley, 2008). Judge & Ilies (2002) argued that NEURO people do not have the motivation required for different types of professions, and consequently, their performance is harmed. Recent studies confirmed a negative relationship between neuroticism and PERF (Tuteja & Sharma, 2018; Waheed et al., 2017). Based on the above argument, a negative relation between NEURO and sales agent’s PERF is expected.

H.1.c: There is a negative relationship between neuroticism and sales agent’s performance.

The Moderating Roles of the Leadership Styles and Hypotheses Formulation

Leadership, may “facilitate or constrain the extent to which personality traits can be naturally enacted in the pursuit of higher-order goals and thereby influence whether individuals’ purposeful work striving is perceived as meaningful” (Barrick et al., 2013, p. 137). To expand this knowledge, the authors integrate personality and leadership research to investigate the moderating role of leadership style.

Leadership Styles

The formulation of the leadership theories has been developed throughout the years. In this research, the full-range leadership theory is addressed, a continuum that includes three leadership behaviors
which are transformational leadership (TF), transactional leadership (TS), and laissez-faire (LF) (Northouse, 2007).

- **Transformational Leadership:** When discussing transformational leadership, Bass (1985) argued that by conveying an exciting vision and playing a role model, a transformational leader motivates followers and fuels their intellectual stimuli. He/she customizes his/her coaching assistance by considering every follower’s distinctive professional development needs. The impact of TF on employees’ performance, satisfaction and productivity is found to be positive and significant in different cultures (Braun et al., 2013; Chang et al., 2018) and industries, including insurance (MacKenzie et al., 2001).

- **Transactional Leadership:** While transformational leadership’s concern is to make changes and transform organizations on the long-run, TS is short-term oriented through its emphasis on three pillars: “contingent reinforcement/reward”, “active management by exception” and “passive management by exception” (Bass, 1985; Bass, 1990a). “Contingent reinforcement/reward” is when the leader rewards his/her followers anytime objectives are met. In “active management by exception”, the leader looks for weaknesses in the employees’ performance to take corrective actions. Finally, in “passive management by exception”, the leader does not get involved in the followers’ performance until things get very severe (Bass, 1990b). When leaders penalize poor performance and necessitate adherence (Odumeru & Ogbonna, 2013), dissatisfaction prevails, explaining its negative impact on performance (Ojokuku et al., 2012).

- **Laissez-faire Leadership:** It is an avoidant leadership type in settings where active leader involvement is required (Avolio & Bass, 2004; Skogstad et al., 2014). It may also be interpreted as a passive form of aggression (Parrott & Giancola, 2007) and in its intense state, as a type of ostracism (Williams, 2007). This leadership style entails a wide range of negative consequences among subordinates, manifested in terms of increased job stress, interpersonal conflicts, emotional exhaustion, weakened job satisfaction, and more importantly, undermined job performance (Skogstad et al., 2017). This is specifically valid when employees lack the required skills and expertise to perform the assigned duties (Chua et al., 2018). On the other side, laissez-faire leadership is found to impact employees’ performance positively anytime such employees have strong analytical skills (Basit et al., 2017).

**The Leadership Styles as Moderators**

**Conscientiousness:** Scholars revealed that conscientiousness implicitly influences job performance, and the motivational triggers of such performance are many, including the great self-set targets (Barrick et al., 1993), effort, determination and perseverance as well as self-efficacy (Chen et al., 2001). Highly conscientious followers exhibit a higher fundamental level of developmental readiness (Mzonzi et al., 2015). Such eagerness and willingness make them prone to cherish and benefit from the uplifting and inspiring effect of a transformational leader than from a transactional feedback style, a non-development-oriented one basically; and consequently, does not induce outstanding performance. Many scholars (Aljamal, 2018; Csikszentmihalyi & Rathunde, 1993; Salanova et al., 2006) highlighted the process through which transformational leaders motivate and induce high-achievers to aspire beyond and above their own anticipations. This process effectiveness is strengthened by the uplifting focus through the achievement-oriented feedback provided by such transformational leaders. Furthermore, the autonomous and self-governing nature of conscientious individuals helps them enjoy challenging tasks while ensuring excellent results and reporting prominent job satisfaction, irrespective of the leadership style they work under. Thus, conscientious sales agents will not be affected by their supervisor’s leadership style unless it is transformational.
Based on the arguments just discussed, the authors formulated the following hypotheses:

- The transformational leadership style moderates the positive relationship between conscientiousness and sales agent’s performance. The relationship is stronger in the presence of high transformational leadership.
- The transactional and the laissez-faire leadership styles do not moderate the positive relationship between conscientiousness and sales agent’s performance. The relationship is expected to be the same under both styles.

**Extraversion:** By using inspiring and visionary messages, stimulating their followers intellectually and attending to each follower’s unique career development needs through individualized coaching and mentoring (B. Bass, 1985), transformational leaders elevate even more, the perceived meaningfulness of extravert salespeople work. Consequently, success will flourish all the way through, in the pursuit of higher-order goals. However, when transactional leaders punish poor performance and necessitate process adherence (Odumeru & Ogbonna, 2013), employees might be dissatisfied by the lack of empowerment (Rowold & Schlotz, 2015). Consequently, the authors expect that transactional leadership will moderate, negatively, the relationship between extraversion and PERF. Different scholars argued that extraversion may function as a substitute for leadership (Kerr & Jermier, 1978). Consequently, extraverts will enjoy the presence of a laissez-faire leader, a leader who does not interfere to bind his/her followers’ behaviors.

Based on the arguments just discussed, the authors formulated the following hypotheses:

- The transformational leadership style moderates the positive relationship between extraversion and sales agent’s performance, such that the relationship will be more (less) positive in the presence of high (low) transformational leadership.
- The transactional leadership style moderates the positive relationship between extraversion and sales agent’s performance, such that the relationship will be less (more) positive in the presence of high (low) transactional leadership.
- The laissez-faire leadership style moderates the positive relationship between extraversion and sales agent’s performance, such that the relationship will be more (less) positive in the presence of high (low) laissez-faire leadership.

**Neuroticism:** Neurotic followers are inclined to experience a higher feeling of security when their leader is a transformational one (Guay & Choi, 2015). This increased sense of confidence and security emanating from a transformational leader tend to be especially crucial for those rating high on neuroticism in comparison to those who are emotionally stable, to improve job performance (Parker, 1998). Without a transformational leader to inspire confidence and trust, neurotics would typically be anxious from the leader’s increased expectations, and consequently impact their work performance. A transactional leadership removes the emotional connection between a leader and his/her followers, thus facilitating the damage of employees’ well-being (Vigoda-Gadot, 2007).

Individuals who feel unstable, are weak and need a greater protection, a workplace protection mainly offered by leaders and group members (Rudert et al., 2019). Given that laissez-faire leadership does not offer the required shield, such a leadership style and followers’ neuroticism do not constitute a perfect match. Skogstad et al. (2014) tackled the dark side of laissez-faire leadership style and revealed its connection to role ambiguity as well as to stress among employees. Consequently, the neurotic sales agent’s anxiety will be boosted, which will in turn affect their performance adversely.
Based on the arguments presented above, the authors formulated the following hypotheses:

- Transformational leadership moderates the relationship between neuroticism and sales agent’s performance, such that the relationship will be less (more) negative in the presence of a high (low) transformational leadership.
- Transactional leadership moderates the relationship between neuroticism and sales agent’s performance, such that the relationship will be more (less) negative in the presence of high (low) transactional leadership.
- Laissez-faire leadership moderates the relationship between neuroticism and sales agent’s performance, such that the relationship will be more (less) negative in the presence of high (low) laissez-faire leadership.

SAMPLE, INSTRUMENTS, AND MODELS

Sample
The sample consists of all full-time sales agents operating in the company under investigation. The questionnaire was distributed to two hundred sales agents, however, one passed away and nine respondents were out of town, making the response rate 95 per cent, considered excellent.

Procedure and Instruments
The dependent variable is sales agents’ performance (proxied by the natural logarithm of sales volume), extracted from the company’s archive for the year 2018 and represents the net amount of money that the agent was able to collect in return of life insurance services sold to customers during the year before.

In addition to the sales volume, data was collected using a questionnaire distributed to the target sample. We sought permission from the company’s chief executive officer who allowed us to distribute the questionnaire amid the participants. The structured questionnaire, with its closed-ended questions, was hand delivered to each respondent at the end of a weekly staff meeting, thus securing a high response rate. It is composed of an introduction disclosing an informed consent; in addition to three other major sections. The first section is a biographical section divided into a personal biography and a professional one. Then, the second section includes 45 statements aimed to capture the participant’s perception of the leadership style practiced by the unit manager (MLQ-5X). Finally, the third section comprises a series of statements aimed to capture the agents’ Big Five personality traits (Mini-IPIP). The English versions were used.

The MLQ-5X: The Multi-Factor Leadership questionnaire (MLQ) is the most frequently used measure in assessing the full-range leadership, with 77% of the researchers using it (Podsakoff et al., 1990). Bass and Avolio (2004) developed the MLQ-5X short form which is composed of 45 items including 36 items denoting the leadership factors described above. The remaining nine items examine the leaders’ outcomes. The scale uses a five-point Likert scale ranging from 0=Not at all to 4=Frequently, if not always (Bass & Avolio, 2004). Many scholars reported on the MLQ-5X scales’ reliabilities being high, varying from 0.74 to 0.94 on the total nine dimensions and for each leadership factor scale (Avolio & Bass, 2004; Ibrahim & Al-Taneiji, 2013). The high reliability previously obtained was also revealed in this research, with the following Cronbach Alpha’s figures: TF ($\alpha = 0.969$), TS ($\alpha = 0.871$), and LF ($\alpha = 0.857$).

The Mini-IPIP Questionnaire: This questionnaire was developed by Donnellan et al. (2006) and it contains 20 statements representing five personality traits with four items for each trait (EXTRA, AGREE, CONSC, NEURO, and OPEN), where two items set in the positive direction and two items are negatively worded. The Mini-IPIP scales had satisfactory internal consistencies (Alpha
well above .60) and is a useful short measure of the Big Five. The scale uses a five-point Likert scale which goes from “1” = Very inaccurate to “5” = Very accurate. For the positively keyed items, the response to “Very inaccurate”, “Moderately inaccurate”, “Neither inaccurate nor accurate”, “Moderately accurate”, and “Very accurate” are assigned the values of “1” to “5”. However, for the negatively keyed items, these responses are assigned the values of “5” to “1”. Finally, the total score for each personality is obtained by the sum of all the values making up a specific personality trait (Donnellan et al., 2006). This study showed the following Cronbach Alpha's figures: EXTRA (α = 0.911), AGREE (α = 0.893), NEURO (α = 0.845), OPEN (α = 0.771), and CONSC (α = 0.663), thus, revealing a very good internal consistency.

Models

The data was analyzed using Confirmatory Factor Analysis (CFA) and Structural Equation Modelling (SEM) technique in AMOS, which are applied in several studies (Cheng & Yeung, 2010; Jagannathan et al., 2016; Lee et al., 2006; Toukabri & Ettis, 2021). Within CFA model, the authors explicitly specify in advance the proposed paths among factors and items and limit each item to only one factor. This paper evaluates the model fit, convergent validity, and discriminant validity of the constructs. Afterward, SEM is used to test the hypotheses previously formulated as well as the moderating impact. Interactions provide a method for explaining not only how personality traits (X) affects sales agent’s performance (Y), but also how the moderator variable of leadership style (Z) changes the strength or the direction of the relationship. To achieve this, we run an interaction repression equation that includes the product of X and Z as an interactive effect (Jayasingh & Eze, 2012).

DATA PRESENTATION

Descriptive Statistics

Data on respondents’ demographics is collected and analyzed. Results reveal that most of the respondents (71.1%) are found to be male, showing the dominance of males in this insurance company. With respect to age, half of the participants are found to be between 30 and 49 years. When it comes to the participants’ level of education and the highest degree earned, the findings reveal that the majority of the participants hold a Bachelor degree, and specifically in Business (50%). While checking the participants’ years of experience at the current company, results reveal that the majority of participants have an experience between 1 and 5 years, followed by those with more than 16 years. Moreover, 89.5% of the participants are found to be relying solely on the income generated from their current work.

Confirmatory Factor Analysis

First, CFA is used to confirm the factor structure that was obtained in previous studies, by applying five-correlated first-order factors of each personality trait model and a three-correlated first-order factors of each leadership model. We evaluated the indicators’ loadings where values above 0.6 were retained and values below this level were deleted (Kashif et al., 2017). The results are shown in Figure 1 for the personality traits and in Figure 2 for the leadership style. Starting with the three personality traits (EXTRA, NEURO, and CONSC) that will be used in our path analysis, two statements were dropped, mainly “Make mess of things” (loading of 0.050 on conscientiousness), ‘Seldom feel Blue’ (loading of 0.501 on neuroticism). As for the leadership style, eight statements were dropped from the transactional construct and one statement from the transformational one.

Table 1 shows the bivariate correlations for all these variables.

Model Fit

Second, the goodness-of-fit can be evaluated for statistical significance using the probability of chi-square. Since the latter is vulnerable to sample size (Bagozzi & Yi, 1988), the chi-square divided by
the degrees of freedom ($\chi^2$/df) (Hoelter, 1983) can be used. A lower ratio indicates a better model fit. Since not all fit indices are stable under different model conditions, a combination of comparative fit indices (CFI), residual fit indices (e.g. standardized root mean residual (SRMR), and root mean square error of approximation (RMSEA) are used to assess the goodness of fit (Cheng & Yeung, 2010). Table 2 reports the cutoff criteria recommended by Hu & Bentler (1999).

Tables 3 shows that the personality traits model produces an excellent fit ($\chi^2$/df= 1.248, CFI =0.988 >0.95, SRMR=0.047 <0.08 and RMSEA= 0.036 <0.06). Similarly, the leadership Model obtained an acceptable to excellent fit, according to these indices (CFI=0.946 <0.95 and RMSEA=0.07>0.06).

**Validity and Reliability**

The next step is to establish the convergent validity (CV), the discriminant validity (DV), and the reliability, when doing a CFA (Hair et al., 2017). While Average Variance Extracted (AVE), and the Composite Reliability (CR) values are used to assess the CV, Maximum Shared Variance (MSV) and AVE are valid to measure discriminant validity. Table 4 and Table 5 provide the CR and the AVE for each construct, offering support of their convergent
Table 1. Bivariate correlations

<table>
<thead>
<tr>
<th></th>
<th>EXTRA</th>
<th>NEURO</th>
<th>CONSC</th>
<th>TS</th>
<th>LF</th>
<th>TF</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXTRA</td>
<td>1</td>
<td>-.606**</td>
<td>-.217**</td>
<td>-.119</td>
<td>.036</td>
<td>.178*</td>
</tr>
<tr>
<td>NEURO</td>
<td>-.606**</td>
<td>1</td>
<td>-.080</td>
<td>.152*</td>
<td>-.043</td>
<td>-.159*</td>
</tr>
<tr>
<td>CONSC</td>
<td>-.217**</td>
<td>-.080</td>
<td>1</td>
<td>.122</td>
<td>.078</td>
<td>-.109</td>
</tr>
<tr>
<td>TS</td>
<td>-.119</td>
<td>.152*</td>
<td>.122</td>
<td>1</td>
<td>.695**</td>
<td>-.786**</td>
</tr>
<tr>
<td>LF</td>
<td>.036</td>
<td>-.043</td>
<td>.078</td>
<td>.695**</td>
<td>1</td>
<td>-.650**</td>
</tr>
<tr>
<td>TF</td>
<td>.178*</td>
<td>-.159*</td>
<td>-.109</td>
<td>-.786**</td>
<td>-.650**</td>
<td>1</td>
</tr>
</tbody>
</table>

** and * denote significant at the 1% and 5% respectively (2-tailed).
### Table 2. Cutoff criteria

<table>
<thead>
<tr>
<th>Measure</th>
<th>Terrible</th>
<th>Acceptable</th>
<th>Excellent</th>
<th>Threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMIN/DF</td>
<td>&gt; 5</td>
<td>&gt; 3</td>
<td>&gt; 1</td>
<td>Between 1 and 3</td>
</tr>
<tr>
<td>CFI</td>
<td>&lt; 0.90</td>
<td>&lt; 0.95</td>
<td>&gt; 0.95</td>
<td>&gt; 0.95</td>
</tr>
<tr>
<td>SRMR</td>
<td>&gt; 0.10</td>
<td>&gt; 0.08</td>
<td>&lt; 0.08</td>
<td>&lt; 0.08</td>
</tr>
<tr>
<td>RMSEA</td>
<td>&gt; 0.08</td>
<td>&gt; 0.06</td>
<td>&lt; 0.06</td>
<td>&lt; 0.06</td>
</tr>
</tbody>
</table>

Source: (Hu and Bentler, 1999).

### Table 3. Model fit for personality and leadership

<table>
<thead>
<tr>
<th>Measure</th>
<th>Personality Estimate</th>
<th>Interpretation</th>
<th>Leadership Estimate</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMIN/DF</td>
<td>1.248</td>
<td>Excellent</td>
<td>1.922</td>
<td>Excellent</td>
</tr>
<tr>
<td>CFI</td>
<td>0.988</td>
<td>Excellent</td>
<td>0.946</td>
<td>Acceptable</td>
</tr>
<tr>
<td>SRMR</td>
<td>0.047</td>
<td>Excellent</td>
<td>0.049</td>
<td>Excellent</td>
</tr>
<tr>
<td>RMSEA</td>
<td>0.036</td>
<td>Excellent</td>
<td>0.070</td>
<td>Acceptable</td>
</tr>
</tbody>
</table>

Source (Gaskin, J. & Lim, J., 2016, "Model Fit Measures", AMOS Plugin)

### Table 4. Measurement model for personality

<table>
<thead>
<tr>
<th>Personality</th>
<th>Loading</th>
<th>CR</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neuroticism</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NEURO 1-Am Relaxed most of the time</td>
<td>.852</td>
<td>0.896</td>
<td>0.742</td>
</tr>
<tr>
<td>NEURO 3- Have frequent Mood Swings</td>
<td>.901</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NEURO 4- Get Upset easily</td>
<td>.830</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extraversion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EXTRA1-Don’t Talk a lot</td>
<td>.777</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EXTRA2-Talk To a lot of different people at parties</td>
<td>.901</td>
<td>0.912</td>
<td>0.722</td>
</tr>
<tr>
<td>EXTRA3- Am the life of the party</td>
<td>.840</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EXTRA4-Keep in the background</td>
<td>.876</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consciousness</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CONSC1- Get Chores Done Right Away</td>
<td>.819</td>
<td>0.849</td>
<td>0.652</td>
</tr>
<tr>
<td>CONSC2- Like Order</td>
<td>.832</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CONSC3- Often forget to put things back in their proper place</td>
<td>.770</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
validity, in that CR is greater than the threshold of 0.7 and AVE is greater than the threshold of 0.5 (Hair et al., 2017).

To assess DV, MSV should be lower than AVE and AVE square root should be greater than the correlations values. Results in Table 6 that DV is safeguarded in both models.

### Path Analysis and Hypotheses Testing

The next step is to create the variables based on the factor loading and to run the path analysis. Results in Table 7 show that while NEURO ($\beta = -0.357$, $p = 0.00$) negatively affects PERF, EXTRA ($\beta =$...
0.465, p < 0.00) positively affects PERF. CONSC has no significant relationship. The model shows a good fit as shown in Table 8.

**Moderator Impact**

The final step is to assess whether the relationship between each trait and performance strengthens, weakens, or flips sign, contingent on the leadership style. Interactions explain not only how personality traits affect PERF, but also under which leadership style (a moderator variable), the relationship is stronger.

Results in Table 9 reveal that EXTRA x TF is positive and significant at 1%, EXTRA x LF is positive and significant at 5%, while NEURO x TS is negative and significant at 10%. In other words, the manager’s TF leadership style strengthens the positive relationship between EXTRA and PERF (Figure 3). Laissez-faire strengthens the positive relationship between EXTRA and PERF (Figure 4).
Finally, transactional leadership strengthens the negative relationship between NEURO and PERF (Figure 5). All other interactions (moderating effects) are found to be insignificant.

Moreover, as shown in Table 10, the model fit is excellent, and it displays the best fit among all models previously run.

DISCUSSION

Personality Traits and Sales Agents’ Performance

Our results show that two personality traits are found to affect PERF, one positively and the second one negatively. They are extraversion and neuroticism, respectively. Extroverts are more inclined to pursue positive stimuli (Elliot & Thrash, 2002) that seemed to assist them in seeking new clients and

<table>
<thead>
<tr>
<th></th>
<th>Estimate</th>
<th>S.E.</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extraversion</td>
<td>0.516***</td>
<td>.049</td>
<td>0.000</td>
</tr>
<tr>
<td>ExtraversionXLaissez Faire</td>
<td>.164</td>
<td>.066</td>
<td>.069</td>
</tr>
<tr>
<td>ExtraversionXTransformational</td>
<td>.285</td>
<td>.070</td>
<td>.007</td>
</tr>
<tr>
<td>ExtraversionXTransactional</td>
<td>0.073</td>
<td>.077</td>
<td>.505</td>
</tr>
<tr>
<td>Neuroticism</td>
<td>-0.317***</td>
<td>.048</td>
<td>0.000</td>
</tr>
<tr>
<td>NeuroticismXLaissez Faire</td>
<td>0.042</td>
<td>.058</td>
<td>.599</td>
</tr>
<tr>
<td>NeuroticismXTransformational</td>
<td>-0.058</td>
<td>.071</td>
<td>.570</td>
</tr>
<tr>
<td>NeuroticismXTransactional</td>
<td>-0.161</td>
<td>.067</td>
<td>.111</td>
</tr>
<tr>
<td>Consciousness</td>
<td>-0.020</td>
<td>.038</td>
<td>.704</td>
</tr>
<tr>
<td>ConsciousnessXLaissez Faire</td>
<td>0.057</td>
<td>.053</td>
<td>.382</td>
</tr>
<tr>
<td>ConsciousnessXTransformational</td>
<td>0.087</td>
<td>.058</td>
<td>.305</td>
</tr>
<tr>
<td>ConsciousnessXTransactional</td>
<td>0.026</td>
<td>.059</td>
<td>.776</td>
</tr>
</tbody>
</table>
closing deals with. Thus, they boost any effort or strategy that seemed to work in previous ‘closing deals’ contexts, and use it in their future career path while hunting for new clients.

The salesperson’s confidence is a specific attribute that could make the whole difference between the significant positive performance of extraverts and the significant negative performance of neurotic sales agents. Being confident, communicative, and sociable (Costa & McCrae, 1992), extraverts significantly outperformed their peers in the insurance industry. Moreover, the lack of confidence that characterizes neurotic salespeople explains to a great extent their significant lower PERF. According to Weitz et al., (1986) “Adaptive Selling” framework, effective sales agents collect data and then create and employ a custom-made presentation taking into account the client’s characteristics. Moreover, it is extremely crucial to shed light on how sales agents meticulously observe the client’s response to a certain sales offer and make prompt strategic refinements. Thus, it would be extremely hard for a
neurotic salesperson, lacking confidence, specifically the adaptive selling confidence, to be able to engage in such selling behavior. Suzan et al. (Sujan et al., 1994) defined adaptive selling confidence as the confidence in one’s ability to use a range of various sales tactics and adjust them based on the client’s responses. Thus, extraverts, through their confidence and their outstanding communication skills, can translate their adaptive selling confidence into adaptive selling behavior and significantly outperform their peers in PERF.

The Leadership Styles as Moderators

Transformational Leadership, Laissez-Faire Leadership, and Extraversion

Transformational leadership and laissez-faire strengthen the positive link between EXTRA and PERF. The extroverts’ positive nature cherishes a mentoring relationship (Allen et al., 1997), and consequently, benefits from a transformational leadership style, which might in turn affect positively their PERF. On the other hand, many scholars argue that EXTRA may act as a replacement for leadership (Kerr & Jermier, 1978); thus, the absence of a direct leadership guidance under a ‘laissez-faire’ approach, optimizes the performance of those extraverts. By being sociable and dynamic, extraverts can go above and beyond, by supporting the organization in fulfilling its goals. Thus, the self-confident and optimistic character of extraverted followers enables them to cherish the required resources to perform better in sales and in any other task, regardless of whether the leader is absent (i.e. laissez-faire) or transformational.

Transactional Leadership and Neuroticism

Neurotic individuals are known for their quiet and shy character. This makes them to further withdraw and go deeper into isolation when pushed to meet targets and do more than they feel they are capable of doing (Jane. M. Howell & Shamir, 2005), especially when empowerment is absent from their direct supervisor (Rowold & Schlotz, 2015). This might explain how transactional leadership, as a moderator, strengthened the negative relationship between neuroticism and PERF. Guay & Choi (2015) argue that without a transformational leader to help instill confidence and collective vision, neurotics would normally worry or be anxious from their leader’s increased expectations. These worries are also triggered and accentuated by the potential punishment in case targets are not met under transactional leadership.

CONCLUSION

Different scholars have always shed light on the link between personality traits and job performance (Barrick and Mount, 1991), thus, it deemed crucial to reveal which personality trait in particular, outperforms others. Consequently, this study investigated how personality traits influence the performance of sales agents in Lebanon, and in the insurance industry specifically, an industry that fuels the economic growth in that country. Moreover, this research expanded the analysis by exploring

Table 10. Model fit with moderator

<table>
<thead>
<tr>
<th>Measure</th>
<th>Estimate</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMIN/DF</td>
<td>0.609</td>
<td></td>
</tr>
<tr>
<td>CFI</td>
<td>1.000</td>
<td></td>
</tr>
<tr>
<td>SRMR</td>
<td>0.005</td>
<td></td>
</tr>
<tr>
<td>RMSEA</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>PClose</td>
<td>0.759</td>
<td>Excellent</td>
</tr>
</tbody>
</table>
the harmonious relationship that could exist between a specific personality trait and a particular leadership style; thus, leading to a better job performance. Therefore, the moderating effect of the supervisor’s leadership style, on the relationship between personality and performance was examined. Using SEM, results revealed that the effect of personality traits on performance is not as straightforward as anticipated. Instead, Extraversion and Neuroticism are the only traits that significantly impacted performance. Those who scored high on EXTRA and low on NEUR are more likely to have better performance. Moreover, results reveal that extraversion can be moderated by the transformational and laissez-faire leadership styles to promote better performance. Furthermore, neuroticism is associated with a lower performance under a transactional leadership style. Thus, one main theoretical implication is that the manager’s leadership style moderates the cross-level relationships between the follower personality trait (neuroticism and extraversion) and performance. Indeed, the findings of this study can guide managers in different positions. For instance, while appointing leaders or supervisors for the sales units, the HR managers could assess the leadership styles of potential candidates and select from those scoring higher on the transformational dimension. Workshops could be offered too to boost the fruitful characteristics of a transformational leadership style. Moreover, while recruiting sales agents, the HR managers could assess the applicants’ personalities traits and select from those rated higher on extraversion.

Despite the several strengths that this study cherishes, some limitations are present too. Indeed, this research relies on the followers’ ratings, thus, results may be subject to common source bias. Furthermore, this study collects data at a particular date, which might not give this study a powerful position. Although personality is relatively stable over time (Maurer & Chapman, 2013), it would be beneficial if future research could consider longitudinal data collection processes. Moreover, the absence of previous research in the Lebanese insurance industry hindered the researchers’ ability to conclude if the findings are case specific or can be generalizable to the whole sector. Given that the already published studies tackled the impact of the leadership style in the Lebanese educational sector and the banking one; comparison might not be that fruitful. Therefore, future studies are recommended for more comprehensive conclusions to be drawn.
REFERENCES


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