

How Does Personality Link to Customer Retention? A Sequential Mediating Model of Self-Efficacy and Relational Investment

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Abstract

Because of the distal characteristic of personality and the demands of sales jobs, an understanding of personality and sales performance can be improved by considering two mediating variables: self-efficacy and relational investment. Therefore, this study proposes a multi-level model that mediates the relationship between salesperson's personality traits and customer retentions through sales-specific self-efficacy and relational investment. Using structural equation modeling with the maximum likelihood method, this study examines whether two mediating variables simultaneously or sequentially mediate the effect of personality traits on customer retention. Results indicate that the link between personality traits and customer retention can be more reasonably explained by assuming the sequential influence of the two mediators rather than simultaneous mediation or their direct effect. More specifically, this study provides evidence that sales-specific self-efficacy mediates the connection of personality traits and customer retentions and, in turn, the cumulative effect of self-Efficacy is fully mediated by relational investment.

Keywords: Customer Retention, Personality Traits, Relational Investment, Sales-specific Self-efficacy

1. Introduction

Salespeople, the most frequent contact points with customers, are often called to act as "relationship marketers" in order to build and maintain the customer relationship in the customer-firm dyad⁸. In the context of social exchange theory, a customer relationship is a process of reciprocal exchange that includes relational benefits and the symbolic interaction between customers and salespeople³⁰. Customers encode verbal/nonverbal cues of salespeople as symbols and then retrieve these symbols when reacting to the salespeople or firms. Therefore, individual differences among salespeople on factors such as personality traits and motivation are likely to influence further customer behaviors and interactions.

Research on the characteristics of salespeople is derived from the impact of individual differences. Accumulated evidence, in the field of psychology has shown a strong effect of individual differences on the direct relationship

between personality traits and work performance^{25,31}. The marketing literature, by contrast, has reported either a weak relationship between personality traits and sales outcomes or no direct effect of personality¹⁵.

This inconsistency may be explained by two factors: job characteristics of sales and the distal property of personality. First, sales jobs require strong interpersonal skills and a great degree of service autonomy along with a tolerance for repeated customer rejection²⁶. Due to these service demands, salespeople need to have adaptive traits that protect them against the negative effects of repeated rejection in competitive environments as well as abilities that allow them to maintain service-based relationships emphasizing satisfaction and trust. That is, sales jobs require salespeople to have an adaptable personality and a relational capability that can foster high quality of service relationships and further positive interactions.

Second, personality has a unique property referred to as a distal construct in relationship to the sales criteria^{6,20}.

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This means that personality, as an inner trait of individuals, can be related to sales performance when personality is motivated by proximal constructs such as self-efficacy^{11,36}. Potentially, salespeople's traits may not to be exhibited if they are not fully motivated to achieve their goals or do not have efficacious beliefs that support problem solving. Therefore, this study proposes that the relationship between personality traits and sales performance will be better explained when considering two different aspects of mediators, namely motivational and relational components.

2. Theoretical Background

2.1 Personality Traits

The Five Factor Model (FFM) has been widely accepted as a personality construct in the field of psychology⁶. The five personality traits in FFM are Extraversion, Neuroticism, Agreeableness, Conscientiousness and Openness to Experience^{5,16,19,34}.

Extraversion is related to the quantity and intensity of interpersonal interaction, including traits such as sociability, assertiveness, and activity. Neuroticism, frequently referred to as the negative pole of Emotional Stability, represents the tendency toward maladjustment under negative emotions such as stress, depression, and anxiety. Agreeableness, often called "Likeability," includes traits such as kindness, warmth, and altruism. Conscientiousness reflects dependability, achievement-orientation, and persistence. Finally, Openness to Experience, often called "Intellect," is associated with traits such as curiosity, creativity, and flexibility.

Although a considerable body of research has proposed that these five personality traits are related to work performance across a host of jobs, there is also disagreement about how each trait influences sales performance^{6,15}. The meta-analysis of Tett et al.³¹ showed that, among the five traits, Agreeableness and Neuroticism were the only significant predictors of job performance. On the other hand, Barrick and Mount⁵, in a meta-analysis based on 117 studies, found that Conscientiousness and Extraversion were highly valid predictors of sales work performance. After a reanalysis of their previous work, Mount and Barrick²⁵ reported that Extraversion was the best predictor of successful sales performance among the five factors. Similarly, Cont and Gintoft¹³, in a study with computer retail salespeople, found that the predictive validity of Extraversion was greater in jobs requiring high autonomy such as sales and management positions. On the other hand, Openness

to Experience trait may be related to the elaboration of learning for salespeople with specific learning and performance goals⁷. Based on the foregoing arguments, this study proposes the following direct effect hypotheses:

H1: Five factors of personality traits: a) Conscientiousness, b) Extraversion, c) Neuroticism, d) Agreeableness and e) Openness to Experience will directly predict customer retention in terms of sale outcomes.

2.2 Mediating Effects of Self-efficacy and Relational Investment

Self-efficacy is defined as "one's judgment of his/her capability to organize and execute courses of action required to attain designated types of performance"⁴. Because self-efficacy increases the feeling of responsibility toward one's job and an expectation of successful performance, efficacious salespeople are more motivated to achieve their goals particularly in highly competitive market situations²⁹.

While Krishan et al.²² has found a direct effect of self-efficacy on sales performance, other researchers have asserted indirect effects relating the impact of individual differences to performance. Thoms et al.³², in a study of self-managed work groups, found that self-efficacy is positively related to Conscientiousness and Extraversion and negatively related to Neuroticism in predicting work performance. They concluded that self-efficacy would have a mediating effect on the relationship between personality traits and work performance.

In the context of sale job, Salespeople with unstable emotions are less likely to be goal-oriented and to effectively engage social interaction with customers because Neuroticism is associated with trait anxiety and poor self-regulation²¹. Also, Extraversion has a strong effect on successful social relationships for customer management works as well as on enhancement of sales-specific self-efficacy because it contributes to higher performance through sociable and active communication with others²⁶. The effectiveness of Agreeableness can be restricted if it is not accompanied by other traits, although agreeable salespeople are likely to make customers comfortable in noncompetitive situations. The trait of Agreeableness therefore has one aspect in common with Extraversion, but is differentiated according to the context of situational dominance, i.e., competitive and noncompetitive markets. On the other hand, Openness to Experience will be connected with self-efficacy when salespeople exert creativity and

intellectual curiosity, when it involves the elaboration of learning. In the same vein, some researchers have argued that Conscientiousness and Openness to Experience traits could be positively associated with a customer-focused orientation by mediating the learning goal orientation similar to the concept of self-efficacy in the context of control theory^{1,18}. These findings imply that personality traits may be primarily related to sales-specific self-efficacy and this self-efficacy, in turn, directly influences relational investment and sales outcomes. In the vein of sales job, this study defines sales-specific self-efficacy as a sales domain-specific form of self-confidence³³. In light of these considerations, this study proposes the following hypotheses:

H2: Sales-specific self-efficacy will directly predict customer retention.

H3: Sales-specific self-efficacy will mediate the relationship between personality traits and customer retention.

Another mediator in this study is the relational investment that can be conceptualized as the extent to which a salesperson perceives the tendency of one's effort and behavior to create and cultivate close relationships with regular customers¹⁴. Social exchange theory implies that relational investment facilitates the formation of strong emotional bonds by establishing exchange fairness that influences relationship commitment and trust²⁴.

Recent studies suggest that relational customer orientation can mediate the effect of individual differences on performance and satisfaction¹⁸. In particular, Weitz et al.³⁵ argued that salespeople's traits can influence performance via customer orientation, indicating a behavioral tendency toward satisfying customer needs. Because satisfied customers tend to be more loyal and more committed, salespeople's relational efforts may improve the quality of customer relationships and ultimately affect sales performance and future customer interactions.

Main interest in this study is to examine the role of relational investment that corresponds to the mediating effect of sale-specific self-efficacy in the vein of personality-performance chains, shown in Figure 1. With respect to control theory¹⁰, relational investment can be viewed as a subordinate goal whereas sales performance is likely to be a superordinate goal in the salespeople's action hierarchy. Given that a salesperson's relational effort is a self-regulatory function similar to self-efficacy, relational investment will mediate the effect of individual differences on sales outcomes because it depends on the extent to which a salesperson devotes resources to

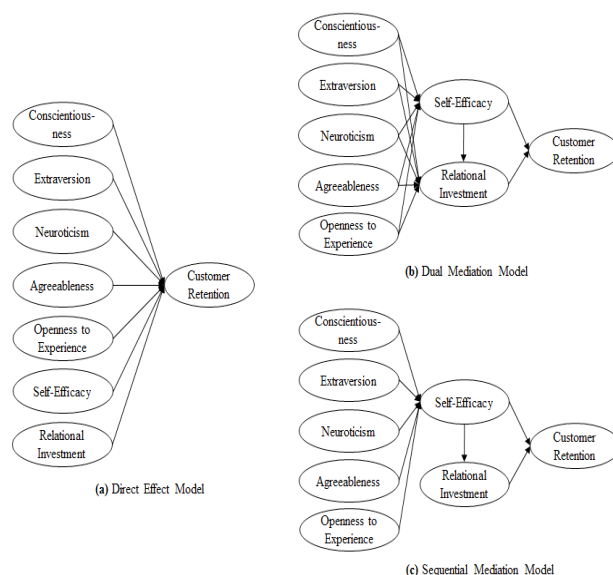


Figure 1. Competing models.

building and maintaining relationships with customers¹⁸. Therefore, personality traits will be mediated by the salesperson's relational investment because it is a mechanism for achieving superordinate goals to sales outcomes such as customer retentions. Based on the foregoing discussion, the following hypotheses are proposed:

H4: Relational investment will directly predict customer retention.

H5: Relational investment will fully mediate the relationship between personality traits and customer retention.

2.3 Comparison of Models

For research purposes, this study develops comparative models described as a chain of salespeople's personality traits and customer retention which are mediated by self-efficacy and relational investment, simultaneously or sequentially. Clearly, this approach supports the development of an integrative understating about how salespeople's traits are related to customer retention through motivational (self-efficacy) and relational mediators.

This study propose one basic model and two hypothesized models based on the previous discussion: (a) the direct effect model, (b) the dual mediation model, and (c) the sequential mediation model (Figure 1). The direct effect model involves direct effects

of personality traits^{12,25}, self-efficacy²⁸, and relational investment¹⁷ on customer retention in terms of sales outcomes. Multi-level mediation models suggest that sales-specific self-efficacy is a function of motivation in performance^{6,20} while relational investment is a function of service demand in sales positions³⁰. In particular, the dual mediation model postulates that sales-specific self-efficacy and relational investment will simultaneously mediate the effects of personality traits on sales criteria, because personality traits may be related to mediators in different ways¹⁹. The sequential mediation model assumes a differentiated role of the motivational and relational mechanisms, indicating primary mediation for sales-specific self-efficacy and secondary mediation for relational investment. Studies on self-efficacy suggest that it could be mediated by other variables such as job complexity¹¹ and relational effort²⁷, in addition to any direct effects on job performance²².

On the other hand, this study do not develop an alternative sequential model in which the personality traits influence relational investment, which in turn influences sales-specific self-efficacy. There are some logical and empirical reasons. Because personality and self-efficacy are constructs of individual differences⁴, they are conceptually closer to personality than are relational variables and personality traits. In fact, Barrick et al.⁶ contend that properties of self-perception, as individual differences, should be antecedents not outcomes for social interaction with others. Lee and Gillen²³ also found that salespeople in high self-efficacy are likely to maintain effective communication with customers since they have self-confidence to exhibit the particular behavior required by the interpersonal situation.

Given that sales-specific self-efficacy is a proximal construct that makes individuals intrinsically motivated²⁰, this study expects that the sequential mediation model will provide a better explanation for the effect on sales criteria than will the dual mediation model. Furthermore, this study believes that these mediation models are superior to the direct effect model that indicates a simple connection between personality traits and customer retention.

3. Methods and Results

3.1 Participants and Procedure

Data for this study were collected from salespeople working for life insurance companies in South Korea. The

data collection procedure involved two phases in order to obtain a matching sample of survey and their customer retention data. First, a total of 2,000 salespeople were randomly selected from a list provided by the head offices of those firms that gave us formal permission to do research. To reduce possible management influences, a separate telephone interview was conducted to ensure willingness and availability to participate and questionnaires were mailed to the sample members. The response rate was 67% in terms of useable questionnaires returned by the salespeople.

Second, customer retention data were obtained from the firm's database. The database includes transactional information of all contracts for each salesperson. To combine data of sales records and survey responses, the individuals' sales and contracts information was matched to the data set in the first phase. This process yielded a final data set of 1,031 salespeople that was used for analyzing research models. Almost all of the unmatched cases were due to the absence of sales records because of salesperson turnover and job transfers within the year. In order to control job experiences of salespeople, job tenure was ranged from greater than one year and less than three years.

3.2 Measurement Scales

This study adopted the Goldberg's personality inventory which measures the five traits of Conscientiousness, Extraversion, Neuroticism, Agreeableness, and Openness to Experience. Based on the Goldberg's¹⁶ inventory, a 25-item scale was developed to tap typical traits of FFM using a 4-point scale ranging from (1) strongly disagree to (4) strongly agree as the anchors. Like FFM scales, all items for this study were measured using a 4-point scale in order to eliminate the obscurity of midpoint responses. Each trait consisted of five adjective items (Table 1).

Self-efficacy was measured with four items adapted from Krishnan et al.²² and Sujan et al.²⁹ in the specific context of insurance sales. This study conceptualized sales-specific self-efficacy as a sales domain-specific form of self-confidence.

Relational investment was measured with a three item scale adapted from the studies of De Wulf et al.¹⁴. This study directly measured the salesperson's behavioral tendencies rather than customer perception because a direct measurement is better suited to the conceptualization of relational investment that aims to maintain and cultivate high-quality customer relationships¹⁸. This study therefore conceptualizes relational investment as the extent to which a salesperson devotes resources, effort, and

Table 1. Properties of constructs

Constructs	Items	EFA		CFA		Cronbach's Alpha	Average Variance Extracted
		Eigenvalue	Loadings	Loadings	t-value		
Conscientiousness	Hardworking organized through reliable responsible	2.49	.63	.68**	21.52	.74	.68
			.65	.60**	18.94		
			.72	.56**	17.45		
			.67	.59**	18.40		
			.49	.59**	18.45		
Extraversion	Active talkative sociable gregarious bold	2.49	.66	.73**	24.15	.75	.67
			.69	.51**	15.67		
			.68	.55**	17.20		
			.69	.69**	22.82		
			.52	.58**	18.28		
Neuroticism	Anxious unstable tense nervous angry	2.30	.69	.63**	18.02	.67	.72
			.65	.57**	16.28		
			.65	.49**	13.43		
			.69	.53**	15.06		
			.56	.48**	13.30		
Agreeableness	Kind warm agreeable generous unselfish	2.56	.74	.67**	21.61	.75	.67
			.75	.64**	20.29		
			.71	.71**	23.01		
			.61	.62**	19.30		
			.62	.45**	13.38		
Openness to Experience	Creative imaginative analytic intelligent curious	2.35	.63	.54**	15.96	.69	.70
			.68	.52**	15.21		
			.65	.59**	17.34		
			.61	.59**	17.36		
			.64	.54**	15.70		
Self-efficacy	Confidence of successful sales work feel that my sale job is going my way feeling about strong ability to sell belief about being a top seller	2.05	.65	.58**	17.58	.63	.71
			.63	.52**	15.41		
			.55	.59**	17.76		
			.64	.49**	14.53		
Relational Investment	Devote considerable time and effort make significant investments make efforts to improve its ties	1.95	.85	.86**	24.05	.71	.86
			.75	.57**	16.89		
			.76	.63**	18.57		
Customer Retention	Percent of keeping contracts number of keeping contracts	1.81	.94	.86**	17.59	.72	.54
			.94	.92**	18.04		

Note: Loadings of CFA are standardized estimates.

** $p < .01$

attention aimed at maintaining or enhancing relationships with regular customers that do not have outside value¹⁴.

This study operationally defined the customer retention as the number and the rate of renewed customer contracts. The number of renewed contracts was calculated by the summation of the renewed contracts for each salesperson. The rate of renewed contracts was calculated by subtracting the number of canceled contracts from the number of renewed contracts and then dividing it by the total number of contracts for each individual salesperson. Based on this difference, it predicts that a salesperson with many canceled contracts will have a relatively low rate of renewed contracts in contrast to that of a salesperson without canceled contracts although they all have an equal number of renewed contracts. The number and the rate of renewed customer contracts are practical indicators representing the degree to which a customer relationship is retained.

3.3 Measurement Validation

The exploratory factor analysis was conducted first to develop valid items aligned with conceptualization of the major constructs. This study then conducted a confirmatory factor analysis to assess the dimensionality and validity of those constructs². After that, structural models were analyzed and the path coefficients were estimated using AMOS 20.0 with the Maximum Likelihood (ML) method. The ML estimators of path coefficients in the measurement and structural models were computed from the observed covariance matrix as input data. Multiple indices of the overall fit was used to evaluate the goodness of fit to the data: chi-square, Root Mean Square Error of Approximation (RMSEA), Goodness-of-Fit Index (GFI), Adjusted Goodness-of-Fit Index (AGFI), Comparative Fit Index (CFI), and Parsimony Normal Fit Index (PNFI). To compare competing models, the chi-square difference test was used to evaluate the difference of model fit³.

The result of exploratory factor analysis indicated that the set of measures were valid and reliable, guided by acceptance of factor loadings of around 0.50 and above and removing items with low or cross loadings (Table 1). To establish a reduced scale of personality traits, this study first selected five items for each of the five factors from the Goldberg's personality inventory¹⁶. The selection process was based on factor loadings, scree test, and the internal consistency of the resulting five-item scale for the inventory. After indicators with low or cross loadings were eliminated, 25 items of five traits remained and were

used to evaluate the dimensionality of eight constructs. The results of confirmatory factor analysis showed that all items loaded significantly on the latent constructs with chi-square (499) = 889.41, indicating the unidimensionality and convergent validity of all measures. Indices of goodness-of-fit indicated that the measure model is reasonable fit the data with RMSEA = .028, GFI = .95, AGFI = .94, CFI = .95, and PNFI = .80. A list of all the items used in the study is provided in the Table 1 along with the factor loadings, t-value, Cronbach's alpha, and average variance extracted estimates for the eight constructs.

Discriminant validity was evaluated by a series of nested model comparisons in which correlations between latent constructs were constrained to 1.0. Chi-square differences were significant for all pairs of major constructs at significance level of 0.01, thereby indicating the evidence of discriminant validity². In addition to this, the average variance extracted estimates in Table 1 shows that all measures were exceeded the value of 0.50, suggesting discriminant and convergent validity of measurement model³. Based on the results of exploratory and confirmatory factor analysis, all measures of this study are reasonable, with evidence for unidimensionality, internal consistency reliability, and adequate convergent and discriminant validity. Table 2 shows the means, standard deviations, and correlations among the constructs in the final data set.

The direct effect model is the least restricted model by allowing the only direct relationship between antecedents and customer retention without mediators (Figure 1a). This model, as shown in Table 2, seems to fit the data (RMSEA = .028, GFI = .95, AGFI = .94, CFI = .95, and PNFI = .80) even though the chi-square test was significant ($\chi^2(499) = 889.41, p < .01$). The dual mediation model (Figure 1b), which reflects the simultaneous effects of two mediators including sales-specific self-efficacy and relational investment, is more restricted than the direct effect model. This model also indicated an acceptable fit of the model to the data ($\chi^2(504) = 893.01, p < .01$; RMSEA = .027, GFI = .95, AGFI = .94, CFI = .95, and PNFI = .81). The third model is a sequential mediation model and assumes a two-step mediating process of sales-specific self-efficacy and relational investment (Figure 1c). That is, sales-specific self-efficacy primarily mediates the effect of the personality traits and then relational investment sequentially mediates the cumulative effect of sales-specific self-efficacy (primary mediator) on customer retention. This sequential mediation model is

Table 2. Descriptive statistics and correlations

	Mean	SD	1	2	3	4	5	6	7	8
1. Conscientiousness	2.91	.51	1.00							
2. Extraversion	2.80	.58	.45	1.00						
3. Neuroticism	2.40	.58	-.16	-.20	1.00					
4. Agreeableness	2.96	.63	.29	.30	-.06	1.00				
5. Openness to experience	2.74	.56	.33	.37	.01	.25	1.00			
6. Self-efficacy	3.01	.52	.53	.43	-.19	.34	.32	1.00		
7. Relational investment	2.69	.86	.06	.10	-.02	.10	.07	.07	1.00	
8. Customer retention	0.70	.59	.01	.05	-.03	.06	.06	.05	.18	1.00

the most restrictive and also has a reasonable fit to the data with $\chi^2(509) = 901.05$, $p < .01$, RMSEA = .027, GFI = .95, AGFI = .94, CFI = .95, and PNFI = .81.

3.4 Model Comparison and Hypotheses Testing

Analysis of the structural model includes hypothesis testing and the evaluation of competing models proposed in Figure 1. As shown in Table 3, the direct model has only one significant coefficient among all paths. Relational investment was only positively related to the customer retention ($t = 5.29$, $p < .01$), indicating that the direct effect hypotheses (H1s) were not supported. These results suggest that the direct connection cannot adequately explain the effect of personality traits on customer retention in sales domain despite its reasonable fit to the data.

In contrast, the results for the mediating models show that the influential routes of personality traits on sales performance are guided by psychological and relational factors, specifically sales-specific self-efficacy and relational investment. In the dual mediation model, Conscientiousness strongly and positively influenced sales-specific self-efficacy ($t = 9.19$, $p < .01$). In addition,

Agreeableness positively influenced sales-specific self-efficacy ($t = 4.20$, $p < .01$), and Neuroticism was negatively related to sales-specific self-efficacy ($t = -3.06$, $p < .01$). Unfortunately, Extraversion and Openness to Experience did not have a significant effect on sales-specific self-efficacy ($t = 1.85$; $t = 1.94$, all $p > .05$). In this dual mediation model, sales-specific self-efficacy did not have significant effects on the customer retention as well as on relational investment ($t = .16$; $t = 1.70$, $p > .05$). Just the effect of relational investment on customer retention was fairly significant ($t = 5.32$, $p < .01$). On the other hand, the results showed that the five traits were generally not directly associated with relational investment (all $p > .05$). This suggests that personality traits could be directly related to a motivational factor such as sales-specific self-efficacy and, in turn, are likely to indirectly relate to customer retention via a marketing factor such as salesperson's relational effort.

The result of the sequential mediation model is noteworthy when compared to the dual model. As shown in Table 3, in the sequential model, relational investment mediated the cumulative effect of sales-specific self-efficacy. Personality traits were strongly related

Table 3. Structural model estimates of competing models

Paths		Direct Effect Model		Dual Mediation Model		Sequential Mediation Model	
Dependent Variables	Independent Variables	Standardized Estimates	t-value	Standardized Estimates	t-value	Standardized Estimates	t-value
Self-Efficacy	Conscientiousness			.57	9.19**	.56	9.12**
	Extraversion			.11	1.85	.12	1.98*
	Neuroticism			-.13	-3.06**	-.13	-3.09*
	Agreeableness			.18	4.20**	.19	4.29**
	Openness to Experience			.10	1.94	.10	1.97*
Relational Investment	Conscientiousness			-.05	-.54		
	Extraversion			.12	1.88		
	Neuroticism			-.02	-.41		
	Agreeableness			.07	1.35		
	Openness to Experience			.03	.48		
	Self-efficacy			.02	.16**	.14	3.35**
Customer Retention	Conscientiousness						
	Extraversion	-.13	-1.38				
	Neuroticism	.02	.38				
	Agreeableness	-.02	-.41				
	Openness to Experience	.01	.09				
	Self-efficacy	.06	1.00				
	Relational Investment	.12	1.11	.06	1.70	.07	1.71
		.21	5.29**	.22	5.32**	.22	5.24**

* $p < .05$ ** $p < .01$

to sales-specific self-efficacy that sequentially affects relational investment; this was not found in the dual model ($t = 3.35$ in the sequential model, $p < .01$; $t = .16$ in the dual model, $p > .05$, respectively). All effects of five traits on sales-specific self-efficacy in the sequential model were statistically significant, differently from dual (simultaneous) model. These results show that customer retention can be indirectly related to salesperson's personality traits, specifically through the sales-specific self-efficacy and sequentially mediated by a relational investment. Therefore, H3 and H5 are only supported in the case of sequence mediation model, and H2 is not supported in cases of both mediation models. However, all hypothesized models supported H4, indicating the direct effect of relational investment on customer retentions.

The findings in this study imply that the mediation models are more valid than the direct model for predicting the relationship between personality traits and customer retention. In addition, the sequential mediating model (personality traits $\rightarrow$ sales-specific self-efficacy $\rightarrow$ relational investment $\rightarrow$ customer retention)

can be superior to a dual mediating model (personality $\rightarrow$ sales-specific self-efficacy/relational investment $\rightarrow$ customer retention). Theoretical considerations support this assertion, implying that sales-specific self-efficacy is a proximal construct linking the distal construct of personality to sales outcomes^{20,36}.

4. Discussion

This study provides evidence that self-efficacy mediates the relationship between personality traits and customer retention in terms of sales outcome and, in turn, the cumulative effect of sales-specific self-efficacy is mediated by relational investment. Based on results in this study, it can be inferred that there is an alternative explanation for previous studies that report a weak relationship between personality and sales effectiveness¹⁵. Findings in this study indicate that the role of sales-specific self-efficacy is important for understanding the connection between personality and customer retention, consistent with the perspectives of Barrick et al.⁶ and Judge and I lies¹⁹. Specifically, this study

found that conscientiousness rather than extraversion is more strongly related to sales-specific self-efficacy. As predicted by theories of goal-setting and self-efficacy^{27,28}, results in this study suggest that conscientious individuals with high sales-specific self-efficacy tend to set higher goals and to be more motivated by one's ability and expectations for success. Therefore, the combination of conscientiousness and sales-specific self-efficacy, as characteristics of salespeople, is fairly important to sales outcome because salespeople need to be equipped with strong inertia for coping with frequent customer rejections and for adjusting to competitive demands in sales and service encounters.

On the other hand, results in this study indicate Extraversion and Openness to Experience traits can be associated with sales-specific self-efficacy when assuming a sequential mediation from sales-specific self-efficacy to relational investment. More importantly, all traits might be sequentially mediated by sales-specific self-efficacy and relational investment. That is, sales-specific self-efficacy did not have a significant effect on relational investment if both simultaneously mediate the effect of personality traits on customer retention. However, this effect was improved by assuming the sequential mediation of two variables, resulting in a chain of 'personality traits → sales-specific self-efficacy → relational investment.' The plausibility of this chain can be attributed to the distal characteristics of personality required for a proximal component such as motivation in order to link to behavioral outcomes. Finally, Even though sales-specific self-efficacy did not have a direct effect on customer retention (the mediation models in Table 3), relational investment had a positive influence on customer retention, consistent with Harris et al.¹⁸ who argued relationship management is closely related to customer management because it reflects a customer orientation rather than a performance orientation.

In the past, insurance personnel management focused on the selection of individuals with high extraversion because most companies sought to increase immediate sales and profits. With respect to the lasting customer relationship, however, this study suggests that managers should instead concentrate on selecting self-efficacious salespeople with three major traits including conscientiousness, emotional stability (the opposite of neuroticism), and agreeableness to improve the salespeople's capability through relationship marketing. It can also reduce costs by decreasing turnover rate. To effectively

take advantage of the joint effect of personality traits and sales-specific self-efficacy, the screening method needs to incorporate structural or situational interviews that identify the applicant's adaptability to the demands of sales positions³⁶. Managers should also be reminded that salespeople are inner customers as human capitals and relationship marketers as critical contact points in service encounters.

A potential limitation of this study is related to the measures of relational investment obtained from salespeople's self-responses. This study confirms that salespeople's perceptions are important because they reflect one's ability to achieve customer goals and meet their needs through responsible attitudes and adaptive selling behavior. Another limitation is a weakness of generalization to other populations since this study used a restricted sample on job tenure (within three years of sale experience). Therefore, future research may wish to consider the long-serving salespeople in order to confirm an independent effect of job tenures. Finally, other researchers may consider some additional variables such as customer reaction¹ and job satisfaction⁹, which can moderate the linkage of self-efficacy and relational efforts. A useful direction for future research would be to examine whether these moderators produce a rich understanding of customer management in sales domains.

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