

The Contribution of Emotional Intelligence and Occupational Self-Efficacy on Organizational Commitment of Insurance Agents in PT. Prudential Life Assurance

Febrin Dokmasari Sitorus

Faculty of Psychology Gunadarma University

Jl. Margonda Raya No. 100, Pondok Cina, Depok 16424, Indonesia

E-mail: febrin.sitorus@gmail.com

ABSTRACT

Organizational commitment is an employee's behavior associated with strong trust and acceptance of goals that include an element of loyalty and job involvement. Several factors that can increase organizational commitment are emotional intelligence and occupational self-efficacy. This study aims to test empirically the contribution of emotional intelligence and occupational self-efficacy to organizational commitment to insurance agents. This research is a quantitative research. Respondents in this study were 130 insurance agents of PT. Prudential Life Assurance. The discriminatory power test item of the emotional intelligence scale shows 24 good items from 33 items tested with a score of 0,302 to 0,656. Emotional intelligence reliability test results of 0,844. The discrimination power test items occupational self-efficacy scale shows 6 good items from 6 items tested with a score of 0,473 to 0,629. Occupational reliability test results of self-efficacy of 0,801. The discrimination power test item of organizational commitment scale shows 15 good items from 18 items tested with a score of 0,373 to 0,692. The results of organizational commitment reliability test of 0,861. Test reliability is done by using alpha cronbach technique. Hypothesis test using multiple linear regression technique that yields a significance value of 0,000 ($<0,005$). The results of this study indicate that there is a contribution of emotional intelligence and occupational self-efficacy to organizational commitment to insurance agents PT. Prudential Life Assurance.

Keywords : Emotional Intelligence, Occupational Self-Efficacy, Organizational Commitment, Insurance Agents of PT. Prudential Life Assurance

INTRODUCTION

Since January 1, 2014 the government run National Health Insurance program (JKN) which is part of the National Social Security System (SJSN), the organizer of the Social Security Agency (BPJS). BPJS is a program that serves as a guarantee of social security must be followed by every citizen of Indonesia.

However, BPJS not an insurance program, because it does not apply the principles of risk assessment. In relation to insurance plan, BPJS often associated as a substitute for a health insurance program offered by insurance company. BPJS emerging concerns which had been felt by the association of insurance companies. The perpetrators of the insurance business is

concerned the competition in the financial services industry will be more stringent. However, the government is certainly not intended to harm or turn off the insurance industry through this policy. On the contrary, through BPJS, people are made aware of the importance of having life insurance (Prasetyo, 2015).

Indonesian Life Insurance Association (AAJI) recorded a positive performance in the life insurance industry amid slowing economic growth and national Program until 2017. This can be seen clearly with the increase growth total premium income of Rp. 177.42 billion, an increase of 11.8% from the year 2016. This means that more and more Indonesians understand the long-term nature of life insurance coverage, not only to protect themselves from the risks of accidents and illness, but also to be an investment vehicle. This enables communities to commit to maintaining policy ownership to protect their finances, when risks occur in the future.

In addition, other factors that also encourage the growth of insurance is the more attractive and easy insurance system offered to the public. In the first quarter I of 2017 The Association of Indonesian Life Insurance (AAJI) also managed to record the total number of life insurance agents that increased to reach 571,117 agents. This proves that the contribution of agent marketing channel still dominates the marketing of life insurance products in Indonesia. The agents are usually associated directly with prospective buyers and buyers insurance policy, therefore it is undeniable that insurance agents is the backbone for the life insurance industry in Indonesia.

The development of the industrial world in the era of globalization that is being experienced by Indonesia as it currently makes some companies engaged in the industry increasingly tight in competing. It is not easy for a company to be able to improve and maintain production output and profit received. There are many strategies used by companies to continuously improve and maintain their business. One strategy in improving business competition is the regulation of human resources. Workers in the company have a very important role, because workers are the main drivers in the company's production. The company's satisfactory and stable production results are also influenced by the good organizational commitment of each worker (Herscovitch & Meyer).

Sheng (2010) views commitment as the basis of an individual's psychological attachment to his organization. However, not infrequently companies and employees have not understood the meaning of commitment in earnest. Though the understanding is very important in order to create a conducive working conditions so that the company can run efficiently and effectively. Often companies demand commitment to employees, leading to allegations when a person's performance appears to be decreasing, the company considers the employee to be low committed. Problems that arise in the company are employees who have a low commitment can bring negative impact on the company such as decreased productivity, quality of work, satisfaction, ignoring the rules, absenteeism and employee turnover. Conversely, the existence of high organizational

commitment will give a positive influence, which leads to job satisfaction, morale, good work performance and desire to keep working in the company.

The low commitment to these employees can cause employees to turnover or move to work, lazy at work, on the contrary a very high commitment affect the positive conditions in work. High or low employee commitment to an organization or company may influence an employees decision to stay in or choose another workplace that is considered more promising. One of the industries in Indonesia that often happens employee turnover is the insurance industry.

Insurance agents in Indonesia is still underestimated. The role of the financial industry is not too significant compared to banking. Though in developed countries insurance is not indiscriminate industry because there is no life field that does not involve insurance. If the insurance industry has not been considered in Indonesia, it is only natural that the workers who are engaged in the industry and even less get appreciation in the community. People who are interested in the field of marketing did not place the position of insurance agents as the main choice profession. Most people are embarrassed if known to work in an insurance company and work as an agent. This is because the work of an insurance agent is considered door to door (Trihapsari & Nashori, 2011).

Pryce and Jones (2010) argue organizational commitment created because of the interaction between positive beliefs and feelings in the work environment. However, to bring up positive feelings while under pressure or workload is difficult, so

one needs to have a high emotional intelligence, it will make a person able to control his feelings so as to create a positive feeling. Emotional intelligence is the ability to manage ones own emotions and the ability to handle others. Emotions will affect the thoughts and actions of an individual where the relationship between emotions and one's behavior, requires the ability of individuals to be able to manage emotions well because through the ability to manage emotions, an employee will feel and bring up positive emotions from within him so that the individual becomes more sensitive and able to understand or empathize to others and the environment, and can align the values adopted environment (Sumiyarsih, 2012).

This is supported by research conducted by Salami (2007) which explores the relationship between self-efficacy and emotional intelligence with its relation to organizational commitment to secondary school teachers in southwest Nigeria. The results show that teachers with high emotional intelligence have high organizational commitment. Research conducted by Abraham (2000) states that emotional intelligence has a positive effect on organizational commitment. Individuals with high emotional anxiety will be more committed to the organization.

According to Ridlo (2012) employees need to perceive that he is able to contribute significantly to the organization to increase organizational commitment. Employees will not feel able to contribute to the company without having confidence in his ability. The belief in self-efficacy is known as self-efficacy. Highly committed employees tend to form a sense of belonging to the company, a sense of

security, efficacy, purpose, meaning of life and a more positive self-image. Schyns and von Collani (2002) provide the concept of occupational self-efficacy to address work-related self-efficacy. Occupational self-efficacy is a person's beliefs about his or her competence and ability to perform well in different types of tasks and work situations.

This is in line with the theory put forward by Pethe et al. (1999) that occupational self-efficacy as an individual's belief in the ability and competence to perform in the work. The stronger the occupational self-efficacy a person possesses, the more compelled it is to stick to challenging activities. In addition, individuals will also be increasingly encouraged to deal with the problems that exist and will spend more effort to master or overcome the problems faced.

Research conducted by Rathi & Rastogi (2009) shows that occupational self-efficacy significantly affects organizational commitment. Employees with occupational High self-efficacy shows a high level of organizational commitment. Individuals with occupational high self-efficacy is more confident and able to control the tasks that can berkontribusi in determining the level of organizational commitment. In addition, there is a positive relationship between emotional intelligence and organizational commitment. Employees with high emotional intelligence are able to recognize, manage, and use emotions over employees with low levels of emotional intelligence. Employees also use that ability to get ahead and eliminate the obstacles faced in a career.

The purpose of this study was to test empirically the contribution of emotional intelligence and occupational self-

efficacy on organizational commitment of insurance agents in PT. Prudential Life Assurance.

METHODOLOGY

This study involved 130 insurance agents PT. Prudential Life Assurance in Jakarta. Selection of this respondent using purposive sampling method namely the technique of determining the samples conducted on the basis of certain characteristics, which is the main characteristic of the population (Sugiyono, 2013). Demographic characteristics in this study consisted of age, gender, education level, and duration of work.

Number of respondents with age < 20 years as much as 4%, 20-40 years 88%, and > 40 years 8%. The number of respondents male as much as 46% and women as much as 54%. Number of respondents with education level SMA/SMK as much as 28%, D3 8%, and S1 64%. The number of respondents with a working duration of 2-10 years is 95% and > 10 years 5%.

The process of data collection was done by the researchers spread the questionnaire directly to the respondents. Researchers use three scales namely the scale of organizational commitment which was adapted from the scale of organizational commitment prepared by Meyer and Allen (1993) based on the dimensions Organizational commitment are Affective Commitment, Continuance Commitment, and Normative Commitment. Organizational commitment consists of 18 items using the likert scale 1 (strongly disagree) - 6 (very appropriate). Test reliability and discrimination items are also done on this

scale to obtain the value of Cronbach's Alpha of 0,861.

Scale of Emotional intelligence is used in this research is the emotional intelligence scale adapted from Schutte Self Report Emotional Intelligence Test (SSEIT) which was compiled by Schutte (2009) based on the dimensions of emotional intelligence are Perception of Emotion, Managing Own Emotions, Managing Others Emotions and Utilization of Emotion. The scale of emotional intelligence consist of 33 items using likert scale 1 (strongly disagree) - 6 (very appropriate). Test reliability and discrimination items are also done on this scale to obtain the value of Cronbach's Alpha of 0.844.

Scale of occupational self-efficacy used in this study is the scale occupational self-efficacy, adapted from the Short Version of Occupational Self Efficacy using unidimensional instruments are collated by Riggoti, Schyns, and Mohr (2008). Scale of occupational self-efficacy consist of 6 items by using likert scale 1 (strongly disagree) - 6 (very appropriate). Test reliability and discrimination items are also done on this scale to get the value of Cronbach's Alpha of 0,801.

For data analysis, the researchers used multiple linear regression analysis (Multiple Linear Regression). This data analysis technique is done by using SPSS for windows version 20 program.

RESULTS AND DISCUSSION

On the organizational commitment questionnaire obtained results that of 18 items tested try there are 15 items that have a good discrimination item. In other

words, there are 3 items that fall because it has a correlation coefficient number below 0,300. So that the final result obtained on the scale of organizational commitment there are items left as much as 15 items are declared good with the discrimination of items ranged from 0,373 - 0,692. Reliability test results on scale organizational commitment shows a reliability coefficient of 0,861.

In the emotional intelligence questionnaire obtained results that of the 33 items tested try there are 24 items that have a good discrimination item. In other words, there are 9 items that have fallen because the correlation coefficient number is below 0,300. So the final result obtained on the scale of emotional intelligence there are items remaining as many as 24 items that are declared good with the discrimination of items ranged from 0,302 - 0,656. Reliability test results on scale emotional intelligence shows the reliability coefficient of 0,844.

In the occupational questionnaire self efficacy obtained results that of the 6 items tested try there are 6 items that have a good discrimination item. In other words, all items are declared good with discrimination items ranging from 0,473 - 0,629. Reliability test results on scale occupational self - efficacy shows the reliability of 0,801.

The analysis used in this study is multiple linear regression analysis (Multiple Linear Regression). Based on data analysis result, obtained correlation coefficient value equal to $r = 0,412$ with significance value 0,000 ($p \leq 0,05$). These results indicate that there is a significant contribution between emotional intelligence and occupational self-efficacy on

organizational commitment of insurance agents. Thus, the hypothesis that there is a very significant contribution between emotional intelligence and occupational self-efficacy to the commitment organization of the insurance agents is accepted. The results of multiple regression tests can be seen in the following table:

Tabel 1.

Contribution of Emotional Intelligence and Occupational Self-Efficacy on Organizational Commitment of Insurance Agents

Variables	R	Sig.	p
Emotional Intelligence Occupational Self-Efficacy Organizational Commitment	0,412	0,000	≤ 0,01

This is in accordance with the theory put forward by Pryce and Jones (2010) that Organizational commitment is created because of the interaction between positive beliefs and feelings in the work environment. However, to bring up positive feelings while under pressure or workload is difficult, so one needs to have a high emotional intelligence, it will make a person able to control his feelings so as to create a positive feeling. In addition, employee need to perceive that he is able to contribute significantly to the organization to increase organizational commitment. Employees will not feel able to contribute to a company without having confidence in their own capability (occupational self-efficacy). Highly committed employees tend to form a sense of belonging to the company, a sense of security, efficacy, purpose, meaning of life and a more positive self-image.

The results of this study are in line with the results of research conducted by Rathi & Rastogi (2009) which shows that occupational self-efficacy significantly affects organizational commitment. Employees with occupational High self-efficacy shows a high level of organizational commitment. Individuals with occupational high self-efficacy is more confident and able to control the tasks that can be contributed in determining the level of organizational commitment. In addition, there is a positive relationship between emotional intelligence and organizational commitment. Employees with high emotional intelligence are able to recognize, manage, and use emotions over employees with low levels of emotional intelligence. Employees also use that ability to get ahead and eliminate the obstacles faced in a career.

Sumiyarsih (2012) suggests the characteristics of individuals who have emotional intelligence is when the individual is able to manage the emotions themselves and deal with others. Emotions will affect the thoughts and actions of an individual where the relationship between emotions and one's behavior, requires the ability of individuals to be able to manage emotions well because through the ability to manage emotions, an employee will feel and bring up positive emotions from within him so that the individual becomes more sensitive and able to understand or empathize with others and the environment, and can align the values adopted by the environment.

This is in line with the results of research conducted by Jordan, Ashkanasy and Hartel (2002) showed that individuals

with high emotional intelligence more able to deal with stress and instability in the work, so more committed to the organization. Shafiq (2016) emphasizes that emotional intelligence contributes to organizational effectiveness that can increase employee commitment, morale and health.

Pethe et al. (1999) suggests that occupational self-efficacy as an individual belief in the ability and competence to perform in the work the stronger the occupational self-efficacy a person possesses, the more compelled it is to stick to challenging activities. In addition, individuals will also be increasingly encouraged to deal with the problems that exist and will spend more effort to master or overcome the problems faced.

CONCLUSION

Based on the results of data collection and analysis that has been done, it can be concluded that there is a very significant contribution between emotional intelligence and occupational self-efficacy on organizational commitment of insurance agents in PT. Prudential Life Assurance Jakarta

SUGGESTION

Organizational commitment on the subject of this study included in the category of being, therefore the subject is expected to improve organizational commitment that is owned by attention to emotional intelligence, because basically insurance agents need to have the knowledge and skills that can be done by following trainings such as communication skills and product knowledge in the agency office. In addition, developing occupational

self-efficacy agents in dealing with customers, managers or supervisors can be done with a monitoring system, especially the insurance agent who first plunge into this business, because occupational self-efficacy can be formed in the presence of a model that is copied. When one observes another successful person, his self-esteem increases.

Suggestions for the company are expected to be able to prepare strategic ways to increase the organizational commitment of insurance agents through various skills training programs and knowledge such as product knowledge, how to sell, face customer dissatisfaction, interpersonal communication, and other training to improve emotional intelligence. In addition, one of the most motivating insurance agents is the reward system, where rewarding employees can affect occupational self-efficacy. Therefore, companies need to create a short-term reward system, such as weekly or long-term, such as annual gift giving that encourages each agent to achieve it. This is intended to be able to grow and enhance the capability and competence of insurance agents periodically in an effort to maintain and even increase the commitment of insurance agency organizations.

Suggestions for further research are expected to explore more deeply about organizational commitment to insurance agents, as many factors influence one's commitment to the organization. For example, leadership style, reward system, work colleagues, organizational culture, job satisfaction. In addition, it is necessary to extend the range of sample that is from various life insurance companies in Indonesia and can also use qualitative

methods in order to obtain more accurate results, as well as more comprehensive research results and useful for further research.

REFERENCES

- [i] Allen, N.J., & Meyer, J.P. (2007). *The measurement and antecedents of affective, continuance and normative commitment to the organization*. *Journal of Occupational Psychology*, 7(63), 1-18.
- [ii] Herscovitch, L. dan Meyer, J.P., (2002). Commitment to organizational change: Extension of a three-component model. *Journal of Applied Psychology*, 87(3), 474-487.
- [iii] Jordan, P. J., Ashkanasy, N. M., & Hartel, C. E. J. (2002). Emotional intelligence as a moderator of emotional and behavioral reactions to job insecurity. *Academy of Management Review*, 27(3), 361-372.
- [iv] Pethe, S., Chaudhary, S., & Dhar, U. (1999). *Occupational self-efficacy scale and manual*. Agra, India: National Psychological Corporation.
- [v] Prasetyo, H. (2015). *Give more help prospects to buy*. Surabaya: MIC Publishing.
- [vi] Pryce, J., & Jones. (2010). *Happines at work: Maximizing your psychological capital for success*. United Kingdom: A John Wiley & Sons.
- [vii] Rathi, N., & Rastogi, R. (2009). Assessing the relationship between emotional intelligence, occupational self-efficacy and organizational commitment. *Journal of the Indian Academy of Applied Psychology*. 35(9), 93-102.
- [viii] Ridlo, I.A. (2012). *Turnover karyawan "kajian literatur"*. Surabaya: Public Health Movement.
- [ix] Salami O.S. (2007). Relationships of self-efficacy and emotional intelligence with work attitudes among secondary school teachers in southwestern nigeria. *Pakistan Journal of Social Sciences*, 4(4), 540-547.
- [x] Schyns, B., & von Collani, G. (2002). A new occupational self-efficacy scale and its relation to personality constructs and organizational variables. *European Journal of Work & Organizational Psychology*, 11(2), 219-241.
- [xi] Shafiq, M., & Rana, A.R. (2016). Relationship of emotional intelligence to organizational commitment of college teachers in pakistan. *Eurasian Journal of Educational Research*, 62(1), 1-14.
- [xii] Sheng, W.J. (2010). Assessing job self-efficacy and organizational commitment considering a mediating role of information asymmetry. *Journal Social and Science*, 47(10), 541-559.
- [xiii] Sugiyono. (2013). *Metode penelitian pendidikan: Pendidikan kuantitatif, kualitatif, dan R & D*. Bandung: Alfabeta.
- [xiv] Sumiyarsih, W., Mujiasih, E., & Ariati, J. (2012). Hubungan antara kecerdasan emosional dengan organizational citizenship behavior (OCB) pada karyawan cv. aneka ilmu semarang. *Jurnal Fakultas Psikologi*.