

Organizational Climate Management, Rewards, Emotional Intelligence, Job Satisfaction and Organizational Commitment in Insurance Agent in the Jabodetabek Region

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Abstract: Agent development and maintenance efforts can be driven by a variety of variables that are directly or indirectly influenced, including organizational climate, achievement, emotional intelligence, and job satisfaction. This study uses descriptive and explanatory methods; the sample used is the 10 life insurance companies with the largest market share in Greater Jakarta (Jabodetabek). Data analysis using bin and path analysis. Regional interval analysis results show that organizational climate is favorable; rewards, emotional intelligence, job satisfaction, and organizational commitment are at high levels. Additionally, the results of the path analysis show organizational climate and emotional intelligence, job satisfaction, rewards, organizational life commitment, which, in turn, partially or simultaneously affect life insurance agents; organizational climate and rewards affect organizational engagement through life insurance agents' emotional intelligence; organizational climate and rewards affect organizational engagement through life insurance agents' job satisfaction; emotional intelligence and job satisfaction partially and simultaneously affects the organizational engagement of life insurance agents.

Keyword: Organizational Commitment and Climate, Rewards, Emotional Intelligence, Job Satisfaction, Insurance Agents

1. Introduction

Insurance companies can be regarded as one of the important pillars of the nation's economy. Insurance with all its dynamics has taken a significant role as a provider of employment. Starting from students to housewives, it is now easy to find additional professions as insurance agents. Insurance has also begun to be glimpsed by educated people as a profession that is no less prestige than other professions.

The phenomenon of problems in life insurance companies today is the rampant action of poaching (piracy), twisting (customer transfer) and double agents. Actions of poaching, twisting and double agents are increasingly widespread due to the low loyalty of insurance agents to the company. Low loyalty is a manifestation of the insurance agent's low commitment to the insurance company where he works. There are several aspects that cause problems in the insurance world: (1) Low commitment of insurance agents, has made the commitment of agents to stay afloat, both those who quit voluntarily, were dismissed by the company and were hijacked by other companies (poaching), (2) Organizational climate that is not conducive, starting from a work situation that is autonomous/independent, where work as an insurance agent usually has more freedom than other jobs, giving rise to individualism in work, togetherness among agents who are not good, especially for sharing and solve work problems and support from friends and superiors who are felt to be very lacking, (3) Lack of emotional intelligence. Considering that the agent's job is to influence prospective customers to buy the offered insurance products, so what has happened so far is that the agent's ability to sell is unable/failed to get customers, and what happens is that agents are unable to motivate themselves so that despair and a sense of ease emerge. give up, (4) more promising rewards from other places, where the absence of a fixed salary for agents who work full-time has made the competition for reliable agents increasingly fierce, various incentives or benefits are offered by insurance companies in order to poaching (hijacking/hooking) these agents, (5) Job dissatisfaction, where agents who are dissatisfied at work will behave lazy, undisciplined, often absent in making work reports, disobey organizational rules, become double agents and tend to work below standards set.

2. Methods

The research method used is descriptive-explanatory. Through a descriptive approach, you can get a picture of the facts of the problem being studied, while the explanatory approach emphasizes testing research hypotheses on the variables studied. This study uses the grand theory: Organizational Behavior according to (Robbins & Judge, 2009), that an organization is a collection of people who work together as a workforce to achieve a common goal. The organization will be effective if it is able to provide a positive role that is able to trigger/stimulate human resource activities to work innovatively, creatively and according to the expectations of the organization. The positive role of the organization is to build a conducive organizational climate and provide rewards in accordance with employee expectations. The middle range theory used is individual and organizational behavior (Robbins & Judge, 2009), where organizations are formed by a collection of individuals who work together, so that individual behavior in an organization becomes the focus in producing the capabilities needed by the organization. Individual behavior is seen from aspects of emotional intelligence and job satisfaction, while organizational behavior is seen from aspects of organizational climate and rewards. Applied theory used includes: The concept of organizational climate (Koys & DeCotiis, 1991), the concept of emotional intelligence using the incorporation of the concepts of (Cherniss & Goleman, 2001; Salovey & Mayer, 1990; Weisinger & Cali, 1999), the concept of rewards using Richard's concept (Long & Singh, 2006), (Schermerhorn Jr, Osborn, & others, 1996) concept of job satisfaction. The concept of organizational commitment uses a combination of the concepts of (Greenberg & Baron, 2000; Meyer & Allen, 1997) and Greenberg & Baron (2000).

This research model is shown by the following equation:

$$Z = pX_1 + pX_2 + pY_1 + pY_2$$

Where Z : Organizational Commitment

X₁ : Organizational Climate

X₂ : Rewards

Y₁ : Emotional Intelligence

Y₂ : Job Satisfaction

p : Path Coefficient

The analysis used to test the research hypothesis is descriptive analysis and path analysis.

3. Results and Discussion

a. **Conducive Life Insurance Agent Organizational Climate And High Emotional Intelligence, Rewards, Job Satisfaction And Organizational Commitment Life Insurance Agents**

Based on the Annex to the Regulation of the National Accreditation Board for Higher Education Number 3 of 2019 concerning the Matrix for The Assessment of Self-Evaluation Reports and Vocational Higher Education Performance Reports (LKPT), State Universities (PTN) Public Service Agency (BLU) In Chapter / performance / element C.4 Human

Based on the results of variable scoring, the total value of respondents' assessments for each variable is obtained, and the interval table is plotted as follows:

| | |
|---------------------------|--------------------|
| Organizational climate | = 6127 (Conducive) |
| Emotional Intelligence | = 5469 (High) |
| Reward | = 3905 (High) |
| Job Satisfaction | = 4710 (High) |
| Organizational Commitment | = 4671 (High) |

It can be seen that the insurance company's organizational climate is conducive, high rewards, high agent emotional intelligence, high job satisfaction and high agent organizational commitment.

b. **The Effect of Organizational Climate (X₁) and Rewards (X₂) on Emotional Intelligence (Y₁) Life Insurance Agents Partially or Simultaneously**

Path model 1 produces path equations as follows:

$$Y_1 = 0.36 \cdot X_1 + 0.39 \cdot X_2, \text{ Errorvar.} = 0.600, R^2 = 0.400$$

| | | |
|----------|----------|----------|
| (0.0607) | (0.0607) | (0.0604) |
| 5.954 | 6.409 | 9.925 |

Based on the above equation, it can be seen that the organizational climate variable positively affects the emotional intelligence of insurance agents by $= 0.36 \times 0.36 \times 100\% = 12.96\%$ with a t value of 5.954 (> 1.645). The reward variable positively affects the emotional intelligence of

insurance agents by = $0.39 \times 0.39 \times 100\% = 15.21\%$ with a t-value of 6.409 (>1.645), and an F value = 9.925 (>1.645) and R2 = 40%, so that the organizational climate and rewards affect the emotional intelligence of insurance agents partially and simultaneously.

The conducive organizational climate of insurance companies affects the emotional intelligence of insurance agents, this is in line with the research of (Messina, 1993). The conducive insurance climate in the form of implanting positive work values in agents makes these agents have the ability to monitor their own feelings and emotions so that they are able to reduce all customer rejections with unyielding actions and be able to motivate themselves, to always think positively in order to achieve success.

The perceived high rewards of insurance companies affect the emotional intelligence of insurance agents, this is in line with the research of (Gardner & Stough, 2002), a high level of rewards has become a positive stimulus for increasing emotional intelligence, where the fulfillment of the reward aspect will provide awareness for agents to constantly upgrade their abilities/skills, including increasing emotional intelligence to be smarter from an emotional point of view so that they can influence the object of work.

c. The Effect of Organizational Climate (X₁) and Rewards (X₂) on Job Satisfaction (Y₂) Life Insurance Agents Partially or Simultaneously

Path model 2 produces path equations as follows:

$$Y_2 = 0.37 * X_1 + 0.53 * X_2, \text{ Errorvar.} = 0.421, R^2 = 0.579$$

| | | |
|----------|----------|----------|
| (0.0509) | (0.0509) | (0.0424) |
| 7.325 | 10.322 | 9.925 |

Based on the above equation, it can be seen that the organizational climate variable positively affects the job satisfaction of insurance agents by = $0.37 \times 0.37 \times 100\% = 13.69\%$ with a t value of 7.325 (>1.645). The reward variable positively affects the job satisfaction of insurance agents by = $0.53 \times 0.53 \times 100\% = 28.09\%$ with a t-value of 6.409 (>1.645), and an F value = 9.925 (>1.645) and R2 = 57.90%, so that the organizational climate and rewards affect job satisfaction partially and simultaneously.

The conducive organizational climate of insurance companies affects the job satisfaction of insurance agents, this is in line with research by

(Crawford, 2008; Gratto, 2001). The influence of organizational climate on insurance agent job satisfaction is in the form of a common perception of the work climate in accordance with the expectations of the agents, and finally the insurance agents are satisfied, for example in the aspect of interaction between organizational members in terms of togetherness and providing assistance, as well as the recognition of the leadership or company the contribution of insurance agents in accordance with the expectations of these agents.

Rewards have a significant effect on job satisfaction, this is in line with research by (Huang & de Vliert, 2002; McCausland, Pouliakas, & Theodossiou, 2005). Insurance agents want a pay system and promotion policy that they perceive as fair, and in line with their expectations, will satisfy the insurance agent.

d. The Effect of Organizational Climate (X₁) and Rewards (X₂) on Organizational Commitment (Z) of Life Insurance Agents Partially or Simultaneously

Path model 3 produces path equations as follows:

$$Z = 0.390 \cdot X_1 + 0.450 \cdot X_2, \text{ Errorvar.} = 0.499, R^2 = 0.501$$

| | | |
|----------|----------|----------|
| (0.0554) | (0.0554) | (0.0503) |
| 7.042 | 8.121 | 9.925 |

Based on the above equation, it can be seen that the organizational climate variable positively affects the organizational commitment of insurance agents by $= 0.390 \times 0.390 \times 100\% = 15.21\%$ with a t value of 7.042 (>1.645). The reward variable positively affects the organizational commitment of insurance agents by $= 0.45 \times 0.45 \times 100\% = 20.25\%$ with a t value of 8.121 (>1.645), with an F value = 9.925 (>1.645) and $R^2 = 50.10\%$, so that the organizational climate and rewards affect organizational commitment partially and simultaneously.

The organizational climate of life insurance agents which is felt to be conducive has an effect on the commitment of agents, this is in line with the research of (Crawford, 2008; De Clercq & Rius, 2007). A conducive organizational climate makes the emergence of attitudes, behaviors and abilities to try their best for the benefit of the organization. These attitudes,

behaviors and abilities are manifested in the form of loyalty/loyalty to the organization, trying to work as best as possible and maintaining the good name of the company in the eyes of consumers, which is a manifestation of organizational commitment.

The perceived high rewards of life insurance agents affect the more committed insurance agents, this is in line with research by (Kinman & Jones, 2008; Robertson, Lo, & Tang, 2007). Rewards are a key success to make employees act in accordance with the wishes of the organization, meaning that the employee's needs must be met by the company, so that if these needs are met, the employee will act and behave productively towards the company, so that they will get a qualified workforce and are highly committed to everything. what the company wants.

e. The Effect of Organizational Climate (X₁) and Rewards (X₂) on Organizational Commitment (Z) Through Emotional Intelligence (Y₁)

Path model 4 produces path equations as follows:

$$Z = 0.23 * X_1 + 0.37 * X_2 + 0.41 * Y_1, \text{ Errorvar.} = 0.322, R^2 = 0.678$$

| | | | |
|----------|----------|----------|----------|
| (0.0484) | (0.0490) | (0.0523) | (0.0325) |
| 4.655 | 7.483 | 7.789 | 9.899 |

Based on the above equation, it can be seen that the organizational climate variable has a positive effect on organizational commitment through emotional intelligence of $= 0.23 \times 0.52 \times 0.41 \times 100\% = 4.90\%$ with t values of 4.655 and 7.789 (>1.645). The reward variable has a positive effect on organizational commitment through emotional intelligence of $= 0.37 \times 0.54 \times 0.41 \times 100\% = 8.19\%$ with t values of 7.483 and 7.789 (>1.645).

The existence of the role of emotional intelligence indirectly in strengthening the influence of organizational climate on increasing organizational commitment of the agents, with an effect that is almost as large as the direct effect. The conducive climate of the insurance company will help increase the emotional intelligence of the agents, so that when the level of emotional intelligence of the agents increases, it will have an impact on the more committed the agents are.

There is an indirect role of emotional intelligence in strengthening the effect of rewards on increasing the organizational commitment of the

agents, although the effect is small when compared to the direct effect. Adequate rewards and in accordance with the agent's expectations will help motivate agents to increase emotional intelligence, so that when the level of emotional intelligence of the agents increases, it will have an impact on the more committed agents.

f. The Effect of Organizational Climate (X₁) and Rewards (X₂) on Organizational Commitment (Z) Through Job Satisfaction (Y₂)

Path model 5 produces path equations as follows:

$$Z = 0.21 * X_1 + 0.20 * X_2 + 0.48 * Y_2, \text{ Errorvar.} = 0.403, R^2 = 0.597$$

| | | | |
|----------|----------|----------|----------|
| (0.0563) | (0.0620) | (0.0699) | (0.0407) |
| 3.768 | 3.213 | 6.832 | 9.899 |

Based on the above equation, it can be seen that the organizational climate variable has a positive effect on organizational commitment through job satisfaction of = 0.21 x 0.59 x 0.48 x 100% = 5.95% with t values of 3.768 and 6.832. The reward variable has a positive effect on organizational commitment through job satisfaction of = 0.20 x 0.68 x 0.48 x 100% = 6.53% with t values of 3.213 and 6.832 (>1.645).

The existence of an indirect role of job satisfaction in strengthening the influence of organizational climate on increasing organizational commitment of agents, with a greater effect than the direct effect. The existence of a common perception of the work climate in accordance with the expectations of agents, makes the level of job satisfaction of insurance agents to be high, so that they are able to foster positive behavior in the form of being serious in working and loyal to the organization.

The existence of an indirect role of job satisfaction in strengthening the effect of rewards on increasing organizational commitment of the agents, although the effect is small when compared to the direct effect. High rewards and in accordance with the expectations of agents will make agents more satisfied, so that they are able to foster positive behavior in the form of being serious in work, loyal and highly dedicated to the organization.

g. The Effect of Emotional Intelligence (Y1) and Job Satisfaction (Y2) on Organizational Commitment (Z) of Life Insurance Agents Partially or Simultaneously

Path model 6 produces path equations as follows:

$$Z = 0.37*Y1 + 0.47*Y2, \text{ Errorvar.} = 0.389, R^2 = 0.611$$

| | | |
|----------|----------|----------|
| (0.0644) | (0.0644) | (0.0392) |
| 5.749 | 7.303 | 9.925 |

Based on the above equation, it can be seen that the emotional intelligence variable positively affects the organizational commitment of insurance agents by $= 0.37 \times 0.37 \times 100\% = 13.69\%$ with a t value of 5.749 (> 1.645). Job satisfaction variable positively affects the organizational commitment of insurance agents by $= 0.47 \times 0.47 \times 100\% = 22.09\%$ with t value 7.303 (> 1.645), with F-value = 9.925 (> 1.645) and $R^2 = 61.10\%$, so that emotional intelligence and satisfaction work affects organizational commitment partially and simultaneously.

The high perceived emotional intelligence of insurance agents has an effect on organizational commitment, this is in line with the research of (Carmeli, 2003; Nikolaou & Tsaousis, 2002). The high emotional intelligence of insurance agents as a result of the implantation of positive values from the work climate will create strong achievement motivation to achieve career/work success, so that work/career success received will create acceptance of responsibility and dedication. against the organization or in other words will make insurance agents commit to the insurance company where they work.

High job satisfaction of insurance agents affects the organizational commitment of insurance agents, this is in line with the research of (Cetin, 2006). The motivation factor for agents who feel that they are in line with their expectations (satisfied) will make the achievement, dedication and work loyalty higher, so that by itself will make insurance agents more committed to the organization.

4. Conclusions

The conclusions of the results of this study are as follows: 1) The insurance company's organizational climate is conducive; rewards, emotional intelligence,

job satisfaction and high organizational commitment of insurance agents. 2) Organizational climate and rewards affect the emotional intelligence of life insurance agents either partially or simultaneously. 3) Organizational climate and rewards affect job satisfaction of life insurance agents either partially or simultaneously. 4) Organizational climate and rewards affect the organizational commitment of life insurance agents either partially or simultaneously. 5) Organizational climate and rewards affect organizational commitment through the emotional intelligence of life insurance agents. 6) Organizational climate and rewards affect organizational commitment through job satisfaction of life insurance agents. 7) Emotional intelligence and job satisfaction affect the organizational commitment of life insurance agents either partially or simultaneously.

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