



## Analysis of The Influence of Compensation and Career Path on The Performance of The Health Insurance Agents of PT Asuransi Jiwa Inhealth Indonesia

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### Keywords

Compensation, Career Path and Performance of Insurance Agents

### Abstract

This research aims to investigate the influence of compensation and career path on agent performance at PT Asuransi Jiwa Inhealth Indonesia (Mandiri Inhealth) KPM Jakarta, using a quantitative approach. Data sources include primary and secondary data with data collection methods through observation, distributing questionnaires and documentation. The population consists of 31 insurance agents, with the entire population being sampled. Data analysis was carried out using the SPSS program. The research results show that Compensation has a positive and significant influence on Agent performance, while Career Path has an influence but is not significant. However, the influence of Compensation and Career Path together on Agent performance has proven to be significant. This shows that the high compensation received by Agents results in better performance, although the role of Career Path is not entirely the determining factor, because external factors such as job offers that are more financially attractive also influence it. Thus, the research results confirm that compensation and career path jointly influence Agent performance, showing the importance of competency and career development in improving individual performance in insurance companies.



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### 1. Introduction

Insurance is a tool to reduce the risks inherent in the economy by combining a number of units that are exposed to the same or nearly the same risk, in large enough quantities, so that the probability of loss can be predicted and if the predicted loss occurs, it will be shared proportionally by all parties to the combination (Reguero et al., 2020). Green in Danarti (2011:7) insurance is an economic institution that aims to reduce risk, by combining in a management a fairly large number of objects, so that the overall loss can be predicted within certain limits (Greiving, Fleischhauer, & Lückenköter, 2006; Koks, Jongman, Husby, & Botzen, 2015).

Basically, insurance cannot be separated from government supervision measures. Insurance supervision as part of the supervision of the financial services authority (OJK). In this research, the insurance category of the financial services authority (OJK) is grouped into non-bank financial institutions which play a role like banks in offering services and services that help people overcome risks in the future. Insurance companies differ from noninsurance companies in that they engage in actuarial underwriting and reinsurance activities. Economics believes that insurance is a financial institution because apart from being profitable for those who will take part in the insurance business, insurance aims to provide protection or financing caused by unexpected events. The true meaning of insurance is an agreement between two or more parties called insurance that binds the insurer and the insured in the event of loss, damage or loss

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of anticipated profits that may be borne by the insured as a result of an uncertain event or to make payments depending on the risks involved. insured.

Law of the Republic of Indonesia Number. 2 of 1992 concerning Insurance regulates insurance (Huraerah, Susilowati, Rusmana, Kurniasih, & Hani, n.d.; Number, 2AD). The definition of insurance is defined in Article 1 of the Law above as "an agreement between two or more parties by which the insurer reminds itself of the insured because of the loss, damage, loss of expected profits, or legal liability to a third party" that will be suffered by insured due to an uncertain event or "not providing a payment based on the risk of the insured's life"

Highlights related to group insurance, where this insurance only focuses on selling insurance in groups to groups or business entities that provide health facilities to their employees (Stolper, Boonen, Schut, & Varkevisser, 2022; Tien et al., 2021). The types of group insurance products marketed at PT Asuransi Jiwa Inhealth Indonesia are as follows: Group Health Insurance (Managed care and Indemnity), Group Term Life, Group Personal Accident, Credit Life Insurance, Endowments, Riders

To market all types of products, marketing personnel are needed, one of which is called an insurance agent. The company provides compensation for the services provided by the agent to the company. This includes direct financial payments in the form of monthly incentives, attendance allowances, sales commissions and other bonuses, as well as indirect payments in the form of benefits such as insurance, health and training from company funds.

Providing direct compensation to agents in the form of money (financial incentives) is intended to increase agent productivity and retain agents. In general, insurance agents are tasked with selling insurance products to the public. Where in providing services, we always prioritize the quality of public services so that the people served get satisfaction (In providing services, always prioritize the quality of public services so that the people served get satisfaction (Darlin, Petrus, & Tandi, 2021).

There are four levels of insurance agents at Mandiri Inhealth, starting from the lowest level to the highest level, namely: Account Executive (AE), Senior Account Executive (SAE), Account Manager (AM), and Senior Account Manager (SAM).

As is known, there are two indicators to measure compensation variables, namely:

Compensation is material in nature, consisting of: Incentives at Mandiri Inhealth are regular income given to insurance agents based on their respective masin levels. Why isn't it mentioned as a monthly salary because the Independent InHealth insurance agent's position is as a partner. Insurance agents at Mandiri Inhealth are also given a daily attendance allowance based on the level of each agent. Commission is a payment given to insurance agents for insurance premiums paid by the business entity they manage in the previous month, in accordance with the rates set by the company. Bonuses are given to employees based on the board of directors' policy. Bonuses are given to agents based on target achievement performance.

*Non-material compensation:*

Health insurance is provided to employees with plans according to the level of each agent. Agents are not given BPJS health because agents are included in the insurance partner category, so the insurance provided is non-JKN commercial insurance. Life insurance and accident insurance Insurance agents at Mandiri Inhealth are also provided with life insurance and accident insurance with sum assured according to each level. Training and coaching is provided to agents from both internal and external companies.

This manifestation of welfare will influence an individual's feelings towards his work which will influence his job satisfaction. In this research, the researcher aims to find out and analyze the influence of compensation on agent performance and career path on agent performance. In agency theory, the problem of information balance or known as information asymmetry is discussed. In this case, the relationship between information balance can be seen on the presenter and user side, where both parties must have information balance (Sipi & Tandi, 2021).

Researchers conducted research at PT Asuransi Jiwa Inhealth Indonesia (Mandiri Inhealth) for the reason that PT Asuransi Jiwa Inhealth Indonesia (Mandiri Inhealth) has various types of compensation given to its agents, as explained above and also the performance of its agents who are able to carry out responsibilities as expected by the company.

This research aims to determine and analyze the influence of Compensation, Career Path on Agent Performance and the influence of Compensation and Career Path partially (together) on Agent performance at PT Asuransi Jiwa Inhealth Indonesia (Mandiri Inhealth) KPM Jakarta.

Notoatmodjo (2018), a research concept framework is a description and visualization of the relationship or connection between one concept and another, or between one variable and another variable of the problem to be researched (Notoatmodjo, 2012; Soekidjo, 2010).

## 2. Materials and Methods

This type of research is quantitative research (S Sugiyono, 2010; Sugiyono Sugiyono, 2013). Quantitative Research is a research approach that uses a lot of numbers, starting from collecting data, interpreting the data obtained, and presenting the results. Quantitative Research requires a researcher to explain how one variable influences other variables (Moser & Korstjens, 2018). The population in this study were all insurance agents at the Mandiri Inhealth marketing office, namely KPM Jakarta, whose address is at Menara Palma. HR Rasuna Said, Setia Budi, South Jakarta, DKI Jakarta province, with 31 insurance agents. Saturated sampling is a sample selection technique when all members of the population are sampled. The sampling technique in this study used the Saturated Sampling Technique, where all the population in this study was sampled. The sample in this study used a saturated sampling technique. Saturated sampling is the entire population. So the sample in this study was 31 insurance agents who were used as research respondents. Research data sources are primary data and secondary data. This research was conducted at PT. Inhealth Indonesia Life Insurance (Mandiri Inhealth) Jakarta Marketing Office. Data collection methods start from observation, distributing questionnaires and documentation. The population in this study was 31 insurance agents. The sample was determined using a saturated sampling technique, where the entire population was used as the sample. The sample was determined as 31 insurance agents who were used as respondents. Quantitative analysis analysis techniques using simple Linear Regression Equations, with the help of SPSS (Statistical Package for the Social Sciences) Ver.24.

## 3. Results and Discussions

### Hypothesis Testing and Discussion

To prove the analysis of the influence of compensation and career path on the performance of PT Asuransi Jiwa Inhealth Indonesia (Inhealth Mandiri) Jakarta agents using several tests, namely: coefficient of determination test, F-test and t-test.

### Coefficient of Determination Test (R<sup>2</sup>)

The coefficient of determination test is carried out to determine the percentage contribution of the independent variable's influence simultaneously on the dependent variable. This coefficient shows how large a percentage of the variation in the independent variable used in the model is able to explain the variation in the dependent variable. The coefficient of determination value is between zero and one, while the correlation coefficient value is between -1 to 1. If the R<sup>2</sup> value is equal to zero, then the variation in the independent variable used in the model does not explain the variation in the dependent variable at all. Conversely, if the R<sup>2</sup> value is equal to 1, then the variation in the independent variable used in the model explains 100% of the variation in the dependent variable. A small R<sup>2</sup> value means that the ability of the independent variables to explain variations in the dependent variable is very limited (Priyatno, 2008). The results of the summary model output in the following table show a coefficient of determination of 0.637, meaning that the variation in the dependent variable (Y), in this case Agent Performance, can be explained by the variation in the independent variables Compensation (X1) and Career Path (X2) of 63.7% and the remainder, namely 36.3% is explained by other variables outside the model that are not included in this analysis.

**Table 1. Test Results of Correlation Coefficient and Determination Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.798a	.637	.611	2.176

a. Predictors: (Constant), Career Path (X2), Compensation (X1)

The t test is performed to determine whether in the regression model the independent variable partially has a significant effect on the dependent variable. In this study the t test aims to test the H1 and H2 hypotheses, namely:

H1 : Compensation has a positive and significant effect on the performance of agents of PT Asuransi Jiwa Inhealth Indonesia (Mandiri Inhealth) Jakarta.

H2 : Career Path has a positive and significant effect on the Performance of Agents of PT Asuransi Jiwa Inhealth Indonesia (Mandiri Inhealth) Jakarta.

**Tableau 2. Statistical Test Results t (t-test) Coefficient**

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.
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		B	Std. Error	Beta		
1	(Constant)	9.534	4.102		2.324	.028
	Compensation (X1)	.806	.151	.763	5.344	.000
	Career Path (X2)	.043	.107	.057	.397	.695

a. Dependent Variable: Kinerja Agen (Y)

Testing the above hypothesis uses t-tests or significance tests of individual parameters. From the SPSS output results as shown in the table above, it can be seen that of the two independent variables entered into the regression model, the partial compensation (X1) with a regression coefficient of 0.806 probability value (p-value) of 0.000 is carried alpha 0.05. And for career path (X2) has no effect on Agent Performance with a regression coefficient of 0.043 and a probability value (p-value) of 0.695 is above alpha 0.05 which means that career path has no effect on Agent performance.

Thus, the first hypothesis stating that Compensation (X1) has a positive and significant effect on the Performance of Inhealth Insurance Agents (Mandiri Inhealth) Jakarta, H1 can be accepted. For the second hypothesis that states that Career Path (X2) has a positive and significant effect on the Performance of Agents of PT Asuransi Jiwa Inhealth Indonesia (Mandiri Inhealth) Jakarta, H2 is unacceptable (Rejected). The results of this statistical test show that partially the Compensation variable (X1) can be used to predict the increase in Agent Performance of PT Asuransi Jiwa Inhealth Indonesia (Mandiri Inhealth) Jakarta but conversely for the Career Path variable (X2) cannot be used to predict the Performance of PT Asuransi Jiwa Inhealth Indonesia (Mandiri Inhealth) Jakarta Agents.

The regression perception of the effect of Compensation and Career Path on improving the Performance of PT Asuransi Jiwa Inhealth Indonesia (Mandiri Inhealth) Jakarta Agents can be written into the regression equation as follows.

$$Y = 9,534 + 0,806 X1 + 0,0043 X2 + \dots e$$

Information:

Y : Performance of Inhealth Insurance Agents

X1 : Compensation

X2 : Career Path

From the equation above, it can be explained that: The constant value of 9.534 indicates that if the independent variables, namely Compensation and Career Path, are zero, then the Performance of Inhealth Insurance Agents (Mandiri Inhealth) Jakarta is 9.534. The Compensation Coefficient of 0.806 indicates that every increase in one unit's Compensation will result in an increase in the Performance of PT Asuransi Jiwa Inhealth Indonesia (Mandiri Inhealth) Jakarta Agents by 0.806 units assuming other variables are constant. The Career Path Coefficient of 0.043 indicates that every increase in one unit of Career Path will result in an increase in the Performance of PT Asuransi Jiwa Inhealth Indonesia (Mandiri Inhealth) Jakarta Agents by 0.043 units assuming other variables are constant.

The F test is performed to determine whether in the regression model the independent variables simultaneously or together have a significant effect on the dependent variable. In this study, the F test aims to test the reinforcement and testing of the model to prove the two independent variables, namely Compensation and Career Path, whether together affect the Performance of PT Asuransi Jiwa Inhealth Indonesia (Mandiri Inhealth) Jakarta Agents. The F statistical test aims to determine the magnitude of the influence of all independent variables contained in the model together (simultaneously) on the dependent variable. In this study, the F test was carried out to test the suitability of the model.

**Tabel 3. F Statistical Test Results (F-test)**

		ANOVA				
Model		Sum of Squares	df	Mean Square	F	Say.
1	Regression	232.383	2	116.191	24.538	.000b
	Residual	132.585	28	4.735		
	Total	364.968	30			

a. Dependent Variable: Kinerja Agen (Y)

b. Predictors: (Constant), Career Path (X2), Compensation (X1)

### H3 Hypothesis Testing

Based on the ANOVA test or F-test of the SPSS output seen in the table above, a probability value of 0.000 is obtained. Because the probability value is smaller than the alpha value of 0.05, the regression model can be used to

predict the Performance of Inhealth Insurance Agents (Mandiri Inhealth) Jakarta (Y) or it can be said that Compensation (X1), and career path (X2) together (simultaneously) have a significant effect on the Performance of PT Asuransi Jiwa Inhealth Indonesia (Mandiri Inhealth) Jakarta (Y), H3 agents are acceptable.

#### **Compensation affects the performance of Inhealth Insurance Agents (Mandiri Inhealth) Jakarta.**

The first hypothesis proposed in this study is that Compensation has a positive and significant effect on the Performance of Agents of PT Asuransi Jiwa Inhealth Indonesia (Mandiri Inhealth) Jakarta. This means that with large and promising compensation, it will be able to improve the performance of Inhealth Insurance Agents (Mandiri Inhealth) Jakarta. Based on the results of the analysis, compensation has a positive and significant effect on the performance of Inhealth Indonesia Life Insurance Agents (Mandiri Inhealth) Jakarta. The existence of compensation will make employees feel happy so that company goals will be easier to achieve (Aziez, 2022; Santuryan, Karyatun, & Digdowiseiso, 2023). Compensation is a reward system given by an organization to employees in order to improve their performance (Obasan, 2012). This is supported by research conducted by (Ali & Anwar, 2021), (Rinny, Purba, & Handiman, 2020). Erni Yuningsih, et al (2020) Results show that compensation has a positive and significant effect on performance. Compensation has a positive and significant effect on the performance of the insurance agent, the higher the compensation received by the agent, the more the performance of the insurance agent.

#### **Career Path affects the Performance of Inhealth Insurance Agents (Mandiri Inhealth) Jakarta.**

The second hypothesis proposed is that Career Path has a significant effect on the Performance of Agents of PT Asuransi Jiwa Inhealth Indonesia (Mandiri Inhealth) Jakarta. Based on the results of statistical analysis, it shows that the Career Path does not have a positive and significant effect on the Performance of PT Asuransi Jiwa Inhealth Indonesia (Mandiri Inhealth) Jakarta Agents. Supported by Agent cy theory where the role of the Agent as a party responsible to stakeholders must present accurate and timely information. One of the efforts made by the Agent is with The results of this study are in line with research conducted by Yogi et al (2014) this is in accordance with the theory stated by Ahmad (2008) (Yunanto et al., 2024). It can be said that the Jarier Level of an insurance agent is inseparable from creativity in developing skills as a self-actualization of an insurance agent. "These forms of self-actualization are applied in completing challenging assignments, en gaging in creative work, and developing work skills" (Boke, Ma'na, & Rantererung, 2024; Tandi, 2024).

#### **Compensation and Career Path affect the Performance of Inhealth Insurance Agents (Mandiri Inhealth) Jakarta.**

Based on the ANOVA test or F-test from the SPSS output, it shows that compensation and career path together (simultaneously) have a significant effect on the performance of PT Asuransi Jiwa Inhealth Indonesia (Mandiri Inhealth) Jakarta agents. Compensation and Career Path have a significant effect on Agent Performance, meaning that Competence and Career Path are individual traits of an Agent who together have competencies that are able to support their career path, this is evidenced by Insurance Agents who have a working period of more than five years will always maintain their position as an Insurance Agent because they already have sufficient competence and have the potential to support their career as an Insurance Agent.

## **4. Conclusion**

The first hypothesis of this study is accepted, namely that compensation has a positive and significant effect on the performance of PT Asuransi Inhealth Indonesia (Mandiri Inhealth) Jakarta agents. Based on the results of the hypothesis test shows a positive and significant influence. So the higher the compensation obtained by the Agent, the better the performance of the resulting Agent (H1 received). The second hypothesis in this study is influential but not significant, because in the course of a career as an insurance agent is sometimes faced with a request for resign because of getting a more promising job financially so that it can be said that the influence of career paths on agent performance does not fully make the status of agents in the company make a benchmark in the company's agency work system, because the company will not experience an agent deficit because in the compensation of the Agent in the company is quite interesting, which causes a new Agent to join the company (H2 is rejected). The third hypothesis in this study shows that compensation and career path have a significant effect on Agent Performance, which shows that competence and career path are individual traits of an Agent who together have competencies that are able to support his career path, this is evidenced by insurance agents who have a service period of more than five years will always maintain their position as an insurance agent because they already have competence which is sufficient and has the potential to support his career as an insurance agent (H3 accepted).

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