THE INFLUENCE OF ABILITY AND WORK MOTIVATION 
THE EMPLOYEE’S UNDERWRITING TO HAVE 
PERFORMANCE IN THE INSURANCE COMPANY 
IN JAKARTA

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ABSTRACT

In the Insurance Company, the performance of human resources plays major role in creating a good service, and it empirically linked to some factors. Currently these information regarding the factors influenced employee's performance in Insurance Business. There were 108 respondents of employee participating from three Insurance Company, namely: PT. Asuransi Jiwa Sinarmas Jakarta, PT. Asuransi Takaful Keluarga Jakarta, PT. Asuransi Himalaya Pelindung Jakarta. The additional information gathered through focus group discussion with Human Resources Managers on each insurance company. Data analyzed using the Simple and Multiple Regression. The dependant variable is Performance, while the independent variables are Ability and Motivation. The Ability variables was further devided into sub variables, namely: verbal comprehension, perceptual speed. The Motivation variable was further divided into sub-variables namely: achievement, expectation, and responsibility. The research found that Ability and Motivation have a significant effect on Performance. The Beta Coefficients for Ability and Motivation are 0,507 and 0,546 Respectively. The positive sign of Beta implies that Ability and Motivation can be used as measured of Performance. This research shows that the Motivation has a higher impact on Performance than the Ability. It's mean the Employee’s ability should receive more attention when the Management has to plan to improve the Performance. Considering the object of this research is limited to three Insurance Company in Jakarta, so, the result of this research can’t be generalized for all Insurance Company. However, it's to be hoped that the results will be useful for other insurance company managers in providing a preferable Human Resource Planning (HRP)

Keywords: Ability, Motivation, Performance
INTRODUCTION

The insurance industry is one of the economic activities that has an important role in national development to achieve a just and prosperous society based on Pancasila. As is known, one way of risk reduction is to insure a risk to the insurance company.

Facing increasingly fierce competition, one of the main demands that must be considered is the company's readiness to provide professional human resources who are reliable and able to answer the challenges and advances of the global environment (Ramli & Sjahruddin, 2015).

Skills aspects include accuracy, speed that must be possessed by every Human Resource (Ramli, 2012; Ramli, 2013), while aspects of knowledge, in addition to professional technical knowledge as well as mastery of risk management and mastery of foreign languages, such as English, etc. in accordance with market demands.

In the world of financial services business in general and the Insurance Industry in particular, the development of micro-human resources is a process of planning education and training and management of labor or employees to achieve an optimum outcome.

Review of Theory And Research Results

Ability

Employee ability is one of the factors that determine the success of the tasks assigned to him. With the ability possessed in accordance with the requirements of job analysis, it is expected that the employee concerned can carry out the task effectively and efficiently so that the performance of the underwriting employee will automatically increase.

According to Robbins (2005), ability refers to the capacity of individuals to perform various tasks in a job. The overall ability of a person is basically formed from two sets of factors, namely intellectual abilities and physical abilities. Intellectual abilities are the capacity to carry out mental activities (thinking, concluding, and solving problems). According to Dunnete (1976) in Robbins (2005), intellectual ability has the seven dimensions that are most often used
Motivation

Motivation is one of the keys of the company in its efforts to improve and maintain high employee performance. Theoretically, many Motivation theories are put forward by experts, such as: Abraham H. Maslow, Douglas McGregor, Frederick Herzberg, Clayton Alderfer, and David McClelland (Robbins, 2007: p156-163). Motivation comes from within man and Motivation can be seen by paying attention to one's behavior. According to Stoner et. al. (1995: p.442), as follows:

Managers and management researchers have long believed that organizational goals are unattainable "without the enduring commitment of members of the organization. Motivation is a human psychological characteristic that contributes to a person's degree of commitment. It includes the factors that cause, channel, and sustain human behavior in a particular committed direction".

Regarding this motivation, furthermore said by Robbins (2007: 212), as follows: "The willingness to exert high levels of effort toward organizational goals, conditioned by the effort's ability to satisfy some individual need". While Stoner et.al.(1995,p.442), argue that :"Motivating is the management process of influencing people's behavior based on this knowledge of what makes people tick".

In addition to the above efforts that must be done by management, if we want to motivate people at work, as suggested by Frederick Hezberg, a psychologist at the University in Clevland, to emphasize achievement, recognition, work it self , responsibility, and growth possibility. So from the results of his research Herzberg draws conclusions, as follows: "If you want to motivate employees, give him a bigger part in the job itself". There are many ways to motivate employees, just how management does this right.

Performance

To discuss Performance issues, the first thing to consider and discuss is about Performance itself Cascio (2003, p.331) says that: "Performance definitions ensure that individual employees or teams know what is expected of them, and that they stay focused on effective performance". Then according to Bernardin and Russell (2000, p.239) it is said that: "The definition of performance refers to the set of outcomes produced during a certain
time period; it does not refer to traits, personal characteristics, or competencies of the performers".

While according to the Big Indonesian Dictionary (2003, p.504) that Performance is interpreted as "something that is achieved, achievement that is shown, Ability to work". Based on the definition of performance, it can be concluded that performance can be interpreted the same as work performance.

From the various opinions, it can be concluded that the indicators for measuring performance or work performance are: the work of employees both seen in terms of quality and quantity in accordance with the burden of the task and the timeliness in completing the task. Performance or work performance is related to various factors. The higher the "ability" (A) and the higher "motivation" (M), then "work performance" (P) will also be higher according to Keith Davis as quoted by Mangkunegara (2004; p.67).

Review Previous Research Results

Ability Effect to Performance

The work ability of an employee greatly affects the performance of the employee concerned. If an employee has a high ability to work, then he will also have a high level of performance.

Research by Reina-Knutila in his journal "Age, Work Ability and Productivity" (2001), in his research Reina stated that what affects productivity (or "Performance" for service business services) is the age and work ability of the employee concerned. But in this study, researchers did not discuss the age of employees, but rather focused on the workability of the employee itself.

Further research is said by Cardy, Balkin, and. Gomez, in his book (2004, p. 18-19) as follows: "Two important factors that affect performance or productivity are ability and motivation". It is clear here that the ability factor (ability) will affect performance for an employee, even the high and low performance is very dependent on the high and low ability of the work that is owned by an employee.

Research conducted by Stephen Mill in his journal "Smart Information Technology Managers Delegate" (2002), said that if a manager can delegate tasks to the ability of his subordinates effectively, then it will be able to improve the performance of employees led.
Ramli (2016) said that it can be concluded that the work ability possessed by each Underwriting employee especially if it is optimized, then it will be able to improve performance (performance), so that it is expected to provide satisfactory service to the insured (customer satisfactions).

**Motivation Effect to Performance**

Employee performance will be high, if the employee has high motivation in him. Therefore, Motivation is one of the important factors besides the ability factor in the performance of an employee. This fact is also said by Cardy, Balkin, and Gomez (2004, p.18-19) as follows: *"Two important factors that affect performance or productivity are ability and motivation"*. So according to them, the high and low performance (performance) is determined by two important factors, and one of these important factors is motivation.

The results of research conducted by Herrera and Fred in a journal entitled: *"Demystifying Employee Motivation"* (2002) said that, companies will have high productivity or performance, if the company can continuously maintain and improve the motivation of employees it owns. Therefore, Motivation has a positive influence on employee performance. So that if employee motivation increases, the performance of the employee concerned also increases.

Other studies on the effect of Motivation on Performance have also been carried out by Tierney, Pamela, Farmer, and Stephen M. (2002) in their research on personal independence, which was given the title: *"Creative self-efficacy: It's potential antecedents and relationship to creative performance "*. In the study, they said that to achieve a high performance needed self-independence which originated from the ability and motivation. So we can know that with self-reliance, where the kemadirian comes from Ability and Motivation, it will improve employee performance.

**Thinking Framework**

The mindset is based on conclusions and theoretical studies and studies of previous research that are relevant to the formulation of the problem, which can be formulated into
a hypothesis. As we know that the role of Human Resources for success in a business is very important (Ramli, 2010; Ramli, 2012), so are the problems concerning the success of businesses in the insurance sector. The success of businesses in the insurance industry can be measured by the number of consumers who use these insurance services. Many factors influence why consumers return to visit or use the services of an insurance company, this is partly because consumers feel satisfied with the services provided by the insurance underwriting employees in question.

The important things that need to be anticipated by the insurance management of its employees, namely the low ability of employees due to incompatibility of intellectual abilities such as the ability of verbal comprehension and perceptual speed such as education level, have not participated in various training on insurance, and lack of work experience for the employees concerned. In addition to the ability that can affect the performance of underwriting employees, employee motivation also greatly influences their performance, so the motivation of employees in order to build performance the high is also an important thing to get the attention of the insurance management (extrinsic factors).

Because Motivation is one of the important factors in the achievement of a company goal, then insurance management should make a concrete effort to motivate its employees so that they want and are able to give their best contribution to the company. By giving encouragement and motivation in accordance with the wishes of employees, it also means that insurance management has carried out effective strategies, in order to achieve company goals. The following describes the framework of thinking in this study according to table 1.1
RESEARCH METHODOLOGY

The method used in this study is survey research, which is a type of research that studies samples with the aim of predicting population characteristics, as long as the sampling procedure is followed. Thus survey research is a study that takes a sample of one population and uses a questionnaire as a data collection tool. In addition, this survey research seems appropriate to be used to examine humans as members of social groups by focusing on social factors, opinions, attitudes and behavior.

The detailed purpose of this study is to examine the effect of Ability and Motivation on Performance. As independent variables are Ability (XI) and Motivation (X2). Then as the dependent variable (dependent variable) is Performance (Y). Overall the number of employees on each insurance is as listed in Table 2.2 below.
Table 2.2: Number of Employees in Research Objects 3 Insurance companies in Jakarta

<table>
<thead>
<tr>
<th>Name of Insurance</th>
<th>Address in Jakarta</th>
<th>Number of Employees (People)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asuransi Himalaya Pelindung</td>
<td>Malaka II st. No.5-5A. West Jakarta</td>
<td>200 People</td>
</tr>
<tr>
<td>Asuransi Jiwa Sinarmas</td>
<td>Mangga Dua Raya st., west Jakarta</td>
<td>300 People</td>
</tr>
<tr>
<td>Asuransi Takaful Keluarga</td>
<td>Mampang Prapatan st., South Jakarta</td>
<td>300 People</td>
</tr>
<tr>
<td>Amount</td>
<td></td>
<td>800 People</td>
</tr>
</tbody>
</table>

Source: Results of interviews with the Insurance-Human Resources Manager.

Because this research wants to know the performance of employees in the Underwriting section, the authors will only take the Underwriting section of employees on each insurance as respondents of this study.

RESULTS AND DISCUSSION

Characteristics of Respondents

As explained, that the sample acting as respondents in this study were 108 Underwriting employees who worked for three insurance companies in Jakarta, namely PT. Himalaya Pelindung Jakarta Insurance as many as 52 people, PT. Sinarmas Life Insurance is 26 people and PT. Family Takaful Insurance for 30 people.

Analysis of Results and Interpretations

Descriptive statistics

Based on descriptive statistics as listed in Table 3.1 below, respondents can respond to the variables of Ability and Motivation and Performance at three research object insurance companies in Jakarta.
This study measures Ability of the intellectual ability aspect with dimensions of verbal comprehension and perceptual speed, while motivation is measured in terms of achievement/achievement, recognition and responsibility motivation. Thus it can be seen, that the respondent's answer to Intellectual Ability (Intellectual Ability) is measured by using 10 statements with a focus on the ability of verbal comprehension and perceptual speed based on the analysis obtained by the mean score 4.0185 and standard deviation 0.41064. Then for the Motivation variable measured by 15 statements with a focus on achievement/success of implementation, recognition and responsibility based on the analysis obtained an average score of 3.7759 and standard deviation 0.45586, and performance as a dependent variable in this study obtained an average score of 3.2660 and standard deviation of 0.41812.

It is done based on a 5-point Likert scale, where scale 1 states "Very Disagree" (STS) to scale 5 states "Very Agree" (SS), so based on the numbers in Table 3.1 above can be interpreted that the respondent agrees with Intellectual ability as a factor that influences employee performance in the Underwriting section. This means that the intellectual ability (Intellectual Ability) possessed by employees in the Underwriting section significantly affects Performance significantly. Whereas for the motivation (motivation) of the respondents answered agreeing in the Likert scale into the range "Agree". This means that the motivation of each employee also greatly affects their performance.
Hypothesis testing

As already explained, that in this study proposed 3 (three) hypotheses, and the following can be considered each of the results of the hypothesis test, namely:

**Test the First Hypothesis (Ha 1)**

The First Hypothesis (Ha 1) proposed in this study are as follows:

*Ho 1 = There is no influence of Intellectual Abilities on Performance*

*Ha 1 = There is influence of Intellectual Ability on Performance*

To examine the effect of Intellectual Ability (Performance Ability) on Performance by using the Regression Statistic and Coefficients technique and the results of data processing with Multiple Regression, can be seen in Table 3.6

### Table 3.6: Regression Statistic and Coefficients between Intellectual Ability Variables (Intellectual Abilities) and Performance Variables (Performance)

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Dependent Variable</th>
<th>Standardized Coefficients Beta</th>
<th>t</th>
<th>Sig</th>
<th>R</th>
<th>$R^2$</th>
<th>Adj- $R^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance</td>
<td>Intellectual Ability</td>
<td>0.507</td>
<td>8.523</td>
<td>0.000</td>
<td>0.507</td>
<td>0.257</td>
<td>0.356</td>
</tr>
</tbody>
</table>

In Table 3.6 above, it can be seen the Regression Statistic and Coefficient of the influence of Intellectual Ability (Intellectual Ability) on Performance (Performance) with the following explanation:

The test results using Simple Regression between Intellectual Abilities as an independent variable with Performance (Performance) as a dependent variable obtained a Beta value = 0.507 and significant at the level of significance 0.05 (with significance = 0.000) Based on the results of the test it can be concluded that, Intellectual Abilities (Intellectual Ability) affect high performance (high influence). Then obtained $R^2 = 0.257$ and adjusted $R^2 = 0.356$. This shows that the dependent variable can be explained by an independent variable of 25.7% while the remaining 74.3% is explained by other factors not included as independent variables in this model.
Positive value of Beta Coefficients means that if Intellectual Ability is higher as measured by aspects of verbal comprehension and perceptual speed, then the resulting Performance will also be higher, and vice versa.

The strategic implication of this study is the development of Intellectual Abilities employees will be able to make a positive contribution to improving the performance of these employees. Therefore, if the company wants to create employees with good performance, then the development of Intellectual Abilities through education, training and task assignment to enrich employee work experience is the most effective means to improve employee performance.

Another implication is in recruiting new employees, so that companies obtain good human resources (HR), when recruiting these employees, Intellectual Ability (Focus Ability) becomes a focus in the selection process because it is one of the important factors in running every task that is his responsibility later.

**Test the Second Hypothesis (Ha 2)**

The Second Hypothesis (Ha 2) proposed in this study are as follows:

- **Ho 2** = *There is no effect of Motivation on Performance*
- **Ha 2** = *There is an influence of Motivation on Performance*

To examine the magnitude of the influence of Intellectual Ability on Performance by using the Regression Statistic and Coefficients technique and the results of data processing with Multiple Regression, it can be seen in Table 3.7 on the following page:

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Dependent Variable</th>
<th>Standardized Coefficients Beta</th>
<th>t</th>
<th>Sig</th>
<th>R</th>
<th>R²</th>
<th>Adj-R²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance</td>
<td>Motivation</td>
<td>0,546</td>
<td>6,703</td>
<td>0,000</td>
<td>0,546</td>
<td>0,298</td>
<td>0,291</td>
</tr>
</tbody>
</table>

In Table 3.7 above, it can be seen the Regression Statistic and Coefficient of the influence of Motivation on Performance with the following explanation:
The test results using Simple Regression between Motivation (Motivation) as an independent variable with Performance (Performance) as a dependent variable obtained a Beta value = 0.546 and significant at the level of significance 0.05 (with significance = 0.000)

Based on the results of the test it can be concluded that, Motivation influences high performance. Then obtained $R^2 = 0.298$ and adjusted $R^2 = 0.291$. This shows that the dependent variable can be explained by an independent variable of 29.8% while the remaining 70.2% is explained by other factors not included as independent variables in this model.

Positive value of Beta Coefficients means that if Motivation is higher, measured from the aspects of achievement / achievement, recognition and responsibility, then the Performance that is produced will also be better, meaning that. The resulting performance is able to meet the expectations of company management, and vice versa.

The strategic implication of this study is that employee motivation is one of the essential factors in improving performance, if the company continues to pay attention to each employee as a motivator for employee performance in the present and future. Because the concept of modern management considers that employees are no longer as the driving force of the company, but put employees as assets and partners of the company that must be maintained in a harmonious and sustainable relationship in order to make a positive contribution to improving the performance of these employees.

**Test the Third Hypothesis (Ha 3)**

The Third Hypothesis (Ha 3) proposed in this study are as follows:

**Ho 3** = *There is no influence of Intellectual Abilities m and Motivation together on Performance*

**Ha 3** = *There is an influence of Motivation together on Performance*

Furthermore, the results of hypothesis testing between Intellectual Ability variables, Motivation and Performance using the technique of Regression Statistic and Coefficients and the results of data processing with Multiple Regression, can be seen in Table 3.8.
Table 3.8: Regression Statistic and Coefficients between Intellectual Abilities and Motivation Together with Performance Variables

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Dependent Variable</th>
<th>Standardized Coefficients</th>
<th>Beta</th>
<th>T</th>
<th>Sig</th>
<th>R</th>
<th>R²</th>
<th>Adj-R²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intellectual Ability</td>
<td>Performance</td>
<td>0.353</td>
<td></td>
<td>4.370</td>
<td>0.003</td>
<td>0.547</td>
<td>0.300</td>
<td>0.286</td>
</tr>
<tr>
<td>Motivation</td>
<td></td>
<td>0.545</td>
<td></td>
<td>6.675</td>
<td>0.000</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In table 3.8 above, it can be seen Regression Statistics and Coefficients from the influence of Intellectual Ability and Motivation together on Performance. The table also shows the magnitude of the influence of each independent variable, Ability and Motivation on Performance as indicated by the magnitude of the value of Beta Coefficients. The results of the analysis show that the value of Beta Motivation coefficients of 0.545 is greater than the value of Intellectual Ability coefficients (0.353). Thus it can be concluded that Motivation is more influential on employee performance in the Underwriting section in three research objects.

Intellectual ability and Motivation together have a moderate influence on Performance. Then obtained $R^2 = 0.300$ and adjusted $R^2 = 0.286$. This shows that Performance can be explained by both Intellectual Ability and Motivation variables together by 28.6%. Thus it can be concluded that Intellectual Ability (Motivation Ability) and Motivation together can contribute to Performance of 28.6%. For each Intellectual Ability can contribute to Performance by 25.7% and Motivation of 29.8%. So that this study shows that Motivation contributes more to Performance than Intellectual Ability and Intellectual Ability and Motivation together towards Performance.

By looking at the analysis of the results of this study, the researchers appealed to the management of insurance companies to pay more attention to the intellectual ability when recruiting new employees rather than paying attention to their motivation, even though the two are important factors in the recruitment process, so This is a responsibility that must
be resolved by every manager in general and every Human Resource Manager, especially in the global era and information as it is today.

CONCLUSION

Based on the analysis and discussion of the results stated earlier, this conclusion can be drawn as follows: There is the influence of intellectual ability to high influence and significant. With a Standardized Beta Positive Coefficient value. It means that if the Intellectual Ability is high such as the characteristics of verbal comprehension and speed of perception, the resulting Performance is also higher. Likewise, if the Intellectual Abilities possessed by Underwriting employees are low, then the resulting Performance is also low. As a consideration, these conclusions are reinforced by the Regression Statistics Coefficients of data processing with Multi Regression, which states that the influence of Intellectual Abilities as an independent variable on performance as a dependent variable is high from the Standardized Beta Coefficient = 0.57 and significant at level of significance 0.05 (with significance 0.000) \( R^2 = 0.257 \) and adjusted \( R^2 = 0.356 \). This shows that performance can be explained by intellectual ability of 0.356 or the ability of intellectual can contribute to performance of 0.356.

There is an influence of high influence and significant motivation. With a Standardized Beta Positive Coefficient value. This means that if Motivation is high such as achievement / success of implementation, recognition and responsibility, the performance produced is also getting higher. Likewise, if the Motivation of Underwriting employees is low, then the Performance produced also decreases. It means that it cannot meet the expectations of company management who always want the optimal performance of each employee. Based on the results of data processing with Regression Statistics Coefficients as a result of data processing with Multi Regression, which states that the effect of Motivation as an independent variable on Performance as a dependent variable is high from the Standardized Beta Coefficient = 0.546 and significant at the level of significance 0.05 (with significance 0.000) \( R^2 = 0.298 \) and adjusted \( R^2 = 0.291 \). This shows that Performance can be explained by Motivation of 0.298 or Motivation can contribute to Performance of 0.298.
It can also be proven that there is an influence of intellectual ability and motivation as an independent variable on performance as a dependent variable. Based on the value of the Standardized Coefficients Beta, $R^2$ and adjusted $R^2$ above, it can be concluded that the effect of motivation with the characteristics of the Standardized Coefficients Beta = 0.545 and is significant at the level of significance 0.05 (with significance 0.000), $R^2 = 0.300$ and adjusted $R^2 = 0.286$

Performance is higher than the effect of intellectual ability with Standardized Beta Coefficient characteristics = 0.353 and significant at the level of significance 0.05 (with significance 0.000), $R^2 = 0.257$ and adjusted $R^2 = 0.356$, so that by looking this reality company leaders should pay more attention to intellectual ability than the motivation of their employees.

**IMPLICATIONS**

Because the object of this research is limited to three insurance companies in Jakarta, namely PT. Himalaya Pelindung Insurance, PT. Asuransi Jiwa Sinarmas and PT. Family Takaful Insurance with only 108 employees, the results of this study are not generally applicable to all insurance companies in the entire Jakarta Special Capital Region, but are limited to the three insurance companies mentioned above. However, the results of this study may also be used as a consideration for company leaders in making human resource planning, in order to be able to answer the challenges and demands of market needs from time to time.

**SUGGESTION**

Suggestions for company management, especially in improving employee performance should consider the ability of employees as one of the important factors in improving performance when recruiting new employees. Given such a dominant function than human resources, especially in the era of globalization as it is today it would be necessary for other company leaders to use the results of this study as consideration in planning the desired human resources, so that the employees recruited really fit their
needs and expectations company so that it is expected to contribute optimally, and be able to carry out its duties more effectively and efficiently.

Apart from that, motivation for employees is very important as a driving force in order to improve employee performance, as evidenced by the high influence of Motivation on Performance as in the above conclusions. Therefore, company leaders and supervisors must pay attention to the dimensions that exist in Motivation such as achievement / achievement, recognition and responsibility for employees.

Suggestions for further research can be carried out by similar studies on different insurance companies by expanding the variables and dimensions involved in the study and with more respondents so that the existing respondents are truly representative respondents. Because the scope of human resources is so extensive, future researchers will be able to conduct research on other matters relating to human resource planning and development, so that the existence of human resources is always important in any business activity. It may be possible to do a future study which raises the issue of more specific Motivation, so that it can find out what the most dominant motivation can affect employee performance so that the results of the research are not only useful for the author himself, but it can also be useful for other parties who need it.

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