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The Influence of Rewards and Work Motivation on the Performance of Allianz Insurance Agents in an Islamic Economic Perspective

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ABSTRACT

Insurance is critical need for the community to prepare for what happens in the future such as critical illness, accidents, pension funds and death. The insurance company appreciates the contribution made by the agent by providing rewards, be it in the form of financial, non-financial as well as in the form of other benefits. Rewarding has a positive purpose, but the problem is that giving rewards has the opposite effect. Agents who only focus on the rewards they can get and only give importance to this allows agents to tend to focus on the result without paying attention to the behaviour and processes in it. This study aims to determine the effect of reward and work motivation on agent performance in the Lampung branch of Allianz Life Indonesia insurance. This research is an observational study where primary data is obtained from interviews and questionnaires, and secondary data is obtained from documentation data. The population in this study were 30 insurance agents, with consecutive sampling technique—data obtained by using a questionnaire to 30 agents. Interviews were conducted with the Head of Agency and Business partners. Based on the results of this study, that reward has a significant effect on the performance of the insurance agent Allianz and work motivation has a significant effect on the performance of the insurance agent Allianz. Based on the principles of shari'ah, the principle of *ta'awun* (help each other), that is, insurance participants help each other (*ta'awun*) by collecting a grant called *tabarru'*.

1. Introduction

Human resources are one of the essential aspects that can and must be managed by a company in order to provide a maximum contribution. The knowledge and expertise of human resources must continue to be managed dynamically in order to develop and provide strategic competitiveness when later applied in the company. The company is expected to be able to maintain quality agents and keep them motivated, one of which is by implementing a system or specific strategies to provide a balance between the expected contribution and what has been given in the form of certain rewards or awards. Good rewards are an effective way to engage agents with work. (Arifin, 2014)

The reward system plays a vital role for the company in terms of attracting and retaining quality agents to achieve even better performance. The reward received by agents will make them feel valued by the company and feel that the company is seriously involved in their career development. According to Ali, rewards can be classified into two types, namely intrinsic rewards which can be in the form of positive values or the agent's satisfaction with himself for completing a task which is quite challenging for him and extrinsic rewards which include direct compensation, indirect compensation and other benefits. (Ali, 2004)



2. Literature Review

Agents have different needs and perceptions of reward; some agents think that monetary rewards are sufficient to meet their needs, others also want more intrinsic rewards, such as giving a role in decision making, greater responsibility, freedom and greater freedom of work to increase self-esteem and all that (Ali, 2000). According to Soemohadijojo (2004), the reward given by the company is a positive goal for the agent, but in practice, it does not rule out that the reward can have the opposite effect. When agents only focus on the rewards they can get and only care about it, it is feared that agents will tend to be selfish and individualistic in order to get what they want. It is feared that negative behaviours such as justifying any means to get the reward may occur. Agents who only focus on the fee can create a problem in itself so that companies are expected to be able to design a sound reward system so that agents can pay attention to the process of how they will achieve these rewards including positive agent behaviours.

Given the impact of rewarding on performance, researchers are interested in researching with Allianz Bandarlampung Insurance as the object of research. Allianz Insurance is one of the largest insurers in Indonesia, following its vision to become the primary insurance choice in a society that acts as future protection for the community. Allianz appreciates existing human resources as the main asset and capital for the company's success in facing industrial competition. Allianz is committed to producing professional and high-quality human resources because quality human resources are an essential aspect of maintaining a competitive advantage and supporting Allianz's business strategy. One of the steps Allianz has taken is to optimally develop the abilities and competencies of all agents through various training and development programs that are held both internally and externally. Allianz also gives financial rewards to agents in the form of income, awards, vacations/recreation, and contests.

All forms of reward received by agents aim to appreciate and motivate them to work well again because reward giving has a positive purpose. (Fay, 2001) However, it does not rule out the possibility that in practice they can actually get it and only care about it, there is a fear that agents will tend to be selfish and individualistic in order to get what they want. It is feared that negative behaviours such as justifying any means to get the reward may occur. This is similar to several cases that occurred in the 2017 Allianz Insurance, where it was found that agents who manipulated some health data to get rewards were positive, but in practice, it did not rule out the opposite impact.

Analysis of work performance will be related to two main factors, namely: the willingness or motivation of the agent to work, which gives rise to the agent's effort, and the agent's ability to carry it out. In other words, work performance is a function of work motivation and ability. Motivation has always been the primary concern of managers, as well as scholars, because motivation is closely related to the success of a person, organization, or society in achieving goals. Motivation comes from the Latin word "Movere" which means "impulse or movement power". This motivation is only given to humans, especially to their subordinates or followers. Motivation is an incentive to drive one's willingness to work; each motive has a specific goal to be achieved. Motivation is a conscious effort to influence someone's behaviour so that it leads to the achievement of company goals. The process of arising one's motivation is a combination of the concepts of need, drive, purpose and reward (Irham, 2010).

This giving of encouragement aims to activate the people or agents so that they are excited and can achieve the desired results. So, work motivation is something that creates a boost or morale. Several factors can affect work motivation, including superiors, collectors, physical facilities, wisdom, regulations, rewards, types of work, and challenges (Slamet, 2006; Suharsimi, 2006; Sunarto, 2013).



3. Methods

This research is an observational study using a quantitative approach method. Data collection using research instruments, and data analysis is quantitative/statistical to test the hypothesis that has been set. Use a survey to find out related factors. Primary data is data that comes directly from data sources collected specifically and is directly related to specific problems and is directly related to the problem under study or data sources that provide data to data collectors. This data is generated from respondents through questionnaires and interviews with the parties concerned, the insurance agent Allianz. This research was conducted at the Lampung branch of the Allianz Syariah insurance company, from 1 February 2019 to 31 March 2019. The research subjects in this study were 30 Allianz insurance agents in Lampung branch. The variables in this study are reward, work motivation, and performance. The measurement of the independent variable questionnaire is reward and work motivation. The independence and the dependent variable of performance, in this study using a Likert scale. Data analysis was performed using SPSS 24 software.

4. Results and Discussion

A general description of the company

Allianz was founded in 1890 in Berlin, Germany. Today Allianz is one of the leading financial services companies in the world and has a presence in more than 70 countries around the world. In September 2006 Allianz AG changed from a German company to a European company, namely Allianz SE "Societas Europe". Total revenues of Allianz SE for 2006 amounted to 101.1 billion Euros. Allianz's core business is focused on three main areas: protection including general and general insurance, provision including life and health insurance, performance including asset management and banking.

Respondents in this study were agents at PT. Allianz Insurance, Lampung branch. Respondents

aged 20-30 years were five people or 17%, respondents aged 31-40 years were 20 respondents or 66.6%, respondents aged 41-50 years were three respondents or 10% and respondents aged > 50 years were 2 or 6.6%. Based on the length of work at the company, respondents with a length of work between 1-5 years were five people or 16.6%, respondents with a length of work for 6-10 years were 16 people or 53.4% and respondents with a length of work > 10 years were nine people or 30%.

From the statistical result, the reward variable has a significant effect on the performance of Allianz Insurance agents. Based on the results of the t-test, it is known that the coefficient possessed by variable X1 (reward) has a more excellent value than variable X2 (work motivation), this indicates that the more rewards given to the agent, the higher the performance of the agent. The results of this study are in line with the theory described by Mahsun, which explains the four alternative rewards that are used to trigger agent productivity, namely the theory of goal conformity. Every public company must have a goal to be achieved. Thus, rewards must be created as a middle way so that company goals can be achieved without setting individual goals to be achieved without sacrificing company goals.

The results of the distribution of respondents' answers show that the agent's goals are the same as the company's goals, this is evidenced by some of the respondents who gave agreed answers with a percentage of 83.3% on items X1.1 and X1.4, followed by 13.3% of respondents who gave a very agreeable answer which shows that the rewards given by the company are following the needs of the agent for Allianz insurance. The results of this study are under the results of research conducted by Jayanti in 2014. The results of his research prove that the role of reward has a positive and significant effect on work productivity of reward agents, namely rewards, wages, prizes.

From the results of calculations using SPSS, it can



be concluded that the work motivation variable has a significant effect on the performance variable. So it can be concluded that the work motivation variable has a significant effect on the agent's performance on Allianz insurance. The results of this study are in line with Frederick Herzberg's theory that there is a positive relationship between work motivation and agent performance. Agents who have high motivation will undoubtedly have high morale. The company can satisfy and encourage to work better through achievement, promotion, recognition, work itself, rewards, responsibility, success at work and personal growth and development. The results of this study are in line with the results of research conducted by Luthfi et al. in 2014; it proved that motivation has a positive effect on agent performance. To increase work motivation, companies can choose several ways that suit the company's situation and capabilities, including conducting promotion programs and giving rewards. (Kadir, 2015; Kartono, 1996)

Furthermore, the principles of Shari'ah are the rules or regulations of Allah for his servants *Asy-syaraa'i* and *Asy-shari'ah* are the paths used to lead to the salvation of the word *Asy-shari'ah* which is then called *shari'ah* in Indonesian. Then how insurance in the era of Rasulullah SAW the practice of insurance which was similar to that of the time of the Prophet was *Aqilah*, that is, if another tribe kills a member then the victim's heir will be paid by an amount of blood money or the so-called *diyath* of the killer's closest relative will collect money to pay compensation to the victim's family those who were killed had become the custom of the Arab tribes since the time of the Prophet. Compensation in the practice of conventional insurance is called premiums, and *shari'ah* insurance is called dues (compensation). The practice of *Aqila* has similarities to *shari'ah* insurance.

5. Conclusion

The reward variable has a significant effect on the performance of Allianz Insurance agents. so the more

rewards given to the agent, the higher the performance of the agent. Work motivation variable has a significant effect on performance variables. So it can be concluded that the work motivation variable has a significant effect on the agent's performance on Allianz insurance. So the higher the work motivation, the higher the performance of the agent. Based on the shari'ah principle of *ta'awun* (helping), namely insurance participants helping each other (*ta'awun*) by collectively collecting the so-called grant *tabarru*. *Tabarru* funds belong to the participants, used only to help participants who experience disaster.

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