THE IMPORTANCE AND PERFORMANCE ANALYSIS OF AGENT COMPETENCIES
(Case Study: PT. Prudential Life Assurance)

ANALISA KEPENTINGAN DAN KINERJA DARI KOMPETENSI AGENT
(Studi Kasus: PT. Prudential Life Assurance)

By:
Cliff R. Oroh[1]
Paulus P. Kindangen[2]
Maria V. J. Tielung[3]

[1,2,3]International Business Administration (IBA) Program
Faculty of Economics and Business
Sam Ratulangi University Manado

Email:
[1]cleeftraynando@gmail.com
[2p]kindangen@yahoo.com
[3]mariatielung@gmail.com

Abstract: The success of the Life's Insurance Company is influenced by the performance of the sales agents inside. Based on the previous related research about the agent competencies, researcher determine the most important five attributes in agent competencies to measuring the customers satisfaction to their performance, namely: Performance (Reliability), Cooperation (Credibility), Guarantee (Security), Personal Skill (Ability), and Experience. (1) Personal Skill (Ability) is located in the quadrant I "Concentrate Here" (very important to employees, but performance levels are fairly low); (2) Guarantee (security) and Cooperation (Credibility) are located in quadrant II "Keep up the good work" (very important to employees, and at the same time has a high level of performance in these activities); and (3) Experience and Performance (Reliability) is located in the quadrant III "Low priority" (low importance and low performance).

Keywords: *Importance Performance Analysis, Agent Competencies, Personal Skill (Ability), Guarantee (Security), Cooperation (Credibility), Experience, Performance (Reliability).*

Abstrak: Suksesnya perusahaan asuransi jiwa dipengaruhi oleh kinerja dari agen asuransi. Berdasarkan penelitian terdahulu tentang kompetensi seorang agen, peneliti menentukan lima atribut dalam kompetensi seorang agen untuk mengukur kepuasan pelanggan terhadap kinerja mereka, atribut tersebut diatas adalah: Kinerja (Dapat di andalkan), Kerjasama (Kredibilitas), Jaminan (Keamanan), Keahlian Individual (Kemampuan Bekerja), dan Pengalaman. (1) Kinerja (Dapat di andalkan) terletak di kuadran I "Konsentrasi Disini" (sangat penting buat pelanggan tetapi tingkat kinerja masih sangat rendah); (2) Jaminan (Keamanan) dan Kerjasama (Kredibilitas) terletak di kuadrant II "Pertahankan Kinerja Yang Baik" (sangat penting untuk agen dan pada saat yang sama memiliki tingkat kinerja yang tinggi); dan (3) Pengalaman dan Kinerja (Dapat di andalkan) terletak di kuadrant III "Prioritas rendah" (kepentingan dan kinerja juga rendah).

Kata Kunci: Kinerja (Dapat di andalkan), Kerjasama (Kredibilitas), Jaminan (Keamanan), Keahlian Individual (Kemampuan Bekerja), dan Pengalaman.

INTRODUCTION

Research Background

Life's Insurance is the business concept that engaged in the investment field, as time goes-by and the modernization has develop, a life's insurance that used to be a demands in human lives now it turned into human primary needs, in this current development and education and also experience made human getting smarter every day, makes people smart enough to not risky their future by voiding to assurance their self. That's why life insurance are now became the life style of human from every kind of gender and background.

The research gap in this research based on the research background explained above is that that researcher concludes that the success of the lives' insurance company is depend on the performance of an agent itself, no matter how good the company performing their product and service to the market will not give much influence to the customer's satisfaction if the performance of an agent that dealing with the customers by prospecting selling and also maintaining the good relationship is not good. It's because the only way the company will get in touch straight to the customers is by the performance of the agent itself. This conclusion is based on the previous research of (Masood Siddiqui, 2010). Therefore, this research focuses on analyzing the importance and performance of agent competencies in PT. Prudential Life Assurance – Pru Blessing Manado.

Research Problems

Based on the research background, this research conducts the research problem as follows:
1. What is the importance of agent competencies using Importance Performance Analysis?
2. What is the performance of agent competencies using Importance Performance Analysis?

Research Objectives

Based on the research problems, this research set the research objectives:
1. To know the importance of agent competencies using Importance Performance Analysis.
2. To know the performance of agent competencies using Importance Performance Analysis.

THEORITICAL RIVIEW

Marketing

Marketing is about identifying and meeting human and social needs. One of the shortest good definitions of marketing is "meeting needs profitably". Marketing Management as the art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering, and communicating. (Kotler and Keller, 2012, 40).

Researcher concludes that understanding the theory of marketing in this research is very important; theory of marketing is the grand theory that will make this research used the marketing as the foundation to do the further research. Marketing is the activity, set of institution, and process for creating, communicating, delivering, and exchanging offerings that have value for customers, client, partners, and society at large. Marketing has two facts. First, it is a philosophy, an attitude, a perspective, or a management orientation that stresses customer's satisfaction. Second, marketing is activity and processes used to implement this philosophy (McDaniel Lamb and Hair, 2011, 23).

Customer Satisfaction

Customer's Satisfaction is the perception of the customers to the service received. If the perception of the service received is less than the level of the expectation of the service it would lead to customer's dissatisfaction (Lamb and Hair, 2011, 9). Based on the theory above, researcher concludes that understanding the customers satisfaction will make the company especially life's insurance company knows what action to takes in order to maintaining the satisfaction of the customers for example in life's insurance company, agent competencies will determine the most of the customers satisfaction throughout the performance of the life's insurance agent.

Insurance Agent

Insurance agent is a person who represents an insurance firm and sells insurance policies on its behalf. Generally there are two types of such agent who reach the prospective parties that may be interested in buying insurance. The performance of an agent is very effected to the growth of the insurance agent (Surjaanto. S, Pangemanan. S, H.Sabijono, 2014, 163). These are independent agents and captive or exclusive agents. Independent agents may represent many insurance firms and receive commission for their services accordingly. On the other hand, there are captive agents who are exclusively employed by a particular insurance firm and sell policies of the same. Their service can be rewarded in the form of salary or commission (Coleman. B, 2013, 45). The commission for the agent is set by the AAJI as much as 20% from the premium that deposited (H. Lutfi. M, Karamoy. H, Tangkuman. S, 2015, 171). The insurance company has to set the working contract to the agent for view years for giving the rewards and punishment to those that not performing well (Katili, 2013, 126).

Agent Competencies

Agent competencies is the agent who have the ability to serve and provide professionally anything that customers need related to the product of an insurance such as information and anything that become the customers right since become the policies holder. An agent is in the business of helping clients select insurance, not filling out forms (Ed Beggs, 2012, 32). A competent agent needs to know how to take action in develops customer's strategies and plans, consistent with the company financial goals, sales strategies and category plans and well aligned with the account's strategies, in order to increase probability of effective execution (Aurelio Locsin, 2013, 74). Competence differs from intelligent or scholastic preparation in that it parallels expertise as the pragmatic application of knowledge, skill and abilities (Nonaka, 1994, 126). Competencies is more than knowing techniques, more than the a cognitive understanding of consulting principles, and includes the affective element of consulting and understanding client and agent feelings and being open to empathic detection of others feelings (Block, 2000, 171).

Previous Research

Boyd. L, 2002, 42 Research about extension agent as administrator volunteers: competencies needed for the future. The purpose of the study reported here was to develop consensus among a panel of experts regarding the competencies that would be required by administrators of volunteers in the coming decade. Competencies are the application of knowledge, technical skills, and personal characteristics leading to outstanding performance. (Siddiqui. H, Sharma. T, 2010, 26) research about Analyzing Customers Satisfaction with Service Quality in Life's Insurance Service. This research using confirmatory factor analyses, proposes a six dimensional service quality instrument consisting of assurances, personalized financial, planning, competence, corporate image, tangibles and technology in life insurance. To proposed service quality instrument on customer satisfaction, (satisfaction with agent, satisfaction with functional service, satisfaction with company, and finally with overall satisfaction. Agent will be able to work well if they have a good level of performance (Mufidah. L, Mandey. L, Mananek. L, 2014, 2).
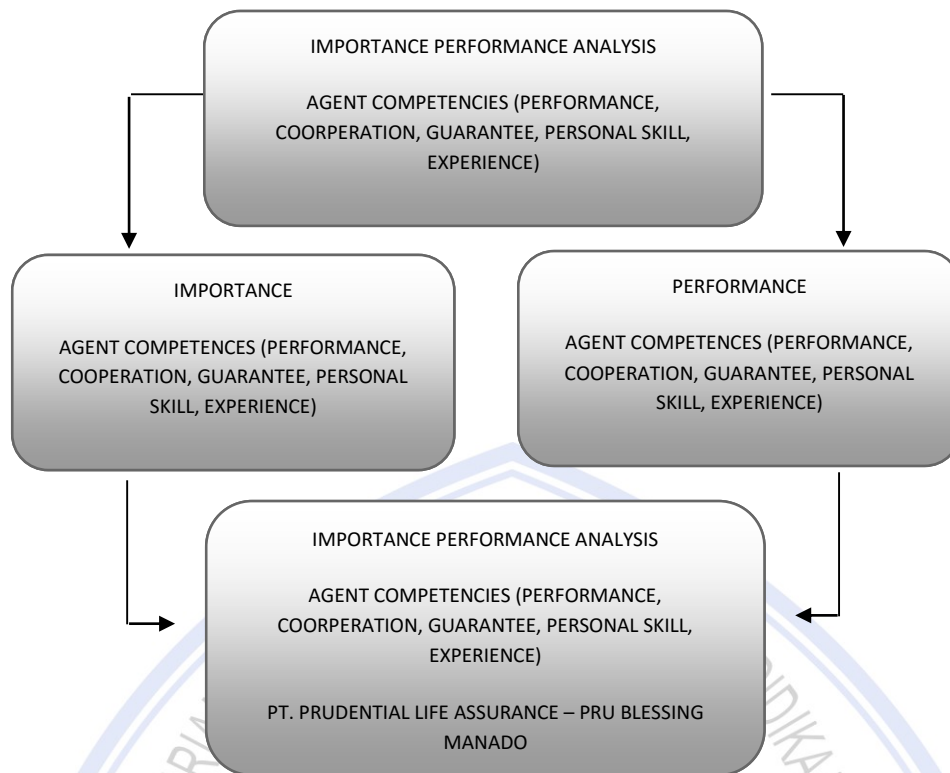
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Figure 1. Conceptual Framework
Source: Data Processed, 2016

The conceptual framework of the importance and performance analysis of agent competencies that drawn at the up-center of the framework, and in measuring agent competencies there was divided by two components that have great connection in order to meet customer's satisfaction to the product or services through its delivery system. The two components are:

The importance of agent competence that drawn in the left part of the framework and have its indicators which are; performance, cooperation, guarantee, personal skill and experience. At the right part drawn the performance of agent competence and have its indicators which are; performance, cooperation, guarantee, personal skill and experience. And importance and performance analysis of agent competence in this research is doing the research in PT. Prudential Life Assurance – Pru Blessing Manado which is drawn at the down-center of the framework.

RESEARCH METHOD

Type of Research

This research is the quantitative research uses descriptive type of research where it will investigate the importance of agent competencies using Importance Performance Analysis. Case study PT. Prudential Life Assurance – Pru Blessing Manado.

Place and Time of Research

From the five marketing office of PT. Prudential Life Assurance in this city, researcher choose Pru Blessing–Manado Jl. Piere Tendean Boulevard Komp. Manado Town Square Blok A/3 Kode Pos 95111.

Population and Sample

The population in this research is all the customers listed as the customers of PT. Prudential Life Assurance–Pru Blessing Manado with the total of 1002 policy holder from year 2013 to year 2015. The number of population in this research is 372 based on the number of the policy holder in year 2015. This research use Solvin's formula in order to determine the sample number. Based on the result of the calculation, the minimum sample number is 78,8 but researcher rounded it into 100 respondents.

Operational Definition and Research Measurement

The only independent variables in this research are the Agent Competencies that have five elements that will use as the indicators to determine the competencies of the agent itself. These are the five indicators; Performance (reliability), Cooperation (credibility), Guarantee (Security), Personal Skill (Ability) and the last one is the Experience.

Data Analysis Method Validity and Reliability Test

To score the agree or disagree the subject, this research use the Likert scale on questionnaire. Likert scale is a widely used rating scale is designed to examine how strong subjects agree or disagree with statements on a five point scale.

Importance and Performance Analysis

The Importance Performance Analysis (IPA) framework was introduced in marketing research in order to assist in understanding customer satisfaction as a function of both expectations concerning the significant attributes and judgments about their performance. Importance and performance data may not be as meaningful as when both data sets are studied simultaneously. Hence, importance and performance data are plotted on a two dimensional gird with importance on the y-axis and performance on the x-axis. The data are then mapped into four quadrants;
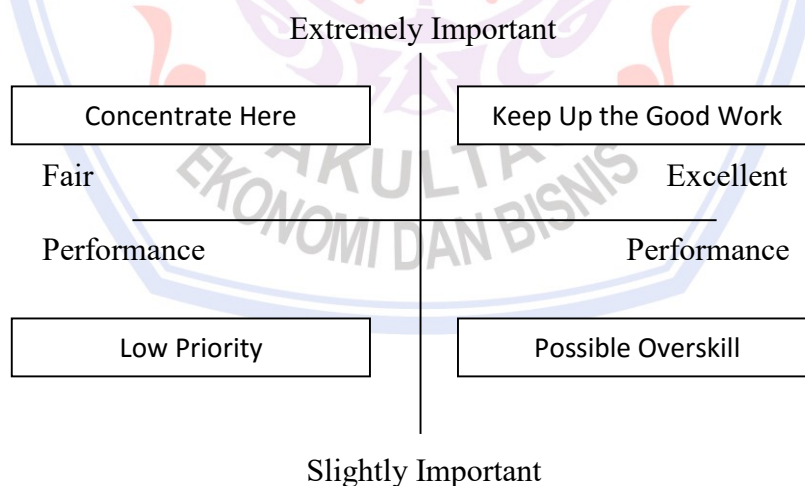
Extremely Important

| Concentrate Here | Keep Up the Good Work |

Fair   Excellent

Performance   Performance

| Low Priority | Possible Overskill |

Slightly Important

Figure 2. Importance Performance Analysis
Source: Martilla, J. and James J, 1997.

a. In quadrant 1, importance is high but performance is low. This quadrant is labeled as "Concentrate Here", indicating the existing systems require urgent corrective action and thus should be given top priority.
b. Items in quadrant 2 indicate high importance and high performance, which indicates that existing system have strengths and should continue being maintained. This category is labeled as "Keep up the Good Work".

c. In contrast, the category of low importance and low performance item makes the third quadrant labeled as "low Priority". While the systems discontinuation.

d. Finally quadrant 4 represent low importance and high performance, which suggest insignificant strengths and a possibility that the resources invested may better be diverted elsewhere.

RESULT AND DISCUSSION

Result

Validity and Reliability Test

The reliability test in this research uses Alpha Cronbach. If Alpha is less than 0.6 then it is unreliable. The interpretation of Alpha Cronbach is:

1. "<0.6 indicates unsatisfactory internal consistency or consider that the data is unreliable".
2. "0.7 indicates that the data is acceptable".
3. "0.8 indicates good internal consistency or consider that the data resulted is reliable".

The information about the result of reliability statistic is mentioned in table below.

Table 1. Reliability Statistic

Cronbach's Alpha	N of Items
.810	12

Source: Data Processed, 2016 – IBM SPSS 22.

Table 1 shows that Alpha Cronbach is 0.810 which is above the acceptance limit of 0.6; therefore, the research instrument is reliable. 0.810 of Cronbach's Alpha is processed by the questionnaire tabulation and then convert the data trough IBM SPSS. With the finale result that shown the instrument is reliable in this research.

By comparing correlation index in Pearson Product Moment with significance level of 5%, it can be seen a research instrument is valid or not. If probability of correlation is less than 0.05 (5%) then the research instrument is stated as valid.

Table 2. Correlations

		Avr_Imp	Avr_Perf	Avr_Imp_Perf
Avr_Imp	Pearson Correlation	1	,662**	,920**
	Sig. (1-tailed)		,000	,000
	N	100	100	100
Avr_Perf	Pearson Correlation	,662**	1	,903**
	Sig. (1-tailed)	,000		,000
	N	100	100	100
Avr_Imp_Perf	Pearson Correlation	,920**	,903**	1
	Sig. (1-tailed)	,000	,000	
	N	100	100	100

**. Correlation is significant at the 0.01 level (1-tailed).

Source: Data Processed, 2016 – IBM SPSS 22.

Table 2 shows that the correlation index is greater than 0.3 and below the significance level of 5% therefore, the data is considered as valid. If the data is not valid, researcher have to consider more to the data tabulation and needs to find out what caused the data is not valid, and needs to recover it very soon. The valid data allowed the researcher to continue the research to the next step which are the Importance and Performance method.

Table 3. Attributes, Importance Mean, Performance Mean, Quadrant

Attributes of Agent Competencies	Importance (Y)	Performance (X)	Quadrant
Performance (Reliability)	3.85	4.16	III
Cooperation (Credibility)	4.46	4.9	II
Guarantee (Security)	4.55	4.72	II
Personal Skill (Ability)	4.3	4.37	I
Experience	4.22	4.42	III
AVERAGE	4.276	4.514	

Source: Data Processed, 2016.

Table 3 shows that the importance of Guarantee (Security) which has the highest mean (y=4.55) followed by Cooperation (Credibility) (y=4.46), Experience (y=4.22), Personal Skill (Ability) (y=4.3), and Performance (Reliability) (y=3.85). Meanwhile, the performance of Guarantee (Security) has the highest mean (x=4.72) followed by Experience (x=4.42, Personal Skill (Ability) (x=4.37), Performance (Reliability) (x=4.16), and Cooperation (Credibility) (x=4.9).
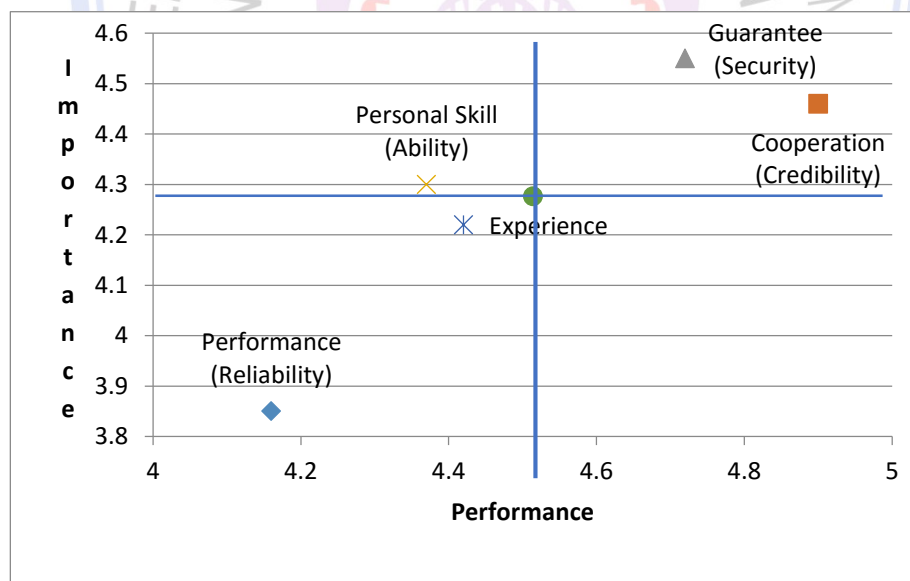

Figure 3. Data Plotting of Agent Competencies Attributes in Quadrant
Source: Data Processed, 2016.

Figure 3 shows that Personal Skill (Ability) is located in quadrant I (Concentrate Here). It means Personal Skill (Ability) is perceived to be very important to customers, but performance level is fairly low. In other words, the agents in PT. Prudential Life Assurance – Pru Blessing Manado has a low performance in these activities and perceived low satisfactory in implementing Personal Skill (Ability), as all the aspects in this program are necessary for customer, the message here is to concentrate here.

Guarantee (Security) and Cooperation (Credibility) is located in quadrant II. It means Guarantee (Security) and Cooperation (Credibility) is perceived to be very important to customer, and at the same time, PT. Prudential Life Assurance – Pru Blessing Manado has a high level of agent's performance in these activities. In other words, PT. Prudential Life Assurance – Pru Blessing Manado agent's is perceived satisfactory in implementing Guarantee (Security) and Cooperation (Credibility). As all the aspects in this program are necessary for customer, the message here is to keep up the good work.

Experience and Performance (Reliability) is located in quadrant III. It is assessed as low priority, which means the attribute is not really important for the customers and at the same time also has the low performance level. Although performance level low in this cell, managers should not be overly concerned, since the attributes are not perceived to be very important. The message here is limited resources should be expended on this low priority cell.

Discussion

Performance (Reliability) is the competencies that agent needed as the key for successes to satisfying the customers, Cooperation (Credibility) also important to built good relationship with customers, good communication makes this attributes works well. Guarantee (Security) is the key to gain trust from the customers that putting 100% of their hope into the agent's statements at the time while they are being prospected, customers are usually expected 100% guarantee and security to their money that they invested in life's insurance company. Personal Skill (Ability) of an agent makes the customers feel comfortable cooperating with the agent, a good skills and knowledge of understanding what that they offer to the customers is the key to reach the customer's satisfaction at the life's insurance product that meets the customer's needs later on. Experience in handling customers and selling the life's insurance product makes the agent know for sure what type of life's insurance product that customers need considering every customer has a different type of needs and background. An experienced agent knows how to prevent the mistakes of offering the less precise product to the customers, a mistake that could caused fatal result at the claiming later on. These five attributes is the key of the success of the life's insurance agent and life's insurance organization.

CONCLUSION AND RECOMMENDATION

Conclusion

Based on the research problem that had been mentioned at chapter one, researcher has integrated the answer of both question in research problem.

1. The Importance of Agent Competencies is the five attributes that had been used to measuring the competencies of the agent itself, and the 5 attributes of Agent Competencies in PT. Prudential Life Assurance – Pru Blessing Manado, namely: "Performance (Reliability)", "Cooperation (Credibility)", "Guarantee (Security)", "Personal Skill (Ability)", "Experience". Therefore the result shows that among all attributes Guarantee (Security) and Cooperation (Credibility) is very important to the customers compared with the other indicators. Then followed by Personal Skill (Ability) which is relatively important to customers. After that Experience and Performance (Reliability) has the low level of important in customers mind based on the data plotting.

2. The performance is based from the five attributes that used to measuring Agent Competencies, Guarantee (Security) and Cooperation (Credibility) has a high level of performance compared to the other attributes. Then followed by Personal Skill (Ability) in the second place for the level of performance, and the last is Experience and Performance (Reliability) based on PT. Prudential Life Assurance - Pru Blessing Manado's customers.

Recommendation

Based on the result of the research, researcher concludes four specific recommendations.

1. In order to reach the Agent Competencies that meet the customers satisfaction, an agent first have to put the customers need first, an agent who is only out to earn commission, regardless of the needs of the customers and will not meet the customer's satisfaction.

2. The second is to listen carefully what customers and prospect want, it will make an agent gaining trust from customers quickly. Third is an agent has to ensure that he or she will be able to be there with the customers anytime when they need and to stay happy and assured in front of the customers.

3. And the last is an agent has to have the ability to listen and empathize with the customers on the deeper level in order to discern what they really want and need. And a good agent is tactful and knows how to help the customers see financial reality clearly, even when the client is dead set against it.

4. This research can be used for supporting or concluding further studies in the similar concepts, together along with several corrections.

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