

# The Influence of Work Motivation, Competence and Compensation on the Performance of Insurance Agency Leaders Through Job Satisfaction at PT. Prudential Life Assurance General Agency WOW Aini Medan

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## ABSTRACT

The success of the performance of the agency leader of the insurance agent will be followed by recognition or appreciation from the company in the form of bonuses and incentives provided so that this can increase the agency leader's ability to provide even better work performance and get a promotion in a career for the achievement of the agency leader's performance in the insurance company. The assessment system using grades or ranks makes employees have to meet the specified criteria, in other words, if they get an assessment of numbers 3 to 5 in each year, the agency leader will get a career promotion or level increase but if they get an assessment of criteria 1 to 2 each year in a row, they will be given demotion sanctions while the 0 criteria is mostly the case for new agents working who do not have an assessment. Good work motivation, competence and compensation are indispensable in developing productive and sustainable performance both in communication and building partnerships between an agency leader and his immediate superior leader and between the agency leader and management. In this study the authors used an associative approach to determine the relationship of each variable and the tendency of the data used was quantitative methods. The data analysis techniques used in this research are descriptive analysis and path analysis. To test the feasibility of the model using analytical techniques in the Partial Least

Square method. The results in this study obtained that the performance management effectiveness variable has a positive and significant effect on work motivation, competence and compensation. Work motivation has a positive and significant effect on agent performance. The effectiveness of performance management has a positive and significant effect on competence. Agent performance has a positive and significant effect on compensation. Agent performance has a positive and significant effect on career promotion. Performance management effectiveness has a positive and significant effect on career promotion through work motivation, competence and compensation

**Keywords:** Agency leader performance, work motivation, competence and compensation, satisfaction and career advancement

## INTRODUCTION

In 1995, PT Prudential Life Assurance Indonesia was established. The leading non-bank financial institution providing financial services in Indonesia is PT. Prudential Life Assurance. Through solutions to manage financial risks, PT. Prudential Life Assurance or Prudential Indonesia strives to help people manage their finances and their families. In organizations and businesses, Prudential Life Assurance's human resources play an important role. The skill

level of agency leaders has a direct correlation with organizational performance. Conversely, organizational performance decreases as agency leader skills increase. The work of field officers, or more popularly known as the insurance agency leaders they recruit, cannot be separated from the work of Prudential Life Assurance as an insurance service provider. As part of its business operations, the company offers and sells insurance products to the general public. To provide and explain insurance and its products to the general public, these insurance agency leaders are in direct contact with them. As a result, they became the insurance company's primary marketing tool to lure clients. The way agency leaders work immediately affects the way the organization is seen by the general public. The company has a trained and educated workforce, the workforce in this company maintains the quality of the products produced by always prioritizing the quality of production. Starting from that, the author will highlight the role and performance of agency leaders at PT Prudential Life Asuransi General Agency Wow Aini Medan and the extent to which the performance of agency leaders is able to complete their work. However, it cannot be denied that every agency leader will definitely experience an increase and decrease in his work. In the temporary observations made by researchers, several problems occurred in the company, namely the low motivation of the agency leader's work and job dissatisfaction in providing compensation

which was felt to be still minimal for the agency leader so that the resulting performance was not optimal. General Agency Wow Aini Medan was established on April 25, 2017 in Medan and at the end of the year managed to collect a turnover of 10.1 billion API (Annual Premium Income) or total premiums in a year. The following is the development of turnover from 2017 to 2022.

Number	Years	Turnover (In Milliar)
1	2017	10,1
2	2018	14,8
3	2019	19,8
4	2020	19,2
5	2021	21,5
6	2022	22,7

Regarding the work competence of the agency leader of the Wow Aini Medan General Agency, there are still problems in work skills, namely the decline in work skills produced by agency leaders, which causes performance to be hampered not in accordance with what is expected. With training, participants can improve competencies, one of which is the skills possessed by agency leaders in accordance with existing knowledge, if training and competence go according to what the General Agency and agency leaders themselves want, it will be optimal. Based on this, the General Agency must be able to fulfill all obligations promised to the agency leader. Here I attach data on the growth of Agency Leaders from 2017 to 2022 as a result of the competencies possessed by the General Agency.

Years	2017	2018	2019	2020	2021	2022
Number Of Agency Leaders	16	27	39	51	69	67

From the observations we made that PT Prudential Life Assurance already has the same compensation system in all agencies throughout Indonesia including in the General Agency Wow aini Medan, where each Agency Leader has compensation according to his achievements. Compensation is in the form of commissions and overriding according to

their level and there are also free trips such as: President Club, President cabinet club, start club. PT Prudential Life Insurance Medan Branch, a company engaged in life insurance services, which in anticipation of increasingly fierce competition requires the ranks of employees, both superiors and subordinates at PT Prudential Life Insurance

to provide their services professionally with better work quality and performance.

Employee performance is basically the quality and quantity of work achieved by an employee in carrying out his duties in accordance with the responsibilities given to him. The reality that occurs at PT Prudential Life Insurance, employee performance is still not optimal. Indications of performance non-optimality can be seen from the data on the number of policies that fluctuate.

Informal workforce development is one of the important activities in the company where employees and companies work together in balance for the existence of the company. Informal development carried out by PT Prudential Life Insurance is the On-The-Job Training (OJT) process, discussing in team meetings, lunch programs while having casual discussions on certain work topics, and employees who are in contact with customers. In addition to informal development, to improve employee performance, formal development is also needed, namely education and training. According to Edi Sutrisno (2012) argues that education and training can improve employee performance. Education is an investment in human resources, so it can be said that if a company wants to grow and develop, it needs to invest in the most effective human resources to meet mental and spiritual needs, as long as it is viewed in terms of human resource development. Training is a short-term educational process that uses systematic and organized procedures, in which each employee learns technical knowledge and skills for specific purposes. Formal development is highly organized, professional, and costly, the consequence is 50: 50, namely there are employees of PT Prudential Life Insurance who can apply the results of the training well and contribute more than before to the company, there are also employees who consider this training to be just a formality, so that their attention is lacking, the material provided is less absorbed, if there is

something that is not understood the employee feels embarrassed / lazy to ask the trainer. Last year the contribution to the income of Prudential Life Insurance Indonesia's sharia unit in the last year reached Rp 9,213,438 trillion supported by more than 270,000 licensed agents. And the Medan Branch of Prudential Life Assurance consists of 17 agency offices. PT Asuransi Jiwa Prudential explained that the most popular products for the people of North Sumatra include sharia life insurance products, namely PRUCinta, PRUCerah, PRU Solusi Sehat Syariah. In addition, he said, inaugurated an Agency Recruitment and Development Center to spur the number of agents. In fact, his party wants to work on North Sumatra to more aggressively market sharia life insurance products, which is where the need for human resource development in increasing understanding of sharia life insurance products. While Medan is one of the largest cities in North Sumatra with an urban middle class that reflects the potential customer needs for trusted and innovative sharia life insurance solutions from Prudential Life Assurance.

If we look at other Assurance Marketing Offices (KPM) in the city of Medan such as the General Agency Prestasi PT Prudential Life Assurance Medan, it has a big influence on the company, because the greater the motivation, the higher the quality of performance for an insurance agent at the Office (KPM) General Agency Prestasi PT Prudential Life Assurance Medan. Motivation is very important for an agency leader in expanding insight in building the performance of his subordinate agents, because performance itself depends on the environment, ability and willingness of a person. With an increased performance, it can realize the high performance of insurance agents, while if work motivation is low, it will result in a poor performance of insurance agents. The motivation of an agent leader is an important thing to have in an agent so that agents can achieve the goals of the company and can market insurance

products at the KPM General Agency Achievement Office of PT Prudential Life Assurance Medan properly. For this reason, the company PT Prudential Assurance Medan must motivate its agents by holding Motivation Seminars every week and in order to improve the performance and tangible results obtained by these agents. Based on the background described above, the authors are interested in examining "The Effect of Work Motivation, Competence, and Compensation on Insurance Agency Leader Performance Through Job Satisfaction at PT Prudential Life Insurance General Agency Wow Aini Medan".

## MATERIALS & METHODS

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

This test is used to measure how far the relationship between the independent variable and the dependent variable is. The coefficient of determination is between 0 and 1. If the measured value is close to 1, the relationship between variables is getting stronger. This study uses R square in assessing the coefficient of determination.

### Q-Square Test (Predictive Relevance)

Q-Square predictive relevance measures how well the observed value is generated by the model and also the parameter estimates generated using the blindfolding procedure by looking at the Q square value of the dependent variable. If the Q square value > 0 then it can be said to have a good predictive relevance value.

## RESULT

### Determination Coefficient Test Results

Table 1. Test Results of the Coefficient of Determination

	R Square	R Square Adjusted
job satisfaction	0,856	0,852
performance	0,913	0,909

Based on the table above, it can be seen that in this study there are 2 dependent variables, namely the dependent variable Job Satisfaction (KK) which is influenced by the variables Work Motivation (MK), Competence (KO), and Satisfaction (KP) and the dependent variable Performance (KN) which is influenced by the variables Work Motivation (MK), Competence (KO), Satisfaction (KP), and Job Satisfaction (KK). In the dependent variable Job Satisfaction (KK), the Adjusted R-Square value is 0.852. This explains that the percentage of the predictor variables, namely Work Motivation (MK), Competence (KO), and Satisfaction (KP) can explain Job Satisfaction (KK) by 85.2%. While the rest, namely 14.8% (100% - 85.2% = 14.8%) is influenced by other factors outside this research model. In the dependent variable Performance (KN), the Adjusted R-Square value is 0.909. This explains that the percentage of the predictor variables, namely Work Motivation (MK), Competence (KO), Satisfaction (KP), and Job Satisfaction (KK) can explain Performance (KN) by 90.9%. While the rest, namely 9.1% (100% - 90.9 = 9.1%) is influenced by other factors outside this research model.

### Q-Square Results (Predictive Relevance)

Table 2. Q-Square predictive relevance results

	SSO	SSE	Q <sup>2</sup> (=1-SSE/SSO)
Satisfaction	880,000	491,762	0,441
Job Satisfaction	1100,000	652,701	0,407
Performance	1320,000	758,078	0,426
Competence	1100,000	607,949	0,447
Work Motivation	1100,000	472,360	0,571

Based on the output above, the Q<sup>2</sup> value is 0.441 in the Satisfaction variable (KP), the

Q2 value is 0.407 in the Job Satisfaction variable (KK), the Q2 value is 0.426 in the Performance variable (KN), the Q2 value is 0.447 in the Competency variable (KO), and the Q2 value is 0.571 in the Work Motivation variable (MK). So it can be concluded that this study has a good observation value because the Q2 value obtained is greater than 0.

### Hypothesis Test Results

H0: There is no influence between the independent variable on the dependent variable partially

H1: There is an influence between the independent variables on the dependent variable partially

### Decision Criteria:

1. If the T-Statistics value  $<$  T table ( $t(0.05, 110) = 1.982$ ) then H0 is accepted.
2. If the T-Statistics value  $>$  T table ( $t(0.05, 110) = 1.982$ ) then H1 is accepted.

### Direct Effect

1. Compensation (KP) on Job Satisfaction (KK) It is obtained that the path coefficient value is positive of 0.481. It is also known, the T-Statistics value (3.255) is greater than the T table value (1.982) and the P-value (0.002) which is smaller than 0.05, so the hypothesis H0 rejects and H1 is accepted. This means that there is a significant positive (unidirectional) effect of satisfaction (KP) on job satisfaction (KK). This explains that the higher or better the value of satisfaction, the higher or better job satisfaction will be. Likewise, on the contrary, if the value of Satisfaction is getting lower or worse, Job Satisfaction will also get lower or decrease.
2. Compensation (KP) on Performance (KN) A positive path coefficient value of 0.447 is obtained. It is also known, the T-Statistics value (5.869) is greater than the T table value (1.982) and the P-

value (0.000) which is smaller than 0.05, so the hypothesis H0 rejects and H1 is accepted. This means that there is a significant positive (unidirectional) effect of satisfaction (KP) on performance (KN). This explains that the higher or better the satisfaction value, the higher or better the performance will be. Likewise, on the contrary, if the value of satisfaction is getting lower or worse, the performance will also be lower or decrease.

3. Competence (KO) on Job Satisfaction (KK) A positive path coefficient value of 0.335 is obtained. It is also known, the T-Statistics value (2.272) is greater than the T table value (1.982) and the P-value (0.025) which is smaller than 0.05, so the H0 hypothesis is rejected and H1 is accepted. This means that there is a significant positive (unidirectional) effect of Competence (KO) on Job Satisfaction (KK). This explains that the higher or better the value of competence, the higher or higher Job Satisfaction will be. Likewise, on the contrary, if the value of competence is getting lower or worse, Job Satisfaction will also get lower or decrease.
4. Competence (KO) on Performance (KN) A positive path coefficient value of 0.229 is obtained. It is also known, the T-Statistics value (3.369) is greater than the T table value (1.982) and the P-value (0.001) which is smaller than 0.05, so the H0 hypothesis is rejected and H1 is accepted. This means that there is a significant positive (unidirectional) effect of Competence (KO) on Performance (KN). This explains that the higher or better the Competency value, the higher or better the Performance will be. Likewise, on the contrary, if the value of competence is getting lower or worse, the Performance will also be lower or decrease.
5. Work Motivation (MK) to Job Satisfaction (KK) It is obtained that the path coefficient value is positive of

0.211. It is also known, the T-Statistics value (5.096) is greater than the T table value (1.982) and the P-value (0.000) which is smaller than 0.05, so the hypothesis H<sub>0</sub> rejects and H<sub>1</sub> is accepted. This means that there is a significant positive (unidirectional) effect of Work Motivation (MK) on Job Satisfaction (KK). This explains that the higher or better the value of Work Motivation, the higher or higher Job Satisfaction will be. Vice versa, if the value of Work Motivation is lower or worse, Job Satisfaction will also be lower or decrease.

6. Work Motivation (MK) on Performance (KN) A positive path coefficient value of 0.116 is obtained. It is also known, the T-Statistics value (2.199) is greater than the T table value (1.982) and the P-value (0.030) which is smaller than 0.05, so the hypothesis H<sub>0</sub> rejects and H<sub>1</sub> is accepted. This means that there is a significant positive (unidirectional) effect of Work Motivation (MK) on Performance (KN). This explains that the higher or better the value of Work Motivation, the higher or better the performance will be. Vice versa, if the value of Work Motivation is lower or worse, the performance will be lower or decrease.
7. Job Satisfaction (KK) on Performance (KN) A positive path coefficient value of 0.244 is obtained. It is also known, the T-Statistics value (2.322) is greater than the T table value (1.982) and the P-value (0.022) which is smaller than 0.05, so the H<sub>0</sub> hypothesis is rejected and H<sub>1</sub> is accepted. This means that there is a significant positive (unidirectional) effect of Job Satisfaction (KK) on Performance (KN). This explains that the higher or better the value of Job Satisfaction, the higher or better the performance will be. Vice versa, if the value of Job Satisfaction is lower or worse, the Performance will also be lower or decrease.

### **Indirect Effect**

1. Compensation (KP) on Performance (KN) through Job Satisfaction (KK). A negative path coefficient value of 0.117 was obtained. It is also known, the T-Statistics value (1.804) < T table value (1.982) and the P-value (0.074) > 0.05, so the H<sub>0</sub> hypothesis is accepted. This means that indirectly there is no significant effect of satisfaction (KP) on performance (KN) through job satisfaction (KK).
2. Competence (KO) on Performance (KN) through Job Satisfaction (KK). A negative path coefficient value of 0.082 was obtained. It is also known, the T-Statistics value (1.708) < the T table value (1.982) and the P-value (0.090) > 0.05, so the H<sub>0</sub> hypothesis is accepted. This means that indirectly there is no significant effect of Competence (KO) on Performance (KN) through Job Satisfaction (KK).
3. Work Motivation (MK) on Performance (KN) through Job Satisfaction (KK) A negative path coefficient value of 0.052 is obtained. It is also known, the T-Statistics value (1.877) < T table value (1.982) and the P-value (0.063) > 0.05, so the H<sub>0</sub> hypothesis is accepted. This means that indirectly there is no significant effect of Work Motivation (MK) on Performance (KN) through Job Satisfaction (KK).

## **DISCUSSION**

### **Work motivation affects job satisfaction at PT Prudential Life Insurance General Agency Wow Aini Medan.**

Resources are the organization's most unique, most vulnerable, most pure and unpredictable assets. Each employee has a different set of backgrounds, which will affect their respective expectations and in turn will affect the dynamics of the relationship between humans and the company's organization. To get the human

resources expected by the organization to provide positive fair value to all company activities in achieving its goals, each employee is expected to have high work motivation so that later it will increase high work productivity. Motivation is a very important thing for management to pay attention to if they want every employee to make a positive contribution to achieving company goals. Because with motivation, an employee will have high enthusiasm in carrying out the tasks assigned to him. Without motivation, an employee cannot fulfill his duties according to standards or even exceed standards because what is his motive and motivation at work is not fulfilled. Even if an employee has good operational skills if he does not have motivation at work, the final result of his work will not be satisfactory.

Employees really need work motivation to do a job so that there is a spirit or enthusiasm at work. So that employee job satisfaction is fulfilled. Every employee has different work motivation in himself at work, some want an award given by a company where he works and a sense of satisfaction in doing a job that can only be felt by himself. Work motivation can be a driving force for someone to carry out activities to get the best results.

Work Motivation (MK) on Job Satisfaction (KK) It is obtained that the path coefficient value is positive of 0.211. It is also known, the T-Statistics value (5.096) is greater than the T table value (1.982) and the P-value (0.000) which is smaller than 0.05, so the hypothesis H0 rejects and H1 is accepted. This means that there is a significant positive (unidirectional) effect of Work Motivation (MK) on Job Satisfaction (KK). This explains that the higher or better the value of Work Motivation, the higher or higher Job Satisfaction will be. Likewise, on the contrary, if the value of Work Motivation is getting lower or worse, Job Satisfaction will also get lower or decrease. This is in accordance with the results of research conducted by Mubaroqah and

Muhammad Yusuf (2020) that there is an effect of work motivation on employee job satisfaction at the Bima City Agriculture Office.

### **Competence affects job satisfaction at PT Prudential Life Insurance General Agency Wow Aini Medan.**

Competence is a skill that includes aspects of knowledge, skills, and attitudes in each individual on the provisions of existing criteria. Successful work and organizational performance can be observed and applied through competence as a combination of skills, knowledge, behavior, and employees' personal participation in their organization. Employees who have the appropriate skills in doing their work will make satisfaction for the company. Professional improvement does not come from competence, by relying on experience alone the work can be completed even if it does not have skills, skills and knowledge. In fact, having competence will certainly produce good performance in terms of productivity which has a relationship with knowledge, educational background, proficiency, skill and behavior.

Job satisfaction is an affective and emotional reaction to many aspects of one's job (Kreitner & Kinicki 2010). The term does not encompass any one idea. One component of one's job may be relatively satisfying, while one or more other aspects may be unsatisfying. The level of satisfaction with one's job is a reflection of how that person feels. According to Afandi (2018: 58) job satisfaction is an emotional or effective reaction to many aspects of work. a group of worker sentiments regarding how much they like their jobs. a broad perspective on one's job that shows the difference between the benefits employees receive and the rewards they think they should receive.

Competence (KO) on Job Satisfaction (KK) A positive path coefficient value of 0.335 was obtained. It is also known, the T-Statistics value (2.272) is greater than the T

table value (1.982) and the P-value (0.025) which is smaller than 0.05, so the hypothesis H0 rejects and H1 is accepted. This means that there is a significant positive (unidirectional) effect of Competence (KO) on Job Satisfaction (KK). This explains that the higher or better the value of competence, the higher or higher Job Satisfaction will be. Likewise, on the contrary, if the value of competence is getting lower or worse, Job Satisfaction will also get lower or decrease. This is in accordance with the results of research conducted by Gunawan and Agusta Dian Ellina (2022) that the effect of work competence ( $P = 0.018$ ) on job satisfaction.

### **Compensation affects job satisfaction at PT Prudential Life Insurance General Agency Wow Aini Medan.**

Compensation is very important for employees to fulfill their daily needs with their families. However, not only important for employees, compensation is also important for companies to get qualified employees and reduce employee turnover rates which will increase company costs. Compensation provided by the company to employees can affect many things such as job satisfaction, productivity, employee performance and others.

Usually the greater the compensation received, the better job satisfaction, productivity, and performance will also be. This can be seen from actions taken such as discipline, work morale, morale, and turnover. If the compensation provided is not appropriate, discipline, work morale, and work enthusiasm tend to be low and turnover becomes high. Therefore, companies must pay attention to the compensation provided so that employees have good job satisfaction so as to produce things that provide profit for the company. Although job satisfaction is basically something that is individual, each individual has a different level of job satisfaction.

The importance of compensation as an indicator of satisfaction at work is difficult

to assess, because employees' views on money or direct rewards seem to be very subjective and perhaps something that is very typical in the industry. But basically, allegations of unfairness in providing wages or salaries are a source of employee dissatisfaction with compensation, which in turn can lead to discord and low morale from the employees themselves. Therefore, compensation is important for employees as individuals because the amount of compensation reflects the size of the value of their work among the employees themselves, their families and society. Then the compensation program is also important for organizations or government institutions, because it reflects the organization's efforts to maintain its human resources or in other words, so that employees have high loyalty and commitment to the organization.

Compensation (KP) on Job Satisfaction (KK) The path coefficient value is positive at 0.481. It is also known, the T-Statistics value (3.255) is greater than the T table value (1.982) and the P-value (0.002) which is smaller than 0.05, so the hypothesis H0 rejects and H1 is accepted. This means that there is a significant positive (unidirectional) effect of Compensation (KP) on Job Satisfaction (KK). This explains that the higher or better the value of Compensation, the higher or better Job Satisfaction will be. Likewise, on the contrary, if the value of Compensation is getting lower or worse, Job Satisfaction will also get lower or decrease. This is in accordance with the results of research conducted by Akhwanul Akmal and Ihda Tamini (2015) that the validity test on each statement item is valid, the reliability test on the statement is reliable, the double correlation value is 0.777 which means that there is a strong relationship, the coefficient of determination analysis is 0.604 and the t-test results show the effect of compensation, namely basic wages and incentives on job satisfaction partially while THR has no partial effect.

### **Work motivation affects agent performance at PT Prudential Life Insurance General Agency Wow Aini Medan.**

In Indonesia we don't have to worry about the lack of agents to recruit, so when agents approach them at the best time, of course they will buy. In building this business, a quality agency is needed and can build the performance of the insurance agent. In building the development of insurance agencies can be seen from some of the major developments in the application of the company, if there is no increase in the number of marketers, we recruit then our agency will really continue to shrink. So, the most important thing in building agency performance is the ability of the company or product to maintain its agents within a certain period. If our agency has an increase in the number of marketers, if the increase is not the right agent, in the long run it can create more harm than good. When it comes to retaining agents, we have to look at these two things as one. When retention falls, it means that we can't retain the person or the agents, the productivity level will automatically fall and if we can retain them, we can increase their productivity. We are often busy doing and retaining agents to increase their retention. But forget about productivity or conversely try to focus on productivity but forget about retention.

Work Motivation (MK) to Performance (KN) The path coefficient value is positive at 0.116. It is also known that the T-Statistics value (2.199) is greater than the T table value (1.982) and the P-value (0.030) which is smaller than 0.05, so the H0 hypothesis is rejected and H1 is accepted. This means that there is a significant positive (unidirectional) effect of Work Motivation (MK) on Performance (KN). This explains that the higher or better the value of Work Motivation, the higher or better the performance will be. Vice versa, if the value of Work Motivation is lower or worse, the performance will be lower or decrease. This is in accordance with the

results of research conducted by Habilla Anshari and Fauzi Arif Lubis (2022) that work motivation has a positive effect in building the performance of insurance agents at the KPM Achievement Agency Office of PT Prudential Life Assurance Medan because the greater the motivation, the quality of the performance of insurance agents will also increase. In increasing the motivation of insurance agents at the KPM Prestasi Agency Office of PT Prudential Life Assurance, M3 is carried out every week in order to get the desired goals in the company.

### **Competence affects agent performance at PT Prudential Life Insurance General Agency Wow Aini Medan**

In the current period, the strengthening of globalization in the workforce greatly affects the community. This is because the community is a core factor and an important element for all the company's operational work. For this reason, companies are encouraged to manage subordinates for the expected goals and on time in completing the work. Organizations in a job realize that humans can work and provide good results for the organization in it. Judging from the role of the community in implementing the work in it is very important, namely as a form of work in the organization. This statement is in line with the opinion of Robert (in Bangun, 2012) that the biggest problem faced in this globalization is the limited number of employees each organization has. Therefore, organizations need to manage well to be able to improve employee performance in carrying out the work they carry out. In addition, in finding a good or superior workforce, it has good competencies for the long and short term. Good employee performance will make the company experience an increase and get results in accordance with the wishes of the company so that the company develops.

The factor that supports employee performance to increase is competence. Competence in this case is the ability of

employees who are owned so as to provide the ability of personnel to work neatly and have an attitude to complete work in accordance with the expertise of labor in the field of work which of course has provided a level of hard work. An organization needs to have a capable and skilled workforce to be able to manage the organization so that organizational activities can run well which also has an impact on employee performance results. Good work results are optimal work results that are in line with the standards owned by the organization and encourage the achievement of organizational desires.

Competence (KO) on Performance (KN) A positive path coefficient value of 0.229 is obtained. It is also known, the T-Statistics value (3.369) is greater than the T table value (1.982) and the P-value (0.001) which is smaller than 0.05, so the H0 hypothesis is rejected and H1 is accepted. This means that there is a significant positive (unidirectional) effect of Competence (KO) on Performance (KN). This explains that the higher or better the Competency value, the higher or better the Performance will be. Likewise, on the contrary, if the value of competence is getting lower or worse, the Performance will also be lower or decrease. This is in accordance with the results of research conducted by Krisnawati and Bagia (2021) that work competence has a positive and significant effect on employee performance.

### **Compensation affects agent performance at PT Prudential Life Insurance General Agency Wow Aini Medan.**

Human resources are a very important aspect in an institution or company with good human resources, the goals of the company will also be achieved. The right resources will affect employee performance, as is known in a company, one of the other important aspects is employee performance which is something that the company expects to employees in order to achieve maximum results in accordance with the

given target. Performance is the result of work achieved by employees with the obligations that have been given by the company. Employee performance affects the course of a production, because if employee performance is good, it will produce good output and vice versa if employee performance is poor then the results obtained by the company are poor. Therefore, the company must be able to maintain employee performance so that employee morale remains stable, one way to maintain employee performance enthusiasm is to provide good compensation for employees. If employees perform their obligations optimally, the company must also provide obligations to employees optimally so that there is good reciprocity between the company and employees.

Compensation is a reward given by the company for the tasks and contributions that have been made. Compensation is a reason for employees to keep working because employee compensation can meet the needs of life, both primary and secondary, so companies must pay close attention to the importance of compensation for employees. Compensation is income in the form of money or goods in exchange for services that have been performed. Compensation is divided into two, namely direct compensation in the form of salaries, wages, and incentives (commissions and bonuses). As well as indirect financial compensation in the form of various kinds of facilities and benefits such as health bpjs, labor bpjs, and also holiday allowances. According to law number 35 of 2021 concerning the provision of compensation money article 15 paragraph 1, that employers are required to provide compensation money to workers or laborers whose working relationships are based on PKWT.

Compensation (KP) on Performance (KN) A positive path coefficient value of 0.447 is obtained. It is also known, the T-Statistics value (5.869) is greater than the T table value (1.982) and the P-value (0.000) which is smaller than 0.05, so the hypothesis H0

rejects and H1 is accepted. This means that there is a significant positive (unidirectional) effect of Compensation (KP) on Performance (KN). This explains that the higher or better the value of compensation, the higher or better the performance will be. Vice versa, if the value of compensation is lower or worse, the performance will be lower or decrease. This is in accordance with the results of research conducted by Alni Andriani and Riyan Mirdan Faris (2022) that compensation has a positive effect on employee performance. The greater the compensation, the greater the employee's morale. Compensation is one of the motivations for employees to maintain good performance. Therefore, companies must pay attention to the importance of compensation so that there is good reciprocity from employees to realize company goals.

#### **Job satisfaction affects agent performance at PT Prudential Life Insurance General Agency Wow Aini Medan.**

Employee performance is very influential for the success of a company, good employee performance or performance will be directly proportional to good results in the development of the company's business. Conversely, poor performance will also have a bad impact on the company. Therefore, it is very necessary to have good performance from employees and achievements in the company.

The problem of employees is sometimes made like laborers whose facilities and services are less considered by their leaders. And there is no good relationship and cooperation between them. This problem does not only occur in developing countries but even in developed countries this problem also exists. but the causes are different. The dissatisfaction of these employees causes unwanted things and can harm the company concerned. Job satisfaction is a pleasant or emotionally positive condition that comes from a

person's assessment of his job or work experience. Job satisfaction is a positive feeling about one's job which is the result of an evaluation of its characteristics.

Job Satisfaction (KK) on Performance (KN) A positive path coefficient value of 0.244 is obtained. It is also known, the T-Statistics value (2.322) is greater than the T table value (1.982) and the P-value (0.022) which is smaller than 0.05, so the H0 hypothesis is rejected and H1 is accepted. This means that there is a significant positive (unidirectional) effect of Job Satisfaction (KK) on Performance (KN). This explains that the higher or better the value of Job Satisfaction, the higher or better the performance will be. Likewise, on the contrary, if the value of Job Satisfaction is getting lower or worse, the Performance will also be lower or decrease. This is in accordance with the results of research conducted by Natalia C. P. Paparang, William A. Areros, and Ventje Tatimu (2021) that the constant value is 22.180 while the value or regression coefficient is obtained at a positive value of 0.145 which is significant. So, it can be concluded that the direction of the Job Satisfaction variable on Employee Performance is positive, and Job Satisfaction has an effect on Employee Performance. So, it can be proven that Job Satisfaction also affects employee performance.

#### **Work motivation affects the performance of PT Prudential Life Insurance General Agency Wow Aini Medan agents mediated by job satisfaction.**

Mangkunegara (2013) defines performance as the quality and quantity of work achieved by an employee in carrying out his duties in accordance with the responsibilities given to him. Performance can also be influenced through an indirect relationship between job satisfaction and work motivation. With the fulfillment of all needs or desires within employees, a feeling of satisfaction will be created, and employees whose satisfaction level is high will automatically also

experience an increase in performance. Employee satisfaction factors not only have an impact on service quality, but also on improving the quality of human resources in the company so as to create a competitive advantage for the company (Lee et al, 2006).

Job satisfaction itself is defined as a positive attitude based on the results of an evaluation of what is expected to be obtained through efforts made in carrying out a job with the results or rewards it receives (Suparyadi, 2015). This need or desire in employees is then referred to as work motivation. By understanding the important role of humans involved in the company and how to motivate them appropriately, companies can create more passionate and innovative employees. Through motivated employees, companies can more easily achieve their goals because employees will voluntarily work with the maximum level of effort, even without supervision from superiors. Motivation itself is defined as a driver or drive in humans that can cause, direct, and organize behavior (Darmawan, 2013).

Work Motivation (MK) on Performance (KN) Through Job Satisfaction (KK) A negative path coefficient value of 0.052 is obtained. It is also known, the T-Statistics value (1.877) < T table value (1.982) and the P-value (0.063) > 0.05, so the H<sub>0</sub> hypothesis is accepted. This means that indirectly there is no significant effect of Work Motivation (MK) on Performance (KN) through Job Satisfaction (KK). This is in accordance with the results of research conducted by Lidia Lusri and Hotlan Siagian (2017) that job satisfaction acts as a mediating variable between work motivation and employee performance.

### **Competence affects the performance of PT Prudential Life Insurance General Agency Wow Aini Medan agents mediated by job satisfaction.**

The success of a company cannot be separated from the success of human resource management. Companies must

think about how to utilize and optimize employee performance. This is because employee performance is one of the important factors for companies to achieve maximum results. The abilities and characteristics possessed by an employee in the form of knowledge and behavioral attitudes required in carrying out their duties and responsibilities are the meaning of competence. Competence in simple terms, is a characteristic that employees have to help them be successful (Sutrisno, 2009). Competence is a factor that exists within each employee, which is obtained with the effort, talent, and motivation of each individual. Employees who work according to their field of expertise will feel more at home and feel satisfied with their work, if employees work not according to their field and competence, not only will their performance be less than optimal but employees will feel dissatisfied with their work. Job satisfaction is one of the important indicators in getting optimal results in the company. Employees who feel satisfied at work will show good performance in completing the tasks and responsibilities assigned to them. With the fulfillment of job satisfaction for employees, employees will get the perception that what has been given by the company is considered fair and sufficient in accordance with employee performance. Competence (KO) on Performance (KN) Through Job Satisfaction (KK) A negative path coefficient value of 0.082 is obtained. It is also known, the T-Statistics value (1.708) < T table value (1.982) and the P-value (0.090) > 0.05, so the H<sub>0</sub> hypothesis is accepted. This means that indirectly there is no significant effect of Competence (KO) on Performance (KN) through Job Satisfaction (KK). This is in accordance with research conducted by Khusnul Khatimah (2021) that competence has an indirect and significant effect on employee performance mediated by job satisfaction.

### **Compensation affects the performance of PT Prudential Life Insurance General Agency Wow Aini Medan agents mediated by job satisfaction.**

Work results in accordance with company goals will depend on employee work results. Employee work results are influenced by several factors, namely internal factors and external factors. Internal factors are factors related to a person's traits, including attitudes, personality traits, physical traits, desire or motivation, age, gender, education, work experience, cultural background, and other personal variables. External factors are factors that affect employee performance that come from the environment, leadership, actions of coworkers, types of training and supervision, wage systems and the social environment. In improving the performance of its employees, the company will do several ways that can encourage employees to work optimally. Some of these activities include providing training, providing compensation, giving awards and so on. These activities will be closely related to compensation. Satisfaction with compensation can affect employee behavior to work more enthusiastically and spur high performance (Handoko, 2000). Compensation (KP) on Performance (KN) Through Job Satisfaction (KK) A negative path coefficient value of 0.117 is obtained. It is also known, the T-Statistics value (1.804) < T table value (1.982) and the P-value (0.074) > 0.05, so the H0 hypothesis is accepted. This means that indirectly there is no significant effect of Compensation (KP) on Performance (KN) through Job Satisfaction (KK). This is in accordance with research conducted by Nurul Hidayah (2016) that Compensation has a positive effect on Employee Performance through Job Satisfaction with a mediation coefficient value of 0.154 and  $t_{count} > t_{table}$  (1.949 > 1.991).

### **CONCLUSION**

Based on the results of the research above, the conclusions in this study are: Work

Motivation (MK) on Job Satisfaction (KK) has a significant positive (unidirectional) effect on Work Motivation (MK) on Job Satisfaction (KK). This explains that the higher or better the value of Work Motivation, the higher or better Job Satisfaction will be. Vice versa, if the value of Work Motivation is lower or worse, Job Satisfaction will also be lower or decrease. Competence (KO) on Job Satisfaction (KK) hypothesis value H0 reject and H1 accepted. This means that there is a significant positive (unidirectional) effect of Competence (KO) on Job Satisfaction (KK). This explains that the higher or better the value of competence, the higher or higher Job Satisfaction will be. Likewise, on the contrary, if the value of competence is getting lower or worse, Job Satisfaction will also get lower or decrease. Compensation (KP) on Job Satisfaction (KK) has a significant positive (unidirectional) effect Compensation (KP) on Job Satisfaction (KK). This explains that the higher or better the value of Compensation, the higher or higher Job Satisfaction will be. Likewise, on the contrary, if the value of Compensation is lower or worse, Job Satisfaction will also be lower or decrease. Work Motivation (MK) on Performance (KN). Hypothesis H0 reject and H1 accepted. This means that there is a significant positive (unidirectional) effect of Work Motivation (MK) on Performance (KN). This explains that the higher or better the value of Work Motivation, the higher or better the performance will be. Vice versa, if the value of Work Motivation is lower or worse, the performance will be lower or decrease. Competence (KO) on Performance (KN). Hypothesis H0 reject and H1 accepted. This means that there is a significant positive (unidirectional) effect of Competence (KO) on Performance (KN). This explains that the higher or better the Competency value, the higher or better the Performance will be. Likewise, on the contrary, if the value of competence is getting lower or worse, the Performance will also be lower or decrease.

Compensation (KP) on Performance (KN) hypothesis H0 reject and H1 accepted. This means that there is a significant positive (unidirectional) effect of Compensation (KP) on Performance (KN). This explains that the higher or better the value of compensation, the higher or better the performance will be. Vice versa, if the value of compensation is lower or worse, the performance will be lower or decrease. Job Satisfaction (KK) on Performance (KN). The hypothesis H0 is rejected and H1 is accepted. This means that there is a significant positive (unidirectional) effect of Job Satisfaction (KK) on Performance (KN). This explains that the higher or better the value of Job Satisfaction, the higher or better the performance will be. Vice versa, if the value of Job Satisfaction is lower or worse, the Performance will also be lower or decrease. Work Motivation (MK) on Performance (KN) through Job Satisfaction (KK). H0 hypothesis accepted. This means that indirectly there is no significant effect of Work Motivation (MK) on Performance (KN) through Job Satisfaction (KK). Competence (KO) on Performance (KN) through Job Satisfaction (KK) The path coefficient value is negative by 0.082. It is also known, the T-Statistics value (1.708) < T table value (1.982) and the P-value (0.090) > 0.05, so the H0 hypothesis is accepted. This means that indirectly there is no significant effect of Competence (KO) on Performance (KN) through Job Satisfaction (KK). Compensation (KP) on Performance (KN) through Job Satisfaction (KK) A negative path coefficient value of 0.117 is obtained. It is also known, the T-Statistics value (1.804) < T table value (1.982) and the P-value (0.074) > 0.05, so the H0 hypothesis is accepted. This means that indirectly there is no significant effect of Compensation (KP) on Performance (KN) through Job Satisfaction (KK).

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