

Commitment and Performance: A Case of Takaful (Islamic Insurance) Representatives in Malaysia

¹Mohamad Abdul Hamid and ²Nik Mutasim Nik Ab Rahman

¹School of Management and Institute of West Asian Studies (IKRAB) Universiti Kebangsaan Malaysia, 43600 Bangi, Selangor, Malaysia.

²UKM-Graduate School of Business Universiti Kebangsaan Malaysia, 43600 Bangi, Selangor, Malaysia.

Abstract: This study examines the impact of agent's or representative's commitment towards performance of takaful industry in Malaysia and to study whether there are relationship between commitment, motivation and attitudes with performance of industry. From the Malaysian Takaful industry development point of view, the role of agents as intermediaries between customer and Takaful operator is getting more and more important today. This phenomenon can be represented by the increasing number of agents year to year. Several factors like motivation (intrinsic and extrinsic), attitude (role conflict and role ambiguity) and commitment (organization commitment and job commitment) are being discussed and analyzed in this study to identify the relationship between agents commitment and performance of takaful industry in Malaysia. Questionnaires were distributed among takaful agents from eight takaful operators in Malaysia. Pearson correlation and multiple regressions test are used to examine whether there are relationships between all independent variable (commitment, motivations, and attitudes) with the dependent variable (performance). The findings of this research show that there are relationship between commitment, motivations and attitudes with performance. For the implications, the highly commitment, motivations and attitudes contributed by takaful agents will influence the high performance for the takaful industry in Malaysia.

Key words: Takaful, Agents, Commitment and Performance.

INTRODUCTION

Islamic and conventional insurance are two different contracts of insurance. Islamic insurance which is known as takaful is based on the concept of takaful that is developed on three principles: 1) Mutual responsibility 2) Co-operation with each other 3) Protecting one another from any kind of difficulties, disasters and other misfortune whereby the financial contribution (premium) is based on the concept of *tabarru'* (Jamil Osman, 2003). *Tabarru'* is derived from the Arabic noun that means donation, gift and contribution (Mohd. Ma'sum Billah, 1999). In relation to this, a participant agrees to contribute as *tabarru'*, undertakes to pay thus enable him to fulfill his obligation of mutual help and joint guarantee should any of his fellow participants suffer a defined loss (Mohd. Fadzli Yusof, 1996).

Conventional Insurance is a contract in which one person (the insurer) undertakes in return for the agreed consideration (premium) to pay to another person (the insured), a sum of money (the indemnity) on the happening of a specified event (Dorfman, 2003). It is generally accepted by Muslim jurists that the operation of conventional insurance does not conform to the rules and requirements of the Shariah. Conventional insurance involves elements of uncertainty (*Al-gharar*) in the contract of insurance, gambling (*Al-maysir*) as the consequence of the presence of uncertainty and interest (*Al-riba*) in the investment activities of the conventional insurance companies which contravene the rules of the Shariah.

Thus, the nature of the concepts of takaful is fundamentally different from conventional insurance. The effect of *tabarru'* transforms the basis of the insurance contract from an exchange contract to a charitable (donation) contract in takaful. When a contract is a charitable (*tabarru'at*) contract, uncertainty is tolerated (Jamil Osman, 2003).

However, these two contracts have the common objective of reducing a financial burden arising from any disaster or accidental.

Takaful and conventional insurance have more or less the same characteristics, for example, in terms of the nature of their businesses, products and services offered. The only difference is that takaful is based on the Shariah law, while conventional insurance is not. The contract of takaful in Malaysia as practised in takaful industry is a combination of the *tabarru'* contract (donation) and either profit sharing contract (*al-mudharabah*) or agency (*al-wakalah*).

Marketing system for the sale of life insurance has changed dramatically over time. Traditional methods for selling insurance have been substantially modified and new marketing models have emerged (Rejda, 2003).

Corresponding Author: Mohamad Abdul Hamid School of Management and Institute of West Asian Studies (IKRAB) Universiti Kebangsaan Malaysia, 43600 Bangi, Selangor, Malaysia
E-mail: mdah@ukm.my

Insurers employ actuaries, claims adjusters, underwriters and other home office personnel, but unless insurance policies are profitably sold, the insurer's financial survival is unlikely. Thus, an efficient marketing system is essential to an insurance company's survival. Although some insurers employ a new marketing system such as direct mail, print, telemarketing, broadcast advertising or internet to market their products and services, a traditional methods i.e. agents seem to be the driving marketing force for most companies (Dubinsky. *et al.*, 1988).

Like conventional insurance product, takaful product also is sold and not bought It means that only a few customers voluntarily come to takaful operator or takaful agents to buy takaful policy. Therefore, takaful operators have to depend on aggressive agents who are willing to consult, explain and convince the customer about the takaful products. From the Malaysian insurance industry development point of view, the role of agents as intermediaries between customer and insurer is getting more and more important today. This phenomenon can be represented by the increasing number of agents, year to year (Insurance Annual Report, 2005). However the agents' profile as a whole is still the same; Malay agent comprises of only 21% from the total number of agents and most of them are part time agents (LIAM, 2006). In addition, the duration as agents for Malay is less than two years (JAMIN, 1998). The part time agents are not keen to enhance their knowledge and skill about insurance and takaful products and services and therefore they cannot convince the customer the importance of insurance and takaful. This will result in low sales productivity and after a while the agent will leave the industry. As mentioned, unless insurance/takaful policies are profitably sold, the insurer's financial survival is unlikely and it is also understood that most of the companies use agents to market their products and services. Thus, agents have a major impact in the financial success of a takaful operator. A key concern of takaful operator should be how to obtain positive attitudes and effective performance from their agents.

However, to the best of authors' knowledge, research on this area are quite scarce in takaful. Due to the limited literature and empirical evidence on the topic, it is believed that the related studies, focusing on its alternative in the conventional insurance sector would also be able to provide us with some useful insights and information on the factors affecting performance in takaful industry.

Therefore, this study tried to identify whether there is any relationship between commitment and motivation with job performance among Takaful agents in Malaysia. This study also to examine how takaful agent commitment, motivation, and attitudes can give an impact toward takaful industry performance.

2.0 Literature Review and Conceptual Framework:

The Conceptual schema of this study focuses on the organizational Commitment, job commitment, motivation (intrinsic), motivation (extrinsic), role conflict, and role ambiguity that will indicates for agent attitudes as a systematic way in measuring industry performance and growth. Therefore, theoretical framework of this study has been developed which is shown in the following figure (figure 1). In the conceptual framework below shown that organization commitment, job commitment, motivation (intrinsic), motivation (extrinsic), role conflict, and role ambiguity are independent variable while performance is the dependent variable.

Performance:

Job performance is the most widely studied criterion variable in the organization behavior and human resource management literature. There are three types of performance. One is the measure of output rates, amount of sales over a given period of time, the production of a group of employees reporting to manager, and so on. The second type of measure of performance involves ratings of individuals by someone other than the person whose performance is being considered. The third type of performance measures is self-appraisal and self-ratings.

Rotenberry and Moberg (2007) argued the employee work behaviors should be categorized as consequences of job involvement, and hypothesized that job involvement affected employees' motivation and effort, which subsequently determined performance.

Churchill *et al.* (1985) note that performance has traditionally been defined in terms of salesperson behavior which has been evaluated in light of its contributions to the goals of the organization. Dubinsky *et al.* (1988) defined performance as the manner in which the individual executes his or her tasks, responsibilities and assignments.

There is no standard measure for performance. Most of the previous studies on salesperson's performance such as Dubinsky *et al.*, (1988), Hafer and McCuen (1985) and McElroy *et al.*, (1993) measured performance by non-behavioral aspects such as sales person effectiveness as defined by organizational proxy measures of overall performance.

Such a measure can be total sales volume, expenses, number of total calls or new account calls, and the number of demonstration, percent of income derived from insurance renewals, annual earned income and the percent of total income from insurance business forces. Some of these measures reflect salesperson inputs (e.g., number of calls) and some reflect outputs (e.g., sales). Two types of job performance are incorporated in this

study. In-role performance is related to behavior directed toward prescribed tasks, duties and responsibilities as formally documented in the job description. (Lee, *et al.*, 2010).

However, Ingram, Lee and Skinner (1989) measured the performance differently. They used the behavioral aspects such as customer relations, controlling expenses, sales presentation effectiveness, effective communication and management of time in carrying out selling activities. Several studies in both the marketing and organizational behavior literature have focused on the determinants of salesperson performance or productivity (Bagozzi, 1978; Hafer and McCuen, 1985; Churchill, Ford, Hartley and Walker, 1985).

The behavioral model proposed by Bagozzi (1978) hypothesized that sales performance and job satisfaction would be a function of individual characteristics (person variables), interactions with significant others in their sales roles (interpersonal variables) and the environment in which these interactions take place (situational variables). However, Bagozzi has based on a sample of salesmen selling an industrial good.

Churchill, Ford, Hartley and Walker (1985) in a meta-analysis of 115 studies have examined the relationship among the six categories of predictors namely role variables, skill, motivation, personal factors, aptitude and organizational/environmental factors to sales productivity. However they found that out of these six variables, not one explained more than 10% of the variance of productivity. They attributed these disappointing results to differences in methods, measures and samples. In particular, they argued that the relationship between performance and other variables depended on the type of product sold.

Motivation:

Motivation has been divided into two categories: intrinsic and extrinsic motivation. Intrinsic motivation refers to the pleasure or value of an activity itself, while extrinsic motivation emphasizes the value an individual places on the results of an action and the individual assessment of the probability of realizing the results (Staw, 1977).

Sujan (1986) concluded that extrinsic motivation is related to selling effort, while intrinsic motivation was linked to strategy-oriented behavior. Brown and Peterson (1994) used a different category of motivation: instrumentality and competitiveness. They found that instrumentality has indirect effect on sales performance and effort act as a mediator whereas competitiveness was positively and directly related to performance.

Solcum, *et.al* (2008), defined Motivation as a psychological state exists whenever internal and/or external forces stimulate, direct, or maintain behaviors. In organizations, the employee behaviors of interest include both productive and unproductive behaviors. Productive behavior includes staying focused on the most important aspects of your job as well as being a good cooperate citizen. Yulk, (2010), determined individualized consideration includes providing support, encouragement, and coaching to followers. A revision of the theory added another transformational behavior called "inspirational motivation" which includes communicating an appealing vision, and using symbols to focus subordinate effort. Oliver (1974) concluded that certain extrinsic motivations did predict performance, while intrinsic motivation did not.

Agent Attitudes:

Agent attitudes can be defined as overall as job satisfaction. Groot and Blink (1999) has concluded job satisfaction using data of workers of all age group drawn as three perspectives which are women appear to be happier with their job than men. Second, higher earnings do not seem to increase job satisfaction and lastly, more highly educated workers appear to be less satisfied with their job.

Role theory states that when behavior expected of an individual are inconsistent he or she will experience stress, depress, become dissatisfied and less performing in job than if the expectation imposed did not conflict. Zaini Ahmad and Taylor, (2009) described role conflict can adversely affect an individual's state of mind, whereas role ambiguity is defined as a concept that explains the availability of role-related information. Job satisfaction is the overall attitude (favorable or unfavorable) an individual has toward his or her job.

A plethora of empirical work has focused on whether job satisfaction is an antecedent or consequence of performance. Although the findings have been contradictory, the current view is that performance has a positive influence in job satisfaction (Lawler and Porter, 1967; Bagozzi and Richard, 1978; Lawler, 1979; Walker *et al.*, 1979 and Hafer and McCuen, 1985). For examples, the finding by Pruden and Reese (1972) concluded that circumstances fostering high sales performance may not be conducive to high job satisfaction, whereas Bagozzi (1978) reported a distinct, positive relationship between sales performance and job satisfaction.

Role conflict occurs when individual experiences incompatible job demands or expectations from his or her role-set members (peers, management, customers, family). Role ambiguity occurs when an individual has inadequate information or knowledge with which to perform his or her tasks; that is, the individual is uncertain how to perform the job. As 'boundary personnel' linking an organization to its customers, salesperson often experience role conflict and role ambiguity. The stress that results has negative effects on job satisfaction (Churchill *et al.*, 1976).

Effect of role conflict and role ambiguity on sales performance has been weaker and less consistent (Brown and Peterson, 1994). If a salesperson's calling pattern generates high levels of role conflict, a degree of

call reluctance could result. An obvious way to reduce the conflict is to reduce the number of sales calls. Coping with role conflict by reducing effort is likely to affect sales performance negatively. Thus, role conflict is likely to affect salesperson effort negatively, and effort is likely to mediate the effect of role conflict on sales performance.

Similarly, uncertainty regarding role performance expectations is likely to result in less purposeful exertion of effort (Behrman and Perreault, 1984), resulting in lower sales performance. Thus, it is reasonable to expect role ambiguity to affect salesperson effort negatively and effort to mediate the effect of role ambiguity on sales performance. In addition, role conflict has been found to lead to higher of role ambiguity.

Commitment:

Yulk, (2010) has described commitment as an outcome in which target personal internally agrees with a decision or request from the agent and makes a great effort to carry out the request or implement the decision effectively. For a complex, difficult task, commitment is usually the most successful outcome from the perspectives of the agent who makes an influence attempt.

Rego *et al.* (2004) described Organization commitment has generated great interest among researchers. As Allen and Mayer assert, "of the 'several work attitude' variables studied by organizational psychologists, only job satisfaction has received more research attention than satisfaction commitment.

An emerging area of interest in the pursuit of a better understanding of sales force performance is the study of various types of work commitment (Ingram *et al.*, 1989; McElroy *et al.*, 1993). Two distinct approaches have been developed for defining commitment. The behavioral approach suggests that people link themselves to an organizational rather than pursue other occupational alternatives (Staw, 1977)

In contrast, the psychological approach defines commitment as an individual's identification with the values and goals of the organization, loyalty to the company (organizational commitment) and high involvement in work activities (job commitment). According to the study by McElroy *et al.* (1993), work commitment describes a number of concepts relating to the employee attachment to work related activities.

Morrow (1983) has identifies six types of work commitment: organizational, job, personal, values, careers, union and combinations of these five types. Of the six types, job and organizational commitment have received the most attention in the sales and marketing literature. It has been suggested that since insurance agents clearly have multiple loyalties, multiple forms of work commitment should be considered within single investigation (Chonko, 1986). Despite Weiner and Vardi's (1980) finding that the organizational commitment was not related to selling effort among insurance agent while other researchers such as Hunt, Chonko and Wood (1985) and Chonko (1986) imply positive relationship between organizational commitment, effort and performance but negatively associated with role conflict and ambiguity. The relationship between job involvement and intention to remain in the same career or profession has been shown to be not significant in nonselling samples (Blau, 1985, 1989). However, an examination of job involvement and intent to remain revealed a positive relationship among industrial salespeople (Ingram, Lee and Skinner, 1989).

Hypothesis:

H1: There is a relationship between organizational commitment and Takaful Industry Performance.

H2: There is a relationship between job commitment and Takaful Industry Performance.

H3: There is a relationship between intrinsic motivation and Takaful Industry Performance.

H4: There is a relationship between extrinsic motivation and Takaful Industry Performance.

H5: There is a relationship between role ambiguity and Takaful Industry Performance.

H6: There is a relationship between role conflict and Takaful Industry Performance.

3.0 Methodology:

The data was gathered courtesy of agents of the takaful agency and operators in Malaysia. A self-administered questionnaire was distributed to 170 takaful agents who represented takaful agency and takaful operators. All the respondents is selected randomly among Takaful agent that represent eight Takaful Operator that has been listed in Bank Negara record which are CIMB Aviva Takaful Berhad, Prudential BSN Takaful Berhad, Syarikat Takaful Malaysia Berhad, Hong Leong Tokio Marine Takaful berhad, HSBC Amanah Takaful (Malaysia) sdn bhd, Takaful Ikhlas sdn bhd, MAA Takaful Berhad, and Etiqa Takaful Berhad. The main intent of the survey was to capture the general feeling, attitudes and attributes of the takaful agents on arrange of issues.

Since all of the questionnaires were distributed and collected on site, the response rate was high. All of the 170 questionnaires that were distributed and 125 were returned. It therefore recorded a response rate of 73.53%.

A survey instrument with six-page questionnaire and 39 research questions and nine demographic questions are prepared in bilingual using Malay and English. The set of questionnaire was developing for the purpose of collecting the main data for the study. Considerable effort was expended to ensure that the

questionnaire was neat and attractive with an appropriate sequence, clear and easy to understand. Adequate white space was provided so that the respondents would find it easy to read and understand the questions.

The surveys is separated into two parts which are part A and part B. Part A is divided into six sections to examine organizational commitment, job commitment, motivation (intrinsic), motivation (extrinsic), agents attitude (role ambiguity), and agents attitude (role conflict). While, Part B of the survey asked about demographics of the respondents.

The survey was distributed directly to the takaful agents at their agency. The respondents are randomly selected among takaful agents whom their agency operates in Malaysia and the focus is more to takaful agents in certain area especially in Kuala Lumpur, Selangor, and Pahang. In total, 125 valid responses were received out of 170 agents surveyed. This result represents a response rate of 73.53%, which is a very good response rate for surveys of this kind.

4.0 Results and Analysis:

Data collected for this study were analyzed using a number of statistical techniques available in SPSS software. There was no missing data found in the return questionnaire. In Table 1, shows the characteristics of the 125 respondents out of 170 that give the feedback for this survey. The questionnaires were collected directly from the agents. That is the reason for receiving good response rate of 73.5%. There were 74 male and 51 female respondents that gave the response to this survey. From this data, it can conclude that the largest group of agent came from the range of age 20-29 year old with 55 respondents or 44%. Most of the agents are Malay with 116 respondents or 92.8% and Muslim and small portion agents are from the other races and non-Muslim.

Table 1: Profile of the Respondents

No	Profile	Description	Frequency	Percentage (%)
1.	Gender	Male Female	74 51	59.2 40.8
2.	Age	Under 20 20-29 30-39 40-49 50 Or Over	1 55 33 28 8	0.8 44.0 26.4 22.4 6.4
3.	Race	Malay Chinese Indian Other	116 8 1 -	92.8 6.4 0.8 -
4.	Religion	Muslim non-Muslim	116 9	92.8 7.2
5.	Takaful operator	CIMB Aviva Takaful Berhad Prudential BSN Takaful Berhad Syarikat Takaful Malaysia Berhad Hong Leong Tokio Marine HSBC Amanah Takaful (M) Sdn Bhd Takaful Ikhlas Sdn Bhd MAA Takaful Berhad Etika Takaful Berhad Others	1 19 11 - - 43 1 47 3	0.8 15.2 8.8 - - 34.4 0.8 37.6 2.4
6.	Position	Ordinary Agent (representative) Unit Manager Agency Manager	96 9 20	76.8 7.2 16.0
7.	Duration in Takaful industry	Less than 1 year 1-2 year 3-5 year 6-10 year More than 10 year	36 41 29 16 3	28.8 32.8 23.2 12.8 2.4
8.	Duration in Takaful Agency	Less than 1 year 1-2 year 3-5 year 6-10 year More than 10 year	37 47 28 13	29.6 37.6 22.4 10.4
9.	Empowerment status	Full-Time Part-Time	81 44	64.8 35.2

Out of eight takaful operator that have been listed in Bank Negara, the most respondent come from the Etika Takaful Berhad with 47 respondents or 37.6%, followed by Takaful Ikhlas Sdn Bhd with 43 respondents or 34.4% and prudential BSN Takaful Berhad with 19 respondents or 15.2%. There are three out of 125 respondents are from other Takaful operator that not in the Bank Negara listed. These three respondents maybe

represent the new Takaful operator that had not been establishing yet by Bank Negara in year 2009. From the three positions surveyed, the most respondent are ordinary agents where 96 out of 125 respondents or 76.8% are them. There are only nine respondents (7.2%) represented as Unit Manager and the rest were Agency Manager 16.0%.

While survey for the length of working in this field or in takaful industry shows that, most of these respondents have been work in this takaful industry about 1-2 year with 41 respondent, followed by less than 1 year with 36 respondents and 29 of them have been with this industry in 3-5 years. There are only three of respondents working more than 10 years in Takaful industry but less than 10 year in the agency that both of them currently work. Surveyed for the empowerment status as illustrates in table 1, 81 of respondents (64.8%) are full-time agents whereas 44 respondent (35.2%) work as part-time agents.

Reliability Testing:

In table 2 below, it shows that the cronbach's alpha for the organizational Commitment is 0.948. For variable Job Commitment, the initial cronbach's alpha is 0.898. While in motivation (intrinsic) the initial cronbach's alpha is 0.314 so there is one question which not reliable with the variable should be remove or deleted. After the question is deleted, the cronbach's Alpha raise up to 0.840. Whereas, for the motivation (extrinsic) variable, the cronbach's Alpha is 0.944.

Cronbach's alpha for the role ambiguity variable shows the value is not good or not reliable with 0.368 that means one of the question from this variable should be deleted. After deleted the unreliable question the Cronbach alpha goes to 0.889. For the variable role conflict every question are reliable that has been shown at 0.944 cronbach's alpha. While for the Takaful Performance as the dependent variable the cronbach's alpha is 0.859.

Table 2: Reliability test

VARIABLES	INITIAL CRONBACH'S ALPHA
Organizational commitment	0.948
Job commitment	0.898
Motivation (Intrinsic)	0.314
Motivation (Extrinsic)	0.944
Role Ambiguity	0.368
Role Conflict	0.944
Takaful Performance	0.859

Correlations:

The Pearson Correlation measures the linear association between two metric variables. The number representing the Pearson correlation is referred to as a correlation coefficient.

Table 3: Pearson correlation

	<i>OC</i>	<i>JC</i>	<i>MI</i>	<i>ME</i>	<i>RA</i>	<i>RC</i>	<i>PEF</i>
Org. Commitment (<i>OC</i>)	1	.648**	.472**	.678**	.515**	.657**	.638**
Job Commitment (<i>JC</i>)		1	.493**	.653**	.538**	.692**	.697**
Motivation Intrinsic (<i>MI</i>)			1	.466**	.658**	.518**	.414**
Motivation Extrinsic (<i>ME</i>)				1	.543**	.508**	.692**
Role Ambiguity (<i>RA</i>)					1	.556**	.451**
Role Conflict (<i>RC</i>)						1	.565**
Performance (<i>PEF</i>)							1

In table 3 above, shows that this indicates the correlation between independent variable organizational commitment (*OC*) and Takaful Performance (*PEF*) is 0.638 and the significance level is 0.000, job commitment (*JC*) and Takaful performance correlation 0.697 is significant at 0.000, motivations (intrinsic) (*MI*) and Takaful performance (*PEF*) is 0.414 and the significance level is 0.000. The result reported in table 3 above, have confirmed that motivation (intrinsic) is significantly correlated with Takaful Performance. This means null hypothesis can be reject of no relationship between these two variables.

The same result goes with the correlation between independent variable motivations (extrinsic) (*ME*), role ambiguity (*RA*) and role conflict (*RC*) with Takaful performance (*PEF*) is correlated 0.692, 0.451 and 0.565 is significant at 0.000. The result reported in table above, have confirmed that all independent variable is significantly correlated with dependent variable which is Takaful Performance. This means all null hypotheses can be reject because there is no relationship between these two variables.

Multiple Regressions:

This research predicts how agents' commitments can give the impact towards performance in Takaful industry. The dependent variable in this research is Takaful Industry performance, while there are several independent variables which carry the meaning of agents' commitment.

There are six independent variables which are organizational commitment, job commitment, motivation (intrinsic), motivation (extrinsic), role ambiguity, and role conflict. A multiple regression model will examine the single dependent metric which is Takaful industry performance and the independent variables organizational commitment, job commitment, motivation (intrinsic), motivation (extrinsic), role ambiguity, and role conflict.

The null hypothesis would be there is no relationship between organizational commitment, job commitment, motivation (intrinsic), motivation (extrinsic), role ambiguity, and role conflict with Takaful Industry Performance. The alternative hypothesis would be organizational commitment, job commitment; motivation (intrinsic), motivation (extrinsic), role ambiguity, and role conflict are significantly related to the Takaful Industry Performance.

Table 4: Multiple Regressions.

Variables	Mean	Std. Deviation
performance	5.8818	0.80542
Org. commitment	6.1552	0.91893
Job commitment	6.0400	0.81399
Motivation (intrinsic)	6.1664	1.55122
Motivation (extrinsic)	6.0304	0.95514
Role ambiguity	6.0944	1.60756
Role conflict	6.0112	0.84331

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.832 ^a	0.693	0.677	0.45771

a. Predictors: (Constant), role conflict, motivation intrinsic, org. commitment, motivation extrinsic, job commitment, role ambiguity

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	55.717	6	9.286	44.325	.000 ^a
	Residual	24.721	118	.210		
	Total	80.438	124			

a. Predictors: (Constant), meanRC, meanMI, meanOC, meanME, meanJC, meanRA

b. Dependent Variable: performance

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.017	.330		3.082	.003
	Org. commitment	.205	.092	.234	2.215	.029
	Job Commitment	-.022	.106	-.022	-.203	.840
	Motivation intrinsic	.085	.096	.164	.893	.374
	Motivation extrinsic	.362	.085	.429	4.271	.000
	Role ambiguity	-.105	.096	-.209	-1.089	.279
	Role conflict	.277	.096	.290	2.889	.005

a. Dependent Variable: Performance

The descriptive statistics table shows the mean of the variables in the regression analysis. Note the means on the independent variable organizational commitment (6.1552), job commitment (6.0400), motivation (intrinsic) (6.1664), motivation (extrinsic) (6.0304), role ambiguity (6.0944), and role conflict (6.0112). While, the dependent variable which is performance the mean is (5.8818).

Information in the model summary table above (table 4) indicates the Rsquare for this regression model is 0.693. This means that 69.3% of the variation in takaful industry performance can be explained from the six independent variables. The adjusted Rsquare for this model is 0.677, which indicates only a slight overestimate with this model.

The remaining diagnostic information for the multiple regression models is shown in Anova table above. The regression model is statically significant where F-ratio is 44.325 probability levels equal to 0.000 which means that the chances are 0.000 that the regression model results are due to random events instead of a true relationship. We can therefore reject null hypothesis of no relationship between the variables.

Information provided in the coefficients table above tell us which of the independent variables significant predictors are. The beta coefficient is significant (0.003). Examining the standardized coefficient beta is note organizational commitment which is most closely associated with performance (beta=0.234)

5.0 Conclusion:

Conclusively, the factor inside of takaful agents as discussed above shows that there are several factors that would lead the performance for takaful industry. The factors are efforts; motivation (intrinsic and extrinsic), attitudes (role conflict and role ambiguity) and commitment (organizational commitment and job commitment) are among the important factors that should be addressed by takaful operators in order to look the development of takaful business.

This study has examined the impact of agent's commitment towards performance of Takaful industry in Malaysia and observed whether there are relationship between commitment, motivation and attitudes with performance of industry. The findings of this research show that there are relationship between commitment, motivations and attitudes with performance. For the implications, the highly commitment, motivations and attitudes contributed by takaful agents will influence the high performance for the takaful industry. For future research, hopefully researchers could consider refining these scales and examining perceptions of takaful industry performance by using more elaborate scales. It is also more emphasis for the agents efforts as mediators between commitment (organizational and job), motivations (intrinsic and extrinsic) and attitudes (role ambiguity and role conflict) with takaful industry performance.

REFERENCES

- Bank Negara Malaysia, 1999. *The Central Bank and the Financial System in Malaysia – A Decade of Change (1989-1999)*. Bank Negara Malaysia.
- Bagozzi, O. Richard, 1978. Performance and Satisfaction in an Industrial Sales Force: An Examination of Their Antecedents and Simultaneity. *Journal of Marketing*, 44(Spring): 65-77.
- Behrman, D.N. and W.D. Perrault, 1984. A Role Stress Model of the Performance and Satisfaction of Industrial Salespersons. *Journal of Marketing*, Fall, 48(4): 9-21.
- Blau, G.J., 1985. The Measurement and Prediction of Career Commitment. *Journal of Occupational Psychology*, 58: 277-288.
- Blau, G.J., 1989. Testing the Generalizability of a Career Commitment Measure and its Impact on Employee Turnover. *Journal of Vocational Behavior*, 35: 88-103.
- Brown, P. Stephen and A.P. Robert, 1994. Antecedents and Consequences of Salesperson Job Satisfaction: A Meta-Analysis. *Journal of Marketing Research*, 30(1): 63-77.
- Chonko, B. Lawrence, 1986. Organizational Commitment in the Sales force. *Journal of Personal Selling and Sales Management*, 6(9): 19-27.
- Churchill, G.A. Jr., N.M. Ford, S.W. Hartley and O.C. Jr. Walker, 1985. The Determinants of Salesperson Performance: A Meta-Analysis, *Journal of Marketing Research*, XXII: 103-118.
- Dorfman, M.S., 2003. *Introduction to Risk Management and Insurance*. (7th edn). Prentice Hall.
- Dubinsky, A.J., T.L. Childers, S.J. Skinner and E. Gencturk, 1988. Impact of Sales Supervisor Leadership Behavior on Insurance Agent Attitudes and Performance. *Journal of Risk and Insurance*, 55: 132-144.
- Hafer, J. and B.A. McCuen, 1985. Antecedents of Performance and Satisfaction in a Service Sales Force as Compared to an Industrial Sales Force. *Journal of Personal Selling and Sales Management*, 5: 7-17.
- Hunt, Shelby D. Lawrence B. Chonko and Van R. Wood, 1985. Organizational Commitment and Marketing. *Journal of Marketing*, 49(Winter): 112-126.
- Ingram, T.N., K.S. Lee and S.J. Skinner, 1989. An Empirical Assessment Salesperson Motivation, Commitment and Job Outcomes. *Journal of Personal Selling & Sales Management*, IX: 25-33.
- Insurance Annual Report, 2005. Bank Negara Malaysia.
- Jamil Osman, 2003. The Issue of Gharar in Life Insurance. *Journal of IKIM*, 11(2): 56-64.
- JAMIN Report, 1998.
- Lawler, E.E., 1979. A Model of Job Satisfaction” (Homewood, IL: Richard D. Irwin, Inc., Compensation and Reward Perspectives, 308-313.
- Lawler, E.E. and L.W. Porter, 1967. The Effect of Performance on Job Satisfaction. *Industrial Relations*, 7: 20-28.

- Lee, O., J. Tan, and Rajeshkhar Javalgi, 2010. Goal Orientation and Organizational Commitment Individual Difference Predictors of Job Performance. <http://www.emeraldinsight.com/www.ezplib.ukm.my/journals.htm> issn=1934-8835 & volume=18 & issue=1 & articleid=1847109 & show=html
- LIAM Report 2006.
- McElroy, J.C., P.C. Morrow, M.L. Power and Z. Iqbal, 1993. Commitment and Insurance Agents' Job Perceptions, Attitudes and Performance, *Journal of Risk and Insurance*, 60: 363-384.
- Mohd Fadzli Yusof, 1996. Brief Outline on the Concept and Operational System of Takaful Business (Islamic Insurance). Takaful (Islamic Insurance). BIRT.
- Mohd Ma'sum Billah, 1999. Principle of contract affecting Takaful and insurance – compared. Part 1, in *Arab Law Quarterly*, (London).
- Oliver, L. Richard, 1974. Expectancy Theory Predictions of Salesmen's Performance. *Journal of Marketing Research*, 11: 243-253.
- Rejda, G.E., 2003. *Principles of Risk Management and Insurance*, 8th Edition, Addison Wesley, Pearson Education Inc.
- Rego, A. *et al.*, 2004. Organizational Commitment: Toward a different Understanding of the Ways People Feel Attached to Their Organizations.
- Rotenberry, P. and P. Moberg, 2007. Assessing the Impact of Job Involvement on Performance. <http://www.emeraldinsight.com/www.ezplib.ukm.my/journals.htm> issn=0140-9174 & volume=30 & issue=3 & articleid=1599267 & show=html.
- Solcum, J., S. Jackson and D. Hellriegel, 2008. *Competency-Based Management*, USA: Thomas South-western.
- Staw, M. Berry, 1977. Motivations in Organizations: Toward Synthesis and Redirections in New Directions in Organizational Behavior, B. M. Staw and G.R. Salancik, eds. Chicago: St. Claire Press.
- Sujan, Harish, 1986. Smarter Versus Harder: An Exploratory Attributional Analysis of Salespeople's Motivation, *Journal of Marketing Research*, 23(February): 41-49.
- Walker, Y. and Y. Vardi, 1980. Relationship between Job, Organization, and Career Commitments and Work Outcome: An Integrative Approach, *Organizational Behavior and Human Performance*, 81-96.
- Yulk, G., 2010. *Leadership in Organization*, 7th edition, New Jersey: Pearson.
- Zaini Ahmad and D. Taylor, 2009. Commitment to independence by Internal Auditors: The Effects of Role Ambiguity and Role Conflict. *Emerald Journal*, 24: 90-105.