

The Effect of Emotional Intelligence and Locus of Control on the Work Stress and its Implication on the Satisfaction of Sales Staff of Financial Technology Business Unit of PT Bank XYZ

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Abstract

This research aims to study how emotional intelligence and locus of control affect job stress and its implication for job satisfaction among sales staff at financial technology business unit XYZ bank. This associative research uses a quantitative method with path analysis as a data analysis technique. This study shows that in a sample of 140 salespeople, emotional intelligence and locus of control have a negative and positive effect on job stress. Job stress also has a significant role in strengthening how emotional intelligence and locus of control affect job satisfaction. This study concludes that emotional intelligence and locus of control affect job satisfaction both directly and indirectly. The recommendation is to implement an employee assistance program and compile a training handbook.

Keywords

Job Satisfaction, Emotional Intelligence, Locus of Control, Job Stress

1. Introduction

The increasing transactions on the online channel have encouraged the formation of banking technology, namely financial technology. Financial technology itself is a combination of financial service activities with information technology. As many as 59% of global banking industry leaders agree that financial technology dominates the development of banking technology (EY, 2017). Research conducted by DailySocial also showed that in 2017, 60.96% of respondents had used financial technology services (DailySocial, 2018). The rapid development of financial technology requires banks to adapt and compete with other financial technology companies by utilizing the various resources they have.

Human resources are one of the top priorities of company leaders, including in the financial technology industry. The survey results show that 15% of corporate leaders choose human capital as one of the five main priorities after innovation used to take advantage of opportunities. In the same survey, 52% of company leaders

planned to increase their employees, 4% higher than the previous year's survey (PwC, 2017). And 83% of banks stated that their main business priority for 2018 was recruiting, developing, and retaining key talent (EY, 2018). Human resources need to be managed properly in developing and maintaining key talent. A strategic, coherent and integrated approach to the work, development and well-being of people who individually and collectively contribute to the achievement of organizational goals is called human resource management (Armstrong & Taylor, 2017). In human resource management, one of the cores is creating value to produce employee behaviour needed by the organization to achieve its goals (Dessler, 2014).

One thing that needs to be known and considered in managing employees is employee satisfaction. Employee satisfaction has an impact on their performances. Employees satisfied with their work tend to be more productive and tend not to engage in deviant behaviour (Darrat, Amyx, & Bennett, 2017). Most empirical research confirms that satisfaction from workers who serve, and support customers has a reciprocal relationship with satisfaction (Evanschitzky, Sharma, & Prykop, 2012; Zablah, Carlson, Donovan, Maxham, & Brown, 2016). The importance of employee job satisfaction drives many people to look for the factors that influence it. Previous studies have explained various factors that affect job satisfaction. Several previous studies stated that job satisfaction is influenced by several factors, including work stress, emotional intelligence (Ismail, Yao, Yeo, Lai-Kuan, & Soon-Yew, 2010), and locus of control (Chen & Silverthorne, 2008; Ferris et al., 2013). These three factors are believed to have a direct and indirect relationship and impact employee job satisfaction.

Job stress is defined as organization members' physical, psychological, and behavioural deviations as an adaptive response to external situations (Luthans, 2012). Previous studies show that job stress has a significant negative relationship with job satisfaction (Bemana, Moradi, Ghasemi, Taghavi, & Ghayoor, 2013). Meanwhile, a person's ability to recognize emotional awareness and regulate emotions as emotional regulation is called emotional intelligence (Reus & Liu, 2004). Previous research found job satisfaction was significantly influenced by all indicators of emotional intelligence (Khan, Masrek, & Nadzar, 2017). Locus of control is a person's belief about who or what has control over success, failure, or an outcome (Vijayashree & Jagdishchandra, 2011). locus of control was found as an important predictor of job satisfaction (Dhole & Tipnis, 2013).

Until now, job satisfaction is still a problem faced by many companies. A study conducted in 14 countries, including Indonesia, revealed that only 17% of employees said they were satisfied with their jobs, and more than 30% planned to find new jobs shortly. (Cahya, 2018).

According to research conducted by Mandiri Capital (Teh, 2018), one of the financial technology products not included in Indonesia's five most popular financial technology products is the product of the financial technology business unit of PT Bank XYZ. This needs to be a concern given the rapid growth of the financial technology industry, as previously discussed. Sales staff have positions that reflect the organization and its ethics. They act as representatives of companies that directly contact customers (Ivan, 2014). Meanwhile, the financial technology business unit of PT Bank XYZ experienced problems in the job satisfaction of sales staff. This is evidenced by the data table of new and outgoing sales staff obtained from the financial technology business unit of PT Bank XYZ during 2017 (Table 1).

Table 1. Number of New and Exit Sales Staff of PT Bank XYZ in 2017.

MONTH	STAFF/MONTH	NEW STAFF	EXIT STAFF	<i>TURNOVER DEGREE</i>
JANUARY	89	12	25	41%
FEBRUARY	81	1	9	12%
MARCH	78	4	8	15%
APRIL	72	5	10	21%
MAY	84	13	1	17%
JUNE	93	18	9	29%
JULY	97	9	5	14%
AUGUST	116	28	9	32%
SEPTEMBER	153	52	15	44%
OCTOBER	171	33	15	28%
NOVEMBER	167	14	18	20%
DECEMBER	179	24	12	20%

^a Source: Data of PT Bank XYZ, 2017.

Data is processed using the turnover formula in Armstrong & Taylor (2017). The calculation results show that the sales staff turnover value during 2017 has an average of 24%. According to CIPD in Armstrong & Taylor (2017), one of the causes of turnover is low job satisfaction. So, the assumption is that PT Bank XYZ is experiencing sales staff job satisfaction issues.

The results of in-depth interviews with several sales staff in PT Bank XYZ's financial technology business unit are as follows. First of all, the in-depth interviews show that the heavy workload they do causes dissatisfaction for the sales staff. They feel the work is hard because there are demands from two parties with conflicting interests, namely superiors and customers. Bosses demand sales staff to achieve sales targets every month, while customers want maximum service that often takes time. Sales staffs have the opinion that their work requires enormous effort.

As the company's front line, sales staff have an important role in providing quality services to customers to build long-term relationships with customers and maintain the image to provide a competitive advantage for PT Bank XYZ. The in-depth interviews reinforce the assumption that there is a problem with job satisfaction among sales staff in PT Bank XYZ's financial technology business unit and the role of emotional intelligence, locus of control, and work stress in these problems.

2. Research Methodology

This research is associative research that describes the relationship between variables (Sekaran & Bougie, 2016, p. 44). The relationship you want to know is the effect of emotional intelligence and locus of control on work stress and its impact on job satisfaction with the sales staff analysis unit, the financial technology business unit. In this research, the data used are quantitative, that is, words or sentences that are changed in numbers that are usually collected through structured questions (Sekaran & Bougie, 2016). In addition, this research data uses primary data, that is, data obtained directly. Primary data were collected through field studies using a questionnaire. The research questionnaire consisted of 44 questions using a Likert scale, which was compiled based on the construct of a literature study carried out previously. The validity and reliability test of the instrument showed that the research questionnaire was valid and reliable.

The research population was sales staff in the financial technology business unit of PT Bank XYZ. The number of samples used in the research was calculated using the Taro Yamane formula. It produced a total sample of 140 sales staff in the financial technology business unit of PT Bank XYZ as respondents. The sampling technique used in this research is simple random sampling which is one type of probability sampling (Riduwan&Kuncoro, 2017).

After that, path analysis is used to measure the contribution or influence between the variables of emotional intelligence and locus of control on job stress and its impact on job satisfaction indicated by the path coefficient.

3. Results and Discussion

The results showed the characteristics of respondents based on gender, age, last education, and length of work. From the research results, most sales staff are women in the 22-25 years age group. Most are high school or vocational high school graduates and have only worked for less than one year. Table 2 shows the mean and standard deviation of the variables of emotional intelligence, locus of control, job stress, and job satisfaction.

Table 2. Descriptive Statistics.

Variable	N	Mean	Std. Deviasi
Emotional Intelligence	140	3,6757	0,30363
<i>Locus of Control</i>	140	3,8550	0,33740
Job Stress	140	3,3771	0,20060
Job satisfaction	140	2,9291	0,23924

The results show the level of job satisfaction of sales staff in the financial technology business unit of PT Bank XYZ is moderate. According to previous research, gender has a relationship with job satisfaction. Women tend to have higher levels of job satisfaction than their male coworkers (Huang & Gamble, 2015). Thus, research respondents dominated by women amounted to 63.57% could be the cause of the differences in the research results with the initial results of in-depth interviews.

In addition, according to Lincoln dan Kalleberg (Huang & Gamble, 2015), education increases workers' expectations of their work in general, so it often has a negative impact on job satisfaction. In this research, respondents were dominated by high school or vocational graduates, as much as 51.43%, and only 16.43% of respondents were bachelor graduates. Thus, most sales staff in PT Bank XYZ's financial technology business unit can be said to not have high expectations compared to other sales staff towards their work, so they tend to be more satisfied with their current work.

Figure 1 shows the overall path diagram between variables of emotional intelligence, locus of control, job stress, and job satisfaction.

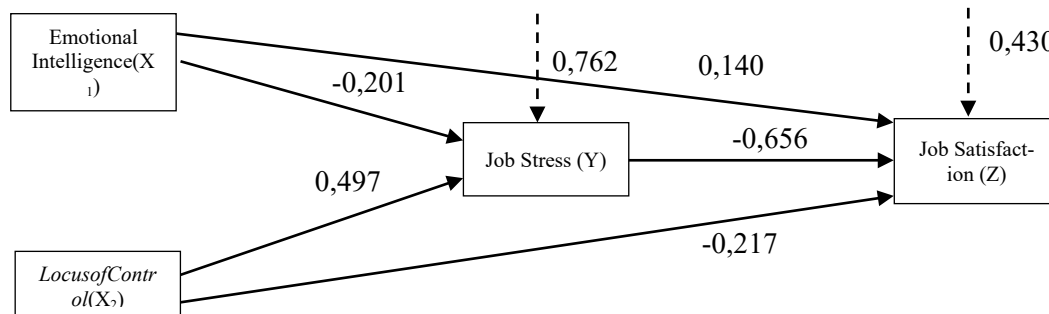


Figure 1. Overall, Path Chart.

From the overall path coefficient above, the direct effect and the total effect of each variable can be seen in Table 3.

Table 3. Causal Relationship Research Variables.

Variable	Coefficient Path	Effect		
		Direct	Indirect	Total
X ₁ to Y	-0,201	-0,201	-	-0,201
X ₂ to Y	0,497	0,497	-	0,497
X ₁ to Z	0,140	0,140	-0,201x-0,656=0,132	0,272
X ₂ to Z	-0,271	-0,271	0,497x-0,656=-0,326	-0,597
Y to Z	-0,656	-0,656	-	-0,660
ε ₁	0,762	-	-	0,762
ε ₂	0,430	-	-	0,430

The results show emotional intelligence has a significant effect on work stress. In addition, emotional intelligence has a direct and indirect effect on job stress on job satisfaction variables. The results showed a positive and significant relationship between emotional intelligence and job satisfaction. Thus, every increase in the value of emotional intelligence will increase job satisfaction.

The results of this research are in line with previous studies. The results of other studies show sales staff with high emotional intelligence tend to have low work stress (Goswami & Rani Talukdar, 2013). People with low emotional intelligence cannot control their emotions which causes problems at work. The research results are also similar to previous studies of bank employees who found that emotional intelligence significantly affected job satisfaction (Brunetto, Teo, Shacklock, & Farr-Wharton, 2012; Rashid, Bajwa, & Batool, 2016). Employees with high emotional intelligence tend to have assertive attitudes, namely the ability to express opinions with confidence without the need for aggression. Hence, they experience fewer problems at work that impact increasing job satisfaction. The ability to deal with emotions of themselves and others effectively while working gives employees a feeling of satisfaction with their work that will bring them prosperity.

The results showed that locus of control significantly affected work stress. In addition, locus of control has a direct effect and an indirect effect through job stress on job satisfaction variables. Locus of control has a negative and significant relationship to job satisfaction. Thus, job satisfaction will increase for every shift in the locus of control toward the internal locus of control.

Previous studies support the results of this research. According to Cummins in Vijayashree&Jagdischchandra, someone with an internal locus of control can protect themselves from stress by developing a plan independently. In contrast, those who have an external locus of control reduce their stress by relying on support

from supervisors to parse their stress. In addition, research results are also consistent with research by Hamwi, Rutherford, Boles, & Madupalli (2014), where sales staff with a higher external locus of control have lower job satisfaction. Vice versa, individuals with an internal locus of control have higher job satisfaction. This is supported by the research results by Dhole & Typnis (2013), which show that the locus of control is one important variable and often predicts employee job satisfaction.

4. Conclusion and Suggestion

There is a significant influence between emotional intelligence and locus of control simultaneously by 42% on work stress on sales staff in the financial technology business unit of PT Bank XYZ. Partially, emotional intelligence has a significant effect on work stress with the nature of a negative relationship. At the same time, the locus of control also has a significant influence and a positive relationship with work stress. Then, there is a significant influence between emotional intelligence, locus of control and work stress simultaneously at 81.5% on job satisfaction among sales staff in the business unit of PT Bank XYZ. Where partially, job stress has an effect of 43.03%, which is significant and is negative on job satisfaction. Emotional intelligence has a significant direct effect and is positive on job satisfaction. In addition, there is an indirect effect between emotional intelligence and job satisfaction through work stress. There is also an indirect effect between locus of control and job satisfaction through work stress.

The results showed that locus of control significantly affected work stress. In addition, locus of control has a direct effect and an indirect effect through job stress on job satisfaction variables. Locus of control has a negative and significant relationship to job satisfaction. Thus, job satisfaction will increase for every shift in the locus of control toward the internal locus of control.

Based on the discussion, conclusions, and research implications, it can be recommended:

1. The HR department can create an Employee Assistance Program where employees can consult through telephone lines, the company's internal web, online communication applications, or meet privately with company representatives appointed to handle mental health-related issues. Where employees can consult or talk about problems and complaints that are not only limited to the scope of work. This program is expected to be a solution for employees with a low level of emotional intelligence and external locus of control to increase sales staff job satisfaction both directly and by reducing work stress.
2. Compile an annual Training Handbook that lists training programs that exist in that year for employees from all levels, both team leaders and team members. The list of training prepared should be the training that is needed based on the results of the performance evaluation or condition of the employee at the end of the previous year. Based on the research results, one example of training that companies currently need is stress management, locus of control, and emotional intelligence. With a well-structured training plan, it is expected to increase the job satisfaction of sales staff.
3. Implement a Gainsharing Plan in an existing Performance-Based Reward where rewards are given to the team so that it can reduce the individual workload and foster teamwork. It is expected that employee work will be reduced and can improve good relations between employees. This can simultaneously improve labour efficiency.

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