AN IMPACT OF JOB ROTATION ON EMPLOYEE IN BANKING SECTOR

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ABSTRACT

Since 2008 Utrak Financial Services Limited has adopted a job rotation program to help solve skills acquisition and performance problems. This development may affect job satisfaction and ultimately productivity. To achieve the objectives of the research, an exploratory and descriptive design were adopted aimed at assessing the impact of job rotation on employees' performance. Questionnaires were administered to head office staff from the operations, Customer Service and Accounting departments. Structured interview was also employed to collect data. The study revealed that job rotation is an important program for allowing employees to acquire new skills, enhance staff productivity, develop new relationships across the company and gain skills needed for future career advancement. The study revealed that the respondent's appreciate the effectiveness of job rotation program in their organization. The researcher concludes by making recommendations to involve employees in the implementation process, use the program to develop employees to increase their performance level. Also it is recommended that the program must benefit both the employer and employee in the organization.

KEY WORDS: Rotational assignments, transfers, job changes, lateral moves, cross training and employees engagement.

INTRODUCTION

Job rotation has been defined as systematic movement of employees from one job to another at planned intervals (Dressler and Markey, 2009; Maliki, 2002). It involves periodic shifting of employees from one task to another where each task requires different skills and responsibilities. Different organizations including banks do rotate their employees from one job to another across various departments for multiple reasons depending on specific needs of an organization. Other operational terms that could be used interchangeably with job rotation

include rotational assignments, transfers, job changes, lateral moves, cross training and redeployment.

Today, the major concern for the financial institutions including banks are motivating the employees as well as enhancing their commitment and job involvement in order to get the desired results from them and this is becoming more challenging and difficult due to the uncertain nature of corporate environment. Performance of different tasks across various departments and in-depth understanding of technological advancements are demanded by the banking sector. The best way for the financial institutions to serve their employees engagement in order to enhance the motivation, satisfaction and job involvement is to provide them effective training programs. Job rotation is one of them and it is carried out at trainees own place of work using the same methods, materials and work procedure that will be used by them in their actual job.

JOB ROTATION

According to Merriam Webster, the assigning of an employee to a variety of tasks in turn to provide diversified experience during training or to counteract boredom

The definition of job rotation in the dictionary is the practice of transferring an employee from one work station or activity to another during the working day in order to add variety to a job: often used in assembly line work.

EMPLOYEE ENGAGEMENT

William Kahn provided the first formal definition of personnel engagement as "the harnessing of organization members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances".

Employee engagement is a workplace approach resulting in the right conditions for all members of an organization to give of their best each day, committed to their organization's goals and values, motivated to contribute to organizational success, with an enhanced sense of their own well-being.

REASON FOR THE DEVELOPMENT OF JOB ROTATION

There are many reasons for implementing a job rotation system, including the potential for increased product quality, giving employees the opportunity to explore alternative career paths, and perhaps most importantly, preventing stagnation and job boredom. Job rotation steps in to provide job enrichment from an employee's perspective.

Increased productivity and quality

Less fatigue and discomfort on the job often leads to productivity and quality gains. But this is not always brought up in the discussion on job rotation, since it is a major reason to implement in the workplace.

Increased innovation and improved work process efficiency

It is often found that the more workers who are performing a job are more innovative at workplace and the improvement of ideas is discovered. This leads to more ergonomic improvement projects and thus improved the work process efficiency.

Improves employee skill base and increase job assignment flexibility over time

Job rotation will require training workplace on multiple jobs. There is a short term cost to this training, but the long term benefit of having a more highly skilled workforce far outweighs the costs.

Reduces boredom and complacency

Rotating jobs often provides a change of scenery for workers. It reduces the boredom of doing the same task every day.

RISKS OF IMPLEMENTING JOB ROTATION

BENEFITS

Employee Motivation and Retention

Job rotation motivates key, high potential employees because they are seen by those employees as a company made investment in their future. Workers in the bank retain talent because they are faster learning opportunities.

Skills and Organizational capacities increase

Job rotation broaden skills because it expos employees to different functional areas of the bank. Employees gain a fuller picture of how the work is done during the rotation of banks.

Raises intrinsic reward potential of a job

Job rotation is likely to raise intrinsic reward potential of a job due to different skill and abilities to perform it.

CHALLENGES

Costly and time consuming

When an employee is moved into a new position, they might need training in order to do their new job. The cost of training employees can be thousands of dollars and it take hours.

Business could suffer

One of the most devastating disadvantages of job rotation is that the business could take a hit. Sometimes customers could become frustrated by confused employees who make mistakes.

Could end up with disgruntled employees

Some employees don’t want to rotate their jobs. An employee who is comfortable and successful in their current position may worry another employee would mess up with their process.

FACTORSINFLUENCING EMPLOYEE ENGAGEMENT

Career Development Opportunities

Career development opportunities are one of the factors influencing employee engagement at the workplace. When employers continuously invest both time and money in their employee's development at the workplace, employees will realize that the company is also interested in the progress in their career.

Flexible

Another factor influencing to employee engagement is the flexibility of employee's hours at work. Employees are given the flexibility to either work around the regular office hours or work away from the office.

Adopt a Learning culture

One of the factors influencing employee engagement is by creating a company culture that encourages the employees to keep on learning and acquiring new knowledge all the time.

Cultural Diversity

Cultural diversity is when companies are open to hiring employees from all sorts of different backgrounds; regardless of ethnicity, religion and culture. When companies recruit and retain a diverse pool of people, it brings about different benefits to the company as well as its employees.

Transparency and Honesty

One of the influencing factors to employee engagement is having a transparent and honest work environment, where employees are able to walk up and have a serious discussion that has been bothering for a while. This is one of the factors influencing employee engagement.

Inspiration

When your employees have the motivation or inspiration at work, they will instinctively find ways to solve a problem on a project or even create a faster way to achieve a task.

Communication

Communication is another factor that contributes to employee engagement. When there is miscommunication among you or your employees, there will always be problems either in the project or within the company.

Employee Recognition

Great companies know that the employees are the heart of the business. Satisfied and engaged employees would bring in not only positive energy to the workplace but also increase the profit.

BANK PROFILE

Bank

It is generally said that the word "BANK" has been originated in Italy. In the middle of 12th century there was a great financial crisis in Italy due to war. To meet the war expenses, the government of that period a forced subscribed loan on citizens of the country at the interest of 5per cent per annum. Such loan was known as "compare", "Minto". In Germany the word "Monte" was named as "Bank". It is also said that the word "Bank" has been derived from the word "Banco" which means a Branch.

Private sector banks

The Indian Banking System comprises two major sectors of Banks, i.e., Public and Private Sector Banks. The former is controlled by the Government and the latter's share or equity are held by private shareholders. The Private Sector Banks in India are divided into two groups. They are Old Private Sector Banks and New Private Sector Banks.

- Old Private Sector Banks existed prior to the nationalization in 1969 and kept their independence because they were either too small or specialist to be included in nationalization.
- The new private sector banks are those that have gained their banking license since the liberalization in the 1990s.

In the present era, job rotation plays important role in private sector banks. Job rotation could serve as a tool for fast learning, stimulation of individual growth, means of retention and also as tool for preventing boredom caused by monotonous job routine, which are evident from the study that job rotation can use in much efficient way.

List of Private Sector Banks

The data was collected from the following banks:

- HDFC Bank
- ICICI Bank
- City Union Bank

HDFC Bank

The Housing Development Finance Corporation Limited (HDFC) was amongst the first to receive an 'in principle' approval from the Reserve Bank of India (RBI) to set up a bank in the private sector, as part of RBI's liberalisation of the Indian Banking Industry in 1994. The bank was incorporated in August 1994 in the name of 'HDFC Bank Limited', with its registered office in Mumbai, India. HDFC Bank commenced operations as a Scheduled Commercial Bank in January 1995.

ICICI Bank

ICICI Bank was originally promoted in 1994 by ICICI Limited, an Indian financial institution, and was its wholly-owned subsidiary.ICICI Bank offers a wide range of banking products and financial services to corporate and retail customers through a variety of delivery channels and through its group companies.ICICI Bank's Board members include eminent

individuals with a wealth of experience in international business, management consulting, banking and financial services.

City Union Bank

The grandpa of India's private banking sector is City Union Bank (CUB) and was founded in October 1904.It is the oldest private bank to have operations. CUB began operations from Thanjavur in Tamil Nadu as The Kumbakonam Bank Ltd.By end of 2017, CUB had close to 570 branches across India and some 1,600 ATM locations. CUB was the first to launch India's banking robot named Lakshmi, which allows customers to request some 120 details and services.

OBJECTIVES OF THE STUDY

- To study the level of satisfaction of employees on job rotation
- To understand the employee attitude towards the job rotation
- To study the impact of job rotation on employee engagement and attrition

STATEMENT OF PROBLEM

The employees in the banks work not only to achieve their economic objective, but also demand certain social objective. The best way for the banks to serve their employees in order to enhance motivation, commitment and job involvement is to provide them effective training programs. Job rotation is one of them and it is carried out at trainees own place of work using the same methods, materials and work procedure that will be used by them in their actual job. At present, some of the banks are practicing job rotation. While practicing job rotation, some employees work with high engagement while others extricate from work because employees of certain banks are compelled to undergo job rotation program. Hence this study is carried out to understand the attitude of employee towards job rotation, their level of satisfaction and also to study its impact on employee engagement and attrition.

SCOPE OF THE STUDY

Job rotation plays a very important role in banking sector. Job rotation helps to reduce the monotony in job and to improve the efficiency and productivity of the employees.

While practicing job rotation, some employees work with high commitment while others detach from work because of improper working conditions, employer's relationship, stress and so on. Hence the study, "The impact of job rotation on the employee engagement and attrition" will be helpful to the banks as it can be used as a source to understand about the perception of employees about job rotation who are working in the banking sector. It can also be referred by the organizations which plan to implement job rotation.

LIMITATIONS OF THE STUDY

- Time constraint has set some limits to the study.
- Difficulties were faced during data collection as employees of private sector banks were hesitant to provide necessary information.

However, despite all these limitations, the study seeks to make some meaningful contributions to the impact of job rotation on employee's performance.

REVIEW OF LITERATURE

DR. Austin 0. Parana (2015)in his paper "**Impacts of Job Rotations and Employees Performances in Manufacturing Companies: Nigeria** "attempts to examine the effects of job rotations and employees' performance in manufacturing companies in Nigeria. The article reveals that, there is a significant and favorable relationship between job rotation and employee performance. Based on the results, it is suggested that job rotation should be practiced and management should build a viable and up-to-date internal control system.

Kanpkotter, P. Harbring (2016)in his attempt to study **"Job Rotation and Employee Performance"** with the objective to find out the performance gains of those who were high performers prior to the rotation by using the samples collected from 15,000 employee found that high performers who participate in job rotation programs perform better over time. This study suggests that job rotation can be practiced on high performers rather than on low performers.

M. Saravanan et al (2017) has conducted study on **"The Effects of Job Rotation Strategy on the Performance of Employees in the Banking Sector with special reference to NilamburTaluk in Malappuram District, Kerala"** aimed to measure the effectiveness of job rotation on job satisfaction, employee's motivation and their productivity. The samples are selected 60 from public sector banks in NilamburTaluk. They were selected by using convenient

sampling method. The classified data was tabulated and statistical tools are used for analysing data. From the study it is clear that, job rotation have a significant positive effect on performance of employees.

ANALYSIS AND INTERPRATION

This chapter deals with the analysis and interpretation of the study on the topic "An **Impact of Job Rotation on Employee"** based on the data collected from the respondents. The collected data have been classified and tabulated. The data have been analyses using the following statistical tools.

- Percentage analysis
- CHI SQUARE

DATA ANALYSIS AND INTERPRETATION

Data Analysis

Analysis is the process of placing the data in an ordered form, combining them with the existing information and extracting the meaning from them. The raw data become information only when they are analyzed and put in a meaningful form.

Interpretation

Interpretation is the process of relating various bits of information to other existing information. Interpretation attempts to answer, "What relationship exists between the findings to the research objectives and hypothesis framed for the study in the beginning.

PERCENTAGE ANALYSIS

Percentage Calculator is a mathematical tool used in number conversion to calculate the percentage of a given quantity relative to whole number of quantity. A percentage is a way of expressing any quantity as a fraction of 100 to a whole and it is represented by the symbol **%**. The simplest way to calculate percentage is to divide the given number by the relative total number and then multiplying the answer by 100 will gives the percentage. The percentage of a relative quantity can be mathematically derived from the below formula.

FORMULA:

Percentage = No. of Respondents X 100 Total no.

CHI SQUARE TESTS: A chi-square test, also referred to as X2(square) (infrequently as the chi square test), is any statistical hypothesis in which the sampling distribution of the test statistic is a chi square distribution .this test was first used by karl person in the year 1900. The chi square (1) test is used to determine whether there is a significant difference between the expected frequencies and the observed frequencies in one or more categories

CHI-Square = $\sum$ (Oi-Ei) ^{2} / Ei

TABLE 1.1
GENDER OF RESPONDENT

	Frequency	Percent	Valid percent	Cumulative percent
Inter department	28	28.0	28.0	28.0
Branch to branch in same city	44	44.0	44.0	72.0
City to city/town	28	28.0	28.0	100
Total	100	100.0	100.0	

Interpretation:

The above table represents that 44% of the respondent are male, 56% of the respondent arte female.

Hence, 56% of the respondents are female.

TABLE 1.2

TYPES OF TRANSFER IN BANKS

	Frequency	Percent	Valid percent	Cumulative percent
Inter department	28	28.0	28.0	28.0
Branch to branch in same city	44	44.0	44.0	72.0
City to city/town	28	28.0	28.0	100
Total	100	100.0	100.0	

Interpretation:

The above table represents that 28% of the respondents transfers in inter department, 44% of the respondents are branch to branch in the same city, 28% of the respondents are city to city/ town.

Hence, 44% of the respondents say transfers in branch to branch in the same city.

TABLE1.3
REASONS FOR SELECTING THIS JOB

	Frequency	Percent	Valid percent	Cumulative percent
Ambition	37	37.0	37.0	37.0
Better pay	26	26.0	26.0	6.30
Inspiration	22	22.0	22.0	85.0
As unemployment opportunity	15	15.0	15.0	100
Total	100	100	100	

Interpretation:

The above table represents that 37% of the respondents are ambition for selecting this job, 26% of the respondents says better pay, and 22% of the respondents says inspiration, 15% of the respondents as an employment opportunity.

Hence, 37% of the respondents are ambition is the main reason for selecting this job.

TABLE 1.4
INTERESTED IN JOB ROTATION PRACTICES

	Frequency	Percent	Valid percent	Cumulative percent
Strongly agree	19	19.0	19.0	19.0
Agree	46	46.0	46.0	65.0
Neutral	33	33.0	33.0	98.0
Disagree	2	2.0	2.0	100.0
Total	100	100	100	

Interpretation:

The above table represents that 19% of the respondents says strongly agree with interested in job rotation practices, 46% of the respondents are agree, 33% of the respondents are neutral, 2% of the respondents are disagree.

Hence, 46% of the respondent are agree with interested in job rotation practices.

TABLE1.5

FOCUSED ON MY WORK

	Frequency	Percent	Valid percent	Cumulative percent
Strongly agree	48	48.0	48.0	48.0
Neither agree or disagree	27	27.0	27.0	75.0
Agree	4	4.0	4.0	79.0
Disagree	21	21.0	21.0	100.0
Total	100	100	100.0	

Interpretation:

The above table represents that 48% of the respondents are strongly agree, 27% of the respondents are neither agree or disagree, 4% of the respondents are agree, 21% of the respondents are disagree.

Hence, 48 % of the respondents strongly agree with focused on my work

CHI-SQUARE TEST ANALYSIS

NULL HYPOTHESIS (H0): There is no significant relationship between the selection of job and focusing on my work.

ALTERNATE HYPOTHESIS (H1): There is significant relationship between the selecting the job and focusing on my work.

Reason for Selecting This Job And Focused On My Work

Case processing summary

Reason for selecting this job focusing on may work	Cases					
	Valid		Missing		Total	
	N	100%	N	Percent	N	Percent
	100	100%	0	0.0%	100	100%

Reasons for selecting this job and focused on my work – Cross tabulation

	Focus on my work				Total
	Strongly agree	Neither agree or disagree	agree	disagree	
Ambition	18	11	3	5	37
Better pay	14	8	1	3	26
Reason for inspiration	11	4	0	7	22

Selecting my job as an opportunity	5	4	0	6	15
Total	48	27	4	21	100

CHI SQUARE TEST

	Value	Df	Astm.Sig.(2sided)
Pearson chi-square	10.695	9	0.297
Likelihood	11.609	9	0.236
Linear by linear association	3.102	1	0.078
No of valid cases	100		

Ho= There is no significant relationship between source of information and implementing new technology

H1 = There is significant relationship between source of information and implementing new technology

INTERPRETATION

The above table inferred that the significance is greater than 0.05 (.297). So the null hypothesis is accepted. So there is significant relationship between the reason for selecting this job and focused on my work.

FINDINGS

PERCENTAGE ANALYSIS

- 56% of the respondents are female.
- 44% of the respondents say transfers in branch to branch in the same city.
- 37% of the respondents are ambition is the main reason for selecting this job.
- 46% of the respondent are agree with interested in job rotation practices.
- 48 % of the respondents strongly agree with focused on my work

CHI SQUARE:

- There is significant relationship between the present working hours of the bank and bank vacation.

- There is significant relationship between the period of working and types of transfer in bank.
- There is significant relationship between the reason for selecting this job and focused on my work

SUGGESTIONS

- The efforts of employees are not being properly recognized. The organizations are required to recognize employee's effort to improve productivity and satisfaction.
- In spite of all the positive response, stress can also be observed among the respondents considering this; stress relieving activities can be conducted to improve the efficiency of the employees.
- Only 60 per cent of the respondents are satisfied with the training before job rotation, for that reason suitable training is supposed to be given before undergoing job rotation.
- Banks may actively look forward to fulfil employee`s expectations to create an impact on the performance of employee, which will directly affects the organization's performance.

CONCLUSION

Job rotation will help the employees from the boredom caused due to working as usual for longer term period in same position and on same work station. The study has been conducted to highlight the importance of the job rotation and to access its impact on the employee satisfaction and job involvement. Our study concluded that there is a constructive impact of job rotation on employee engagement and the employees are strongly agreed that they are fully focussed on work but there is a less significant training provided to them before undergoing job rotation. Proper training program should be provided to the bank employees. This is more important to improve employee engagement in the banking sector. Committed and satisfied employees in any organization plays a significant role in the improvement of overall performance of the organization. Moreover, the banks are perceived as backbone of any economy and therefore, these institutions need higher number of satisfied employees so that they could help in the growth of overall economy of the nation. But it should also be kept in mind that

frequent job rotation may affect the performance level of the employees as they may not fully utilize their gained knowledge and their commitment towards the work may lose.

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