



An Empirical Study on the Impact of Job Rotation Practices on Employees Job Performance: Comparative Study of Public and Private Licensed Commercial Banks in Colombo District

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Abstract

Moving employees from one task to another at a given time period is job rotation. Rotating employees among different jobs is an important strategy to enhance the employees' job performance in any organization and make them more committed towards the work. However, little attention has been given in identifying relationship between job rotation and employees job performance in banking sector and there are contradictory findings relating to the relationship between job rotation and employees job performance. Therefore, this research study was conducted in order to identify the relationship and the impact of job rotation practices on employees' job performance of banking employees with reference to the domestic licensed commercial banks and it was conducted as comparative study between private and public banks. Primary data were collected by self-administered questionnaire. The sample consisted of fifty bank employees from public licensed commercial banks and fifty bank employees from private licensed commercial banks from the Colombo district altogether hundred was the sample size for the study. Data analysis was performed using Pearson correlation analysis, multiple regression analysis and descriptive statistics. Results of the analysis indicated that, for the both bank job rotation practices significantly and positively associate with employees' job performance. Multiple regression analysis discovered that cross functional job rotation was the most significant factor of employees' job performance among both bank. Significance of this study indicated that provided implications such as enhancing available literature, to understand the real association of job rotation on employees' job performance and to managers which drive them to enhance the better rotational activities.

Introduction

Human resource is one of the most important resources in any organization to obtain competitive advantages and to build the success of the organization. On the other hand, it is an important aspect because of its capabilities aid to convert the other resources in to output. The competitor can imitate any resources in an organization but the human resources are unique. Thus, employee's performance in an organization is important aspect of human resource management. Every business organization's ultimate objective is to improve the wealth of the organization. That can be done through the employees' performance. Human beings may differ not only in their appearance but also in their capabilities. Hence, their performance may be different from one to another and also it can be evaluated positively or negatively. Hence, the performance of the employees can be recognized based on several information regarding the job or tasks which they are performed. Therefore, organizations need several criteria in order to evaluate the job performance of an employee. The business organizations adapt different types of strategies to achieve their targets through their employees. Job rotation can be identified as a way of enhancing the employee's job performance. Most of the researchers found that job rotation is an important strategy in developing employee's horizons and bringing about increased performance within an organization.

Therefore, job rotation can be identified as one of the most important strategies which a business organization uses to accomplish their goals and objectives. Today, most of the businesses are attempting to conduct the job rotation practices to enhance the employee's performance. Therefore, Job rotation can be considered as a strategy which is conducted by organizations either private or public to improve their employee performance (Schultz et al.,2015)

Sri Lankan financial institutions can be recognized as institutions which use these job rotation practices to enhance the employees' job performance and to recapture their achievements. Specially, banks can be identified as business entities which facilitate job rotation within organizations as they are trying to enhance the employees' performance. Effective job rotation programmes can be considered as the best way for the financial institutions to serve their employees in order to enhance their commitment and job involvement towards the job (Lock and Dennis, 1998). Therefore, the banking sector is the major player accounting for 60.3 percent of the total assets of the financial sector as well banks play a major role in Sri Lankan economy and also banking employees are highly important to the banking services (CBSL report, 2017). Therefore, the aim of this study is to identify the impact and relationship of job rotation practices on employees' job performance by comparing private and public licensed commercial banks in Colombo District.

Further, Previous researchers also have found that there is a relationship between job rotation and employees job performance, it may be negative or positive. Most of the researchers suggested that there is a positive relationship

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between job rotation and employee's job performance. According to (Alquraan, 2011) reported that job rotation has a positive impact on the employee's performance and also Earney, Sally, Martins, and Ana (2009) suggested that job rotation can be a positive as well as powerful tool for employee's job performance. In other hand, some limited findings reflect that there is a negative relationship between job rotation and employee's job performance while (Liu, 2004) suggested that job rotational activities may have some negative influence on the employee's job performance. There is a negative relationship between job rotation and worker's performance (Eriksson et al., 2006). Therefore, these contradictory arguments show the knowledge gap as the literature gap. And also, limited findings reflect the impact of job rotation practices on employees' job performance on the banks' aspect in Sri Lankan context. Therefore, this study attempts to fill this literature gap with this investigation. Hence, this research will conduct in order to gain broader knowledge and better understanding about the impact and relationship of job rotation practices on employee's job performance within the private and public licensed commercial banks. In particular, to identify the disbursements on above mentioned problem the questions are derived as; What is the existing level of job rotation practices and employees job performance in the domestic public and private licensed commercial banks in Colombo District?, What kind of relationship between job rotation practices and employees job performance of the domestic public and private licensed commercial banks in Colombo District? And what is the most influence factor of job rotation practices on employee's job performance of the domestic public and private licensed commercial banks in Colombo District? According to that current study expected to focus the research objectives as to identify the existing level of job rotation practices and employees job performance in the domestic public and private licensed commercial banks in Colombo District, To examine the relationship between job rotation practices and employees job performance of the domestic public and private licensed commercial banks in Colombo District as well as to determine the most influence factor of job rotation practices on employees job performance of the domestic public and private licensed commercial banks in Colombo District.

Literature Review

In an organization, job rotation activities create benefits as well as sometime drawbacks on its employees. Therefore, that may be a reason to facilitate positive impact as well as negative impact on their employees' performance. Previous research studies stated that such kinds of relationship between job rotation and employees job performance. According to the study conducted by Rezaeizadeh (2015) captioned job rotation and employees job performances of Central Bank of the Islamic Republic of Iran, the findings indicate that job rotation have a significant impact on employees' job performance. According to the Rashiki (2014), the research displayed that there are significant relationships between importance of job rotation and staff performance. Further, previous scholars stated significant positive relationships also. So, strong positive correlation between job rotation and employees job performance has been reported in various studies based on the benefits which facilitate on the employees through the job rotation practices. (Alquraan, 2011) conducted a research on job rotation and employees job performance. Their study revealed that there is a positive impact on the administrative employee's performance. According to the scholar, the study discovered that job rotation is an important Programme which allowing employees to obtain new skills, improve their productivity, create new relationships across the employees and gain skills needed for future career advancement (Adjei & Dora., 2012). Therefore, the research displayed there is a positive relationship between job rotation and employees job performance. The research study of Elewa and Samir (2017) stated that job rotation practices have a positive effect on motivation which as an element that effect the performance of employees. Further, job rotation can be a positive and powerful tool for staff development (Earney et al., 2009). According to the Ortegar and Jaime (2000) through the promoting psychological and physical health of employees job rotation creates positive effects on employees. Moreover, the findings of the study are consistent with Jerez Gómez, Céspedes Lorente, and Valle Cabrera (2004) confirmed that jobs design and number of jobs should be selected to have a positive effect of job rotation on the employee's performance. Further, many they viewed job rotation as an effective operational practice to enhance the job performance. By changing employees' position the results show that job rotation was significantly linked with life style and motivation of them (Chang & Ling-Hsing, 2010). According to (Lindbeck et al., 2000) the study indicates that Cross functional rotation give the chance for employee to acquire and generate a wider knowledge of different functional areas and to develop a network of organizational contacts to create a positive impact on the

employees performance since it is a dimension of job rotation practices. As well as the scholar identified the challenges included to job rotation also. Those challenges and the drawbacks are not enough time to acquire the necessary skills during the job rotation (Allwood & Lee, 2004) and cause to create the negative relationship towards the employees' job performance. According to Jaturanonda, Chorkaew, Nanthavanij, Suebsak, Chongphaisal, & Pornpimol (2006) the study indicate a positive relationship between job rotation and participation of the employees in the work and a negative relationship to employees' motivation. Further Eriksson, Tor, Ortega and Jaime (2006) sees that there is a negative relationship between job rotation and worker heterogeneity. In addition, Allwood, J.M. and Lee (2004) found that job rotation does not improve overall problem-solving skill as well as productivity by giving the evidence for some negative relationship between job rotation and employees job performance. According to the studies of Rizwan, Waseem and Bukhari (2014) show there is no significant relationship between job rotation and employees' job performance. These contradictory arguments have created the research gap.

Based on the above findings there were several conflicting arguments among different research studies. Because of this reason it has given opportunity to study the impact of job rotation practices on employees' job performance by giving special consideration to the private and public licensed commercial banks as comparatively. Hence, this study will become a path of bridging the gap of knowledge.

Conceptual Framework

The conceptual framework has derived from two models. The independent variable, job rotation practices are based on the model of (Bennett and Ben, 2003). And the dependent variable, employees' job performance is based on the model of (Harbi, 2003).

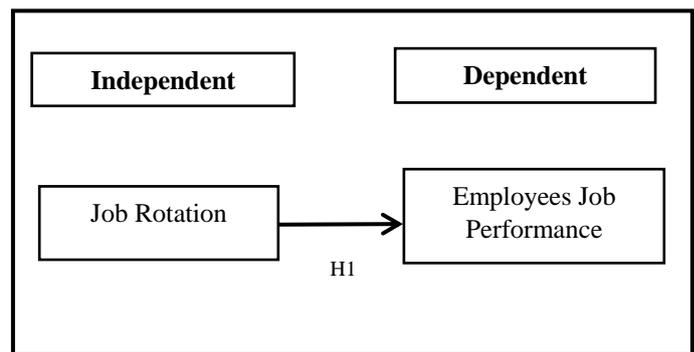


Figure 1: Conceptual Framework

Hypothesis

H0: There is no significance relationship between job rotation and employees job performance

H1: There is a significance relationship between job rotation and employees job performance

Methodology

The primary data were collected through self-administered questionnaires from four licensed commercial banks head offices as well as branches such as Bank of Ceylon, People's Bank, Commercial Bank of Ceylon PLC and Hatton National Bank PLC situated in Colombo district which has identified as the four largest banks in Sri Lanka (Fitch Ratings Report, 2016) as a comparative study between both private and public licensed commercial banks. Population of the study consist all the operational level employees in banks. Colombo district was selected due to the largest banking density (CBSL Report, 2013). Sample of the study consist one hundred operational level employees and 25 employees were selected from each bank by using convenience sampling technique. The questioner consists with 21 questions which are created based on five point Likert scale. Cronbach's Alpha Reliability Test was conducted to check the overall reliability of the questions of the questionnaire. According to the objectives of the study, descriptive statistics, Karl Pearson correlation and multiple regressions was used to analyze the collected data.

Results and Discussions

In the descriptive analysis there is a standard deviation of 0.2713 for private banks which indicate that the banks have a variance of 0.2713 in terms of JR. Overall analysis of the descriptive of JR concludes that there is a positive level of JR within Private Banks. For the public banks, there is a standard deviation of 0.4138 which indicate that the banks have a variance of 0.4138 in terms of JR. Overall analysis of the descriptive of JR concludes that there is a positive level of JR within the public banks also.

With reflect to the descriptive statistics of EJP, mean value for both banks illustrated all the bank employees agreed with their job performance. Overall analysis of the descriptive of EJP concludes that there is a positive level of EJP within both banks. There is a standard deviation of 0.3782 and 0.3994 for private and public banks respectively which indicate that the both banks have a variance of 0.3782 and 0.3994 in terms of EJP.

Pearson correlation R value 0.770 and 0.733 for private bank and public bank respectively indicates that the relationship between these two variables is highly positively significant. Those results indicate that there is a strong positive relationship between JR practices and EJP within the both banks. When paying attention to the p value of the Pearson correlation it is 0.000 where the relationship or the association is highly significant for both banks according to the confidence level of 0.05.

By using regression assumptions researcher tested the validity of the dataset in order to identify the suitability of the data to run the regression. The regression model is free from Heteroscedasticity, as per the normal Q-Q plot denoted most of the residuals are situated or distributed near to the linear line. Therefore, the residuals can be considered as normally distributed for both banks. In relation to the collinearity diagnostic all VIF value is less than 5 and the tolerance value is greater than 0.2 for both banks. Therefore, researcher can conclude that there is no multi collinearity in the regression results. Finally the Durbin-Watson value for the private bank was 2.27 and in the public bank it was 2.02 it is around to 2.0 and there is no autocorrelation. Hence, from the diagnostic tests results researcher identified that the data set is more valid to extract the regression results.

Table 1: Multiple linear regression analysis

Model	B Coefficients	Std. Error	P
(Constant)			
Private	-0.941	0.444	0.039
Public	0.927	0.327	0.007
WFJR			
Private	0.415	0.111	0.001
Public	0.346	0.089	0.000
CFJR			
Private	0.732	0.121	0.000
Public	0.410	0.092	0.000

Source: Author's Calculation based on analytical results from SPSS

As per the table Constant (B0) was -0.941 for the private bank which illustrate that while all JR practices equal to zero, employee's job performance was -0.941 and also 0.927 for the public bank which illustrate that while all JR practices equal to zero, employee's job performance was 0.927. P Value of constant was less than 0.05 for both banks which statistically significant at 0.05 level of significant.

Then according to above Table 1, coefficient of within functional JR in private banks, when within functional JR was increased by one unit employee's job performance was increased by 0.415. Moreover, within functional JR is significant as p-value of 0.001 is less than the 0.05 level of significant. For public banks, when within functional JR was increased by one unit employees job performance was increased by 0.346. It can be seen that within functional JR contributed significantly to the model since p-value of 0.000 is less than 0.05 level of significant. Therefore, null hypothesis H0 is rejected and alternative hypothesis H1 is accepted. Hence, there is a significant relationship between within functional JR and employees' job performance for both banks.

Coefficient of cross functional JR in private banks, one unit of increase in cross functional JR while other variable remain constant, employees job

performance is increased by 0.732. For public banks, it increased by 0.410. It can be seen that cross functional JR contributed significantly to the model

since p-value of 0.000 is less than 0.05 level of significant for the both bank. Therefore alternative hypothesis H2 is accept for the both banks.

By using above information multiple regression model can be articulated as follows.

For the private bank,

$$EJP Pvt = -0.941+0.415WFJR+0.732CFJR$$

For the public bank,

$$EJP Pub= 0.927+0.346 WFJR+0.410 CFJR$$

Where,

EJP Pub = Employees Job Performance in public banks

EJP Pvt = Employees Job Performance in private banks

β0 = Intercept Parameter

β1 = Slope Parameter

WFJR = Within Functional Job Rotation

CFJR = Cross Functional Job Rotation

Table 2: Model summary of multiple linear regression analysis

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
Private	0.844	0.712	0.700		0.20727
Public	0.797	0.635	0.619		0.24656

Source: Author's Calculation based on analytical results from SPSS

According to the table 2 the R Square or Coefficient of determination for the model is obtained as 0.712 for private bank and it suggested that 71.2% of variation in dependent variable of employee's job performance is explained by independent variables within functional JR and cross functional JR in the private sector. The R Square or Coefficient of determination for the model is obtained as 0.635 for public bank. It suggested that 63.5% of variation in dependent variable of employee's job performance is explained by independent variables within functional JR and cross functional JR in the public sector.

Table 3: Analysis of variance (ANOVA)

Model	Sum of Squares	Degrees of Freedom	F	Significant
Regression				
Private	4.993	2	58.108	0.000
Public	4.962	2	40.807	0.000
Residual				
Error	2.019	47		
Private	2.857	47		
Public				
Total				
Private	7.012	49		
Public	7.819	49		

Source: Author's Calculation based on analytical results from SPSS

Since the P value is 0.000, which is less than 0.05 the null hypothesis is rejected and it was further suggested that the overall model applied, can statistically significantly predict the dependent variable EJP for both bank.

Findings of this study further established the findings of the previous researchers stated that there is an impact of CFJR on employees' job performance. Multiple linear regression analysis results provided all job rotation practices had significance impact on employees' job performance in both banks. But, cross functional job rotation had the highest impact on

employees' job performance in both public and private bank employees. Because of β coefficient value is greater in CFJR than the WFJR for both banks. Therefore, regression results confirmed that when banks adapting cross functional job rotation practices have a highest impact towards the employees' job performance within both private and public banks.

Conclusion and Recommendation

According to the literature it showed that job rotation as a strategy had a significant effect on the employees' job performance. Based on the arguments discussed in the literature review of the study, there are several scholars who identified that job rotation practices impact on employees' performance in many organizations. Literature regarding the job rotation basically comprised with two aspects such as the employees perspective and the organization perspective. Many arguments which present in the literature review identified that there is a strong positive relationship between the requirements of job rotation and job performance of employees though the performance measurements are differ within some studies. Through the finding of this study the previous findings are further clarified. Employees' job performance was tested using performance measurement indicators and the findings derived that there is a strong positive relationship between job rotation and employees job performance in both private and public banks as per the previous scholars arguments, (Alquraan, 2011) identified that there is a positive relationship between job rotation and employees job performance. Questionnaire of this study was distributed among both private and public banks in Colombo District and the findings conclude that those banks included within the sample improved their employees' performance with adapting job rotation practices. And also with the strong positive relationship the researcher was able to derive that there is a positive impact of job rotation practices on employees' job performance within the both private and public banks based on the findings, since some previous literature stated that (Nasiripour et al., 2009) there is no significant impact of job rotation practices on employees' job performance. By deriving job rotation practices, cross functional job rotation gives the highest impact on employees job performance than the within functional job rotation in both banks. But, by comparing both banks the impact of cross functional job rotation on performance of the employees is higher in private banks than the cross functional job rotation of public banks. Therefore, it can be concluded that to increase the job performance of the employees related to Colombo district private bank assistance should pay attention to the increase cross functional job rotation. Further, through this study the researcher conclude that job rotation practices are highly influenced on the employees' performance of private banks than the public banks. The reason behind that is the new experience, new ideas, new trends are rapidly attracted to the different sections, different departments and towards the new banking activities within the private banks than public banks. Since those are revealed the cross functional job rotation in a bank, it creates highly and positively impact on the performance of the private banks.

In terms of the perceived impact of job rotation on employees' performance, it is important to ensure that job rotation give the way to ensure the acquisition of new skills, experience, and the ability to obtain various knowledge and capabilities from various departments and obtain a clear insight of the organization that will enhance the employees' job performance. The results also reflect that employees believe that job rotation increases employees' relations, communications and their ability to flexible with the changing activities. Therefore, these things reveal that arranging job rotation practices regularly will give the insight to obtain the better employees performance from the employees who are working in both private and public banks. Giving proper training for the employees before rotating to other departments which they are not rotated earlier. The results of the study reflect the impact on employees performance related to the job rotation is lower in public banks by comparing private banks. Therefore, this can be suggested to focus the attention of the management of the public banks. It gives the concentration for enhancing the performance of the employees. The management can take the initiative to develop the employee skills in various units, departments and the functions. With that total employee efforts will be displayed in the different job tasks and with that it gives the support to further enhance the performance. Accordingly, the managers need to prepare better and suitable arrangement for employees when they are rotated in to different areas and with that managers can understand the positive results from that areas and it decrease job stresses also. Providing practical participation of employees in job rotation and develop a broader program for its improvement. These instructions can be used for any banks and also introducing proper job rotation with suitable time duration within both private and public banks in order to further enhancing the

employees' job performance and to gain the better outcome for the organizations through the rotating employees in to various tasks.

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