

# The Effect of Job Rotation Practices on Employee Job Performance; Mediating Role of Intrinsic Motivation (with Special Reference to the Private Commercial Banks in Sri Lanka)

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## ABSTRACT

Job rotation is a broadly used approach followed by many organizations to make more committed employees towards work at various levels of the hierarchy of the organization. This strategy identified as a motivating factor for the employee development. Thus the study focus on two objectives as To identify the impact of employee job rotation practices on job performances of Operational levels employees in banking industry of Sri Lanka and To identify the impact of employee job rotation practices on job performances through intrinsic motivation of Operational levels employees in banking industry of Sri Lanka. Questionnaires were administered to collect primary data from the 100 operational level employees in private commercial banks in Colombo district. Descriptive statistics, Regression analysis as well as Baron and Kenny Mediation Analysis method were directed to analyze the data by using SPSS statistical package. The study revealed that job rotation is an important programme for allowing employees to acquire new skills, enhance staff productivity, develop new relationships across the company and gain skills needed for future career advancement and it impact on the employee job performances. Moreover mediating analysis implies that Intrinsic Motivation partially mediate the relationship between Job Rotation Practices and employee Job Performances. The findings of the study will beneficial for the employers to structure their job rotation practices to develop employee performances in the future.

**Keywords** - Job Rotation Practices, Job Performances, Intrinsic Motivation, Commercial Banks, Mediation Analysis and Banking Industry

managing human resources. The ultimate goal of each business organization is to enhance the organization's wealth. This can be achieved through the results of the worker. Human humans may vary not only in appearance, but in ability as well. Consequently, their output may differ from one another, and it may also be assessed favorably or negatively. Therefore, employee performance can be acknowledged based on the multiple work or task data they are performing. Work rotation methods are employee movement among various duties and roles that will be comparable in nature (Torrington and Derek, 1991). In addition, job rotation is a systematic shift from one work to another within an organization and treated as one of the ways to achieve various human resource goals. These practices enable the employees to make their career path in a workplace and ultimately it's increasing the employee's job performance. There are many reasons for implementing a job rotation practices within an organization such as increased product quality, giving opportunity to employees to explore alternative career paths and most importantly, preventing job boredom (Adjei and Dora, 2012). Employees who practiced job rotation are better able to find alternative works and they have obtained many skills in their jobs that they have rotated within the organization (Hutchinson, 1999). According to the findings, it reflects with the achievements of these things through the job rotation, ultimately it gives the path to enhance the employees' job performance. But, there are some negative attributes also associated with job rotation (Hsieh and Chao, 2004). When rotation occurs at longer periods, it gives the progress to human resource development. On the other hand, it has connected with many organizational issues such as work stress, employee's performance, employees' satisfaction and their commitment and so on.

Banks are considered as one of the financial institutions which rotate their employees from one job to another across various departments or various units for multiple reasons depending on specific needs of an organization. On the other hand, banking sector plays a durable role by creating conducive environment where

## I. INTRODUCTION

Human resource is one of any organization's most significant assets to gain competitive benefits and create the organization's success. Its capacities help transform the other resources into production. Therefore, it is a significant element in any organization. Any resources in an organization can be imitated by the competitor but the human resources are unique. Thus, the performance of an employee in an organization is a significant element of

employees can acquire with the required knowledge, competencies and attitude to create value for the organization (CBSL report, 2014). Therefore drawing from this gap the current studies try to identify the impact of job rotation practices on employee job performances with the mediating effect of intrinsic motivation.

#### **Research Objectives**

1. To identify the impact of employee job rotation practices on job performances of Operational levels employees in banking industry of Sri Lanka
2. To identify the impact of employee job rotation practices on job performances through intrinsic motivation of Operational levels employees in banking industry of Sri Lanka

## **II. LITERATURE REVIEW**

Most of the researchers define the job rotation in different ways. Job rotation is an interesting mechanism for employees to work in different positions and jobs as possible. It is considered as the lateral transfers of employees between jobs in an organization. In job rotation employees are moving among the different jobs time to time and this movement focus to achieve different purposes (Bennett and Ben, 2003). Moreover, it can be identified as shifting of employees from one task to another where each task requires different skills and responsibilities. In similar fashion, job rotation can be identified as a horizontal displacement of workers in different stations so that each workstation requires different skills and responsibilities (Dorri et al., 2013). The main objective of job rotation is shifting employees from a job to another in order to increase their motivation and enthusiasm as well it requires transferring employees from one unit to another to increase their ability in all fields. According to the (Delpasand et al., 2010) Job rotation is considered as a method of designing jobs in different sections, and solved the tiredness caused by repetitive job tasks with a change in duties and tasks while Some scholars said it is an movement of staff in jobs at the same level in the organization as they are not promoted in the job where they are rotated. This strategy is considered as systematic movement of employees from one job to another at planned intervals (Dessler et al., 2009). It involves periodic shifting of employees from one task to another.

Job rotation is an excellent way for the organizations to develop their employees (Beatty et al., 1987). Thus, it is necessary for employees to work in different organizational units in order to acquire organizational knowledge to accomplish the future responsibilities and duties. Job rotation called as the multi-tasking, lateral transfer and job-shadowing. Many businesses use job rotation as a means to learn operations

and become "well-rounded" employees and also it can be identified as a succession planning tool. Therefore, through the rotational activities it affords benefits to the employees as well organization also. Job rotation can be assigned as the process of switching a person from job to job which increases an employee's capabilities by sustaining the value to an organization (Edward, 2005).

The importance of job rotation has been identified in almost every corporate setting all around the world. Thus, both the employees and employers of an organization can benefit from job rotation practices. Rotational activities help to encourage the employees to be more satisfied in their work which may serve as a competitive weapon for an organization. If employee job is rotated to different operations, they can identify what they are good at and what they enjoy doing and also those activities advances the employee's abilities and mutual understanding of their job and it enhance team effectiveness and facilitate the employees for promotions after successful achievement of work rotation programs (Fægri et al., 2010). Moreover, job rotation helps to enhance the business by developing flexible work practices, sensible and practical working arrangements and also to open up a range of career choices for all employees (Hutchinson and Jo, 1999). On other hand, it helps the organizations to bring a durable outcome from each employee to the firm's value base (Arogyaswamy and Simmons, 1993). Today, most of the financial institutions including banks to introduce well-designed job rotation practices which allow the employees to learn and adapt new skills and knowledge as well as to enhance the existing knowledge and skills of them. Besides, sometime job rotation programmes which are conducting in the organizations are categorized based on the employees existing capabilities and competencies. Based on the scholars, job rotation practices has prepared based on the work practice of the employees to promote the acquisition of new skills and qualifications and to increase the output (Jaturanonda et al., 2006) while it as the working in varying posts or situations at some time periods which are categorized based on a range of individual knowledge, skill and capability of employees (Jerez Gómez et al., 2004).

In the employers' side, they see rotation as a way of acquiring skills needed for promotion and enables employees to acquire best practices from a number of different tasks and it is a good way to build one's career (Baro and E, 2012). They believe that those practices contribute to enhance employees' capabilities and their perspectives also (Ho et al., 2009). Job rotation helps human resource managers to determine who can be replaced by whom and create a suitable and useful fit. Further, the practices of job rotation give the support for the managers to relocate employees conditionally and

regularly in different positions with different incentives (Mir Sepasi and N, 2012). In the organizational side, they learn more about its own employees if they can observe how employees perform at different jobs (Eriksson et al., 2006). Job rotation erects more benefits as well as sometime drawbacks on the employees. In some studies, researchers stated list of benefits of job rotation (Bennett and Ben, 2003) while some are stated drawbacks of job rotation programmes (Lavender and A, 1990) and (MacLeod et al., 1993). Beside, these rotational practices may be the challenge on the employees' carrier path also. Followings are the two dimensions which can be used to measure the variable of job rotation.

### III. METHODOLOGY

The primary data were collected through self-administered questionnaires from four licensed private commercial banks head offices situated in Colombo district which has identified as the four largest banks in Sri Lanka (Fitch Ratings Report, 2016). 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 35 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, Carl Pearson correlation and multiple regressions was used to analyze the collected data. Baron and Kenny four step mediator analysis models employed to identify the mediating effect. And moreover, to identify the indirect effect of the mediator researcher used Sobel test analysis.

### IV. FINDINGS OF THE STUDY

Descriptive analysis provides a clear summary regarding the sample of the study. The majority of the operational level employees in this research sample were female employees (76%) and the age group 25 to 35 was the most frequent age category who is working in the private commercial banks in Sri Lanka (67.3%). Significant numbers of employees who are employed in this industry have 5-10 years of service experience and it is identified as 78.7% of the sample.

Based on the analyzed data the correlation value between independent and dependent variable was 0.84 which implied that there was a strong positive relationship. Furthermore, p-value of the results was 0.000 which emphasizes that there was a significant positive

relationship between independent and dependent variables at 0.05 significant level. This illustrate when job rotation practices increase, employee job performances would be increase.

TABLE 1  
COEFFICIENT TABLE

Model	B Coefficients	Std. Error	P value
Constant	-0.941	0.444	0.039
JR	0.415	0.111	0.001

Source; Based on analyzed data

In order to identify the impact of job rotation practices on employee job performances the researcher has perform simple regression analysis and the results shows a significant positive impact from job rotation practices on employee job performances at 0.05 significant level. Hence, the equation can be derived as follows;

$$EJP = -0.941 + 0.415 JR$$

TABLE 2  
ANOVA TABLE

Model	Sum of Squares	Degrees of Freedom	F	Significant
Regression	4.993	1	242.37	0.000
Residual Error	2.019	98		
Total	7.012	99		

Source; Based on analyzed data

As per the results of the ANOVA table the model is significant at 0.05 significant level.

TABLE 3  
MODEL SUMMARY TABLE

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
Banks	0.844	0.712	0.700	0.20727

Source; Based on analyzed data

Based on the model summary table, the derived model is explained 71% of the variation of the dependent variable. Therefore the model is a good fitted model for the future prediction of the impact between job rotation practices and employee job performances at 0.05 significant level.

#### Mediator Analysis

In order to identify the mediating role of the Intrinsic Motivation with the relationship with independent and the dependent variable, Baron and Kenny mediator analysis was conducted. The result of the mediating analysis is summarized as follows;

TABLE 4  
SPSS OUTPUT OF MEDIATOR ANALYSIS

Path	B (unstandardized coefficient)	Standard error	B (standardized coefficient)	P value
C path	0.415	0.064	0.413	0.000
A path	0.544	0.061	0.544	0.000
B path	0.631	0.043	0.630	0.000
C' path	0.121	0.080	0.322	0.000

Source; Based on analyzed data

The above table revealed that the all four paths are significant with the coefficients of 0.415, 0.544, 0.631, 0.321 at the 0.05 significant levels. Based on the Baron and Kenny four step model, to exist a mediating effect A path as well as the B path should be significant at 0.05 significant level. Thus based on the analyzed data the A path and the B path is significant. Hence mediating effect of Intrinsic Motivation is existing between Job Rotation Practices and employee Job Performances with reference to the private commercial banks in Sri Lanka. When consider about the C path and the C' paths the data support for a statistically significant relationship between those paths as well. When compare the c path and c' path there is a significant difference between the coefficients of the two paths.

$$C \text{ path} - c' \text{ path} = 0.415 - 0.121 = 0.294$$

Based on the above difference, when mediator is in the model, the effect of independent variable on dependent variable is reduced. Coefficient difference is 0.294 and it implied that intrinsic motivation partially mediates the relationship between job rotation practices and employee job performances at 0.05 significant level.

Moreover, Sobel calculation illustrates the portion of Job Rotation Practices on employee Job Performances due to the mediating effect of Intrinsic Motivation and it is 31.23% at the 0.05 significant level. Thus, the Mediator analysis and Sobel test identified that intrinsic motivation partially mediates the relationship between the Job Rotation practices and Employee Job Performances.

## V. CONCLUSION

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 private commercial banks in Sri Lanka. The findings also show

that staff thinks that job rotation improves the relationships, communications and capacity of staff to be flexible with evolving operations. Thus, these things show that arranging regular job rotation procedures will give insight to the staff who works in private banks to achieve the better output of staff. Moreover, by adopting job rotation practices organizations able to intrinsically motivate employees and it will lead to improve the job performances of the employees who are working in the banking sector of Sri Lanka.

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