

*Full Length Research Paper*

# **Impact of job rotation on employee motivation, commitment and job involvement in banking sector of Pakistan**

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Accepted 5 June, 2012

The purpose of this research is to find out, to what extent job rotation enhances employee motivation, commitment and job involvement working in the banking sector of Pakistan and in banks in general. Survey methodology was used for this research. 285 valid responses were generated from bankers working in seven major banks operating in province capital. Statistical package for the social sciences (SPSS) 16 was used to analyze the data through descriptive statistics and correlation analysis. The study found that most of the subjects have spent an appreciable span of time working in banking sector and have been rotated time to time throughout their careers. It was found that when employees are rotated to different jobs across various departments, they become less motivated whereas more committed and involved in their respective jobs. Recommendations are made on how job rotation practices could be improved in banks as a reasonable amount of investment is made annually by banks on rotating its employees for personnel development. Some implications for future research are also drawn from the study. There are few studies of job rotation in the literature. This research paper enhances the understanding of a little studied topic.

**Key words:** Job rotation, motivation, commitment, job involvement, banking sector, Pakistan.

## **INTRODUCTION**

Banking is one of the most important and significant businesses all over the world. It plays very important role in strengthening the whole financial structure of an economy as well as contributes towards the development of the overall economy of a country and Pakistan is no exemption from this scenario. Banking industry in Pakistan accounts for 95% of the financial sector. Pakistan has a well-established banking system which includes a wide variety of financial institutions ranging from a central bank to scheduled commercial banks to specialized financial agencies to cater for specific requirements of various sectors of the country.

Today, the major concern for the financial institutions including banks is 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 (Smith et al., 1995). Performance of different tasks across various departments and in-depth understanding of technological advancements are demanded by the organizations today (Snow et al., 1992). The best way for the financial institutions to serve their employees in order to enhance the motivation, commitment and job involvement is to provide them effective training programs and job rotation is one of them because it is carried out at trainee's own place of work using the same methods, materials and procedures that will continue to be used subsequent to the training on their actual jobs (Lock, 1998).

Job rotation has been defined as systematic movement of employees from one job to another at planned intervals (Dessler and Varkkey, 2009; Malinski, 2002). It involves periodic shifting of employees from one task to another where each task requires different skills and

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responsibilities (Beatty et al., 1987; Robbins, 1996). Torrington and Hall (1991) described the job rotation as movement of employees among different tasks and positions which will probably be of similar nature. 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.

The importance of job rotation has been long recognized in almost every corporate setting all around the world. Job rotation is an excellent way for the organizations to develop employees, managers and executives (Beatty et al., 1987). It enables the training of employees to be backups for other employees so that the organizations have a more flexible work force and a ready supply of trained employees which serves as a competitive edge for the organizations (Rothwell and Kazanas, 1994). Job rotation also improves employee's problem-solving abilities and shared understanding of the job, enhances team efficiency and enables the employees to avail promotion opportunities after successful completion of job rotation programs (Faegri et al., 2010). Thus, both the employees and employers can benefit from job rotation practices.

The study aims to provide the empirical understanding regarding the extent to which job rotation programs motivate the employees working in banking sector of Pakistan and in banks in general and how much it is beneficiary for the banks to enhance the commitment and job involvement of their employees. This research enlightens manager's views regarding the importance of job rotational practices and its contribution towards the employee commitment, motivation and job involvement. This research is organized as follows; an overview of the related literature; methodology of the research; analysis of data collected; conclusion of the research by discussing the findings and provides the implication of this research in detail.

## LITERATURE REVIEW

Today, almost every organization spends huge amounts of dollars annually on training activities whether for technical, managerial or personnel development (Dolezalek, 2005), with a hope that such investments in training programs would result in improved organizational performance (Valle et al., 2009; Salas and Cannon-Bowers, 2001; Saks and Belcourt, 2006). The changing nature of today's corporate environment and the intense global competition where consumers demand more quality services require the organizations to have human resources which possess high levels of motivation,

commitment and job involvement in order to compete and survive in a market-driven system effectively (Elbadri, 2001; Jamil and Md.Som, 2007; Neff, 2002; Combs and Bourne, 1995; Renaud et al., 2006).

One excellent thing on job training tool is job rotation. Job rotation has been defined as systematic movement of employees from one job task to another at planned intervals (Dessler and Varkkey, 2009: 304; Malinski, 2002). Job rotation is said to be an excellent way for the organizations to develop their employees (Beatty et al., 1987). Organizational scholars claim that rotating the employees from one department to another is not a luxury but a necessity of today's professional climate as it provides an intermittent opportunity to employees to tackle higher-level diversified tasks which bring about greater job interest and involvement among them and subsequently enhance their job performance (Eitington, 1997; Leat, 2007; Campion et al., 1994).

Today organizations design customized job rotation programs by asking employees about their career aspirations in order to meet their needs for career satisfaction, have more loyal and committed workforce because by satisfying the longings, managers give greater hope and confidence to employees, which enhance their loyalty to the organizations (Zigarelli, 2004; Leat, 2007). Rotational assignments also encourage the employees to be more content and satisfied in their work and enhance their job involvement which may serve as a competitive weapon for an organization in today's dynamic corporate environment. It also helps the organizations to bring about a durable outcome of the commitment of each employee to the firm's value base (Arogyaswamy and Simmons, 1993).

Today's professional climate compels the financial institutions including banks to introduce well-designed job rotation programs which allow the employees to learn and adapt new skills and help them to keep themselves up-to-date. The skill variety, task significance, autonomy, task identity, feedback and empowerment inherent in job rotation significantly enhances employee motivation, commitment and job involvement by making the work more interesting which would otherwise become bored and tired of always performing the similar tasks and show a little loyalty to their employers (Zeira, 1974; Schein, 1968; Pruden, 1973; Near, 1985; London, 1983).

Thus, job rotation is said to be an excellent tool for enhancing employee motivation, commitment and job involvement which are very important for smooth and effective functioning of an organization (Zeira, 1974; Schein, 1968). But the literature on the topic is deficient with regard to the need and impact of job rotation on employee motivation, commitment and job involvement. However, there are some valuable discussions in the existing literature during the past decade about the importance of job rotation in predicting motivation, commitment and job involvement of employees.

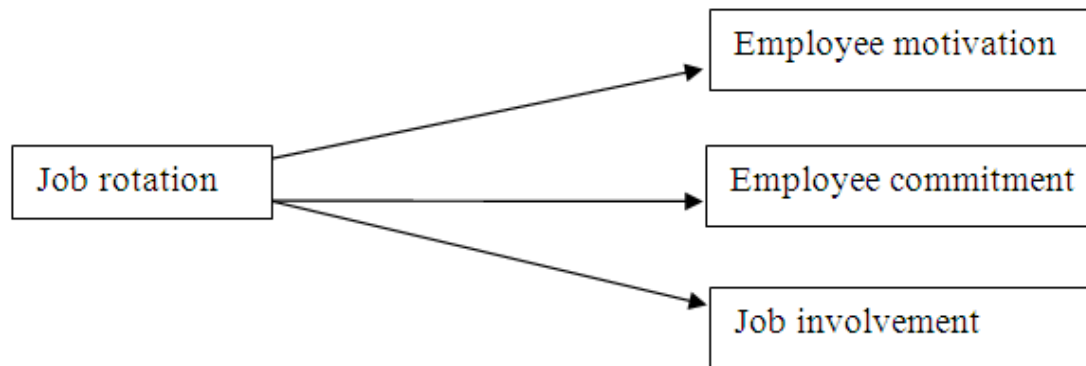


Figure 1. Framework of the study.

Organizational researchers claim that job rotation is one of the strong predictors of employee motivation, commitment and job involvement. It reduces the boredom and fatigue of the jobs and enhances the employee motivation through diversification of the tasks which is highly recommended for the innovative organizations to develop the work-force in order to meet the current and future requirements of the dynamic corporate environment (Adomi, 2006; Huang, 1999; Campion et al., 1994).

As we can observe that there are so many challenges and difficulties to be faced by today's banking sector. One of the most important strategies for financial institutions of 21st century must be the practicing of effective and well-designed job rotation programs in order to keep the employees motivated, committed and involved in their respective jobs as well as to make them up-to-date regarding the rapidly changing professional climate which is critical for any organization to survive and compete in today's market driven system effectively. The framework for the study is shown in (Figure 1).

## METHODOLOGY

The survey method is used for this descriptive study, using the questionnaires as data collection instrument. Questionnaires allow time to the respondents to think about the research questions which produce more meaningful answers (Peil et al., 1982). The scale was developed to measure the extent of Job rotational activities in the bank's using five point likert scale, there were four items in the scale and reliability score of the scale was 0.801 using Cronbach's alpha. The employee motivation scale was based on previous research on the topic (Armstrong, 2006; DeCenzo and Robbins, 1996; Robbins and Coulter, 1996; Berman et al., 2010; Kamery, 2004; Nelson, 1996) and had six items. While the 15 item scale was adopted from Mowday and Steers (1979) for employee commitment and a 23 item job involvement scale was adopted from Uygur and Kilic (2009). A demographics section was also included in the questionnaire containing questions regarding gender, age, work experience of the respondent and about the type and nature of the bank respondent is working in.

Stepwise random sampling technique was used to locate the respondents and questionnaires were filled by them. In the first step

a list of banks was developed which contained all the banks operating in Pakistan that is, 27. Then through lottery method 1/3rd of these banks were selected for the study that is, 9. The branches of these banks were then located and selected randomly which are operating in the larger cities of Punjab province of Pakistan that is, Lahore, Faisalabad, Multan and Sialkot. The researcher personally visited the selected branches and distributed the questionnaires among the all employees present in the branches. A total of 450 questionnaires were distributed among the employees of the banks, 50 for each selected bank. Minimum two and maximum 5 branches of a bank were visited to get the questionnaire filled. Out of total distributed questionnaires, some respondents refused to participate in the study and some questionnaire returned were deemed incomplete and useless for the analysis. The total respondents took part in the study were 400 and 115 questionnaires were found incomplete and were excluded from the analysis. Our final sample used for the study constitutes 285 responses which were completed in all sense. These were used for the final analysis of the study. The response rate for the study is 63% which is quite good.

For the purpose of analysis the descriptive statistics and correlation analysis were used. The descriptive statistics would not only describe the characteristics of the sample but also would entail the extent of the prevalence of variables of the study in the banking sector of Pakistan. The correlation analysis would be used to establish the relationship among the dependent and independent variables.

The hypotheses to be tested in the study are as under:

**H<sub>1</sub>:** Job rotation has a significant relationship with employee motivation.

**H<sub>2</sub>:** Job rotation has a significant relationship with employee commitment.

**H<sub>3</sub>:** Job rotation has a significant relationship with job involvement.

## Analysis and Interpretations

Table 1 provides the demographical distribution of the respondents with regard to various categories. The respondents were distributed according to type of bank, nature of bank, their respective level of job, gender and their qualification. As provided by table out of a total 285 sample 261 respondents belonged to the private banks while remaining 24 were from private banks, the reason for the lower ratio of respondents from public bank is that only one bank that is, National Bank of Pakistan is public in the recent era. The ratio of respondents was also higher from conventional banks that is, 93.7% and much lower from Islamic banks that is 6.3%. Thus,

**Table 1.** Demographics (Categorical).

Demographics	Category	Number of respondent in category	Percentage
Type of bank	Public	24	8.4
	Private	261	91.6
	Total	285	100
Nature of bank	Conventional	267	93.7
	Islamic	18	6.3
	Total	285	100
Level of job	Manager grade	159	55.8
	Non manager grade	126	44.2
	Total	285	100
Gender	Male	240	84.2
	Female	45	15.8
	Total	285	100
Qualification	Graduation	105	36.8
	Masters	159	55.8
	Others	21	7.4
	Total	285	100

**Table 2.** Summary statistics of dependent and independent variables used in this study.

	Mean	Standard deviation
Job rotation	3.46	1.015
Employee motivation	3.78	.566
Employee commitment	3.54	.520
Job involvement	3.51	.501

this study has a limitation with regard to number of respondents from Islamic banks included in this study and would not be generalizable to this category of banks.

Further, we have 159 (55.8%) respondents from manager grade, while other 126 (44.2%) were from non manager grade for level of job. Gender distribution indicates a lower number of female respondents that is 45 (15.8) that could be due to the less number of employments of females in the banking sector of Pakistan. For qualification 55.8% of the respondents were master degree holders, 36.8% were graduate degree holders, while remaining 7.4% did some diploma/ course like Association of Chartered Certified Accountants (ACCA), etc. Moreover the respondents were aged between 21 to 56 years having experience ranging from 1 to 25 years of experience with the banking sector.

Table 2 provides the summary statistics of the dependent and independent variables included in the study. Job rotation that is, the

independent variable has a mean value of 3.46 with a quite higher standard deviation of 1.015 indicating that on the average respondents think that there exist moderate level of job rotational activities in the banks but larger standard deviation indicates towards the difference of opinion of the respondents with regard to extent that employee motivation on the other hand has a mean value of 3.78 along with standard deviation of 0.566 indicating that bankers in the industry are moderately motivated workforce. The mean score of employee commitment and job involvement are close to 3.5 with a standard deviation more than 0.5 thus indicating the bankers are moderately committed to their organization and moderately involved in their jobs as well.

Table 3 provides the correlation matrix for the dependent variables that is, employee motivation, employee commitment and job involvement with independent variable that is, job rotation. All variables are significant at 1% level of significance. Thus, the study

**Table 3.** Correlations.

		Employee motivation	Employee commitment	Job involvement
Job rotation	Pearson correlation	-0.170**	0.228**	0.161**
	Sig. (2-tailed)	0.004	0.000	0.006
Employee motivation	Pearson correlation		0.189**	0.172**
	Sig. (2-tailed)		0.001	0.004
Employee commitment	Pearson correlation			0.293**
	Sig. (2-tailed)			0.000

\*\* Significant at level 0.01.

accept all three of the hypothesis; H1, H2 and H3, respectively stating that Job rotation has a significant relationship with motivation, employee commitment and job involvement. Employee commitment and job Involvement have positive coefficients of correlation as expected with values 0.228 and 0.161 respectively indicating a significant but weak correlation between independent variable that is, job rotation and dependent variables that is, employee commitment and job involvement. On the other hand, the coefficient sign of correlation between employee motivation and job rotation yielded a negative sign which is against our expectation. The correlation however, is also weak in this case as indicated by value of 0.17.

Moreover, the interrelationship of all dependent variables used in this study is significant and positive, implying that employee commitment, employee motivation and job involvement are positively associated with each other. The relationship among these three dependent variables however, is weak as indicated by their correlation coefficients. Employee commitment yielded correlation coefficients of 0.189 and 0.172 for employee commitment and job involvement respectively. While, a coefficient value of 0.293 was found for the correlation of employee commitment and job involvement.

## DISCUSSION AND CONCLUSION

This study was conducted to highlight the importance of the job rotation as a training method and to access its impact on the employee motivation, commitment and job involvement. The study documented a weak and positive impact of job rotation on employee commitment and job involvement and a weak negative impact of job rotation on employee motivation. Previous research on this topic also provide evidence of a positive impact of the job rotation on the employee commitment and loyalty with the organization (Zigarelli, 2004; Leat, 2007; Ho et al., 2009), same findings are put forward for the variable of job involvement (Pruden, 1973; London, 1983; Near, 1985). But the relationship with the employee motivation do not match with the available literature (Adomi, 2006) but some researchers suggested other consequences of job rotational activities such like Eriksson and Ortega (2006) who postulated that job rotation is used frequently in the organization with low promotion opportunities but the final

outcome of a training initiative is promotion and if the expectations of the employee are not satisfied he might become unmotivated. Moreover, Yinhua (1994) also provided that rotational activities might have some negative influence on the employees of the organization because people working on a task do not want to hand over it to others with a fear to lose mastery over it and there is also seen a decrease in the quality of output and productivity of the employee being rotated that might also have some consequences. In the banking sector of Pakistan, the reason for this negative relationship might be the excessive pressure which is inherent in the banking industry and the fact that when some employee get rotated he not only copes up with his new responsibilities but also partially perform his old duties due to managers belief that he is proficient in what he was doing before and the employee replacing him is not that proficient yet. Moreover, a positive but weak interrelation between all three independent variables that is, employee motivation, employee commitment and job involvement was also found. Moreover, the research on the topic is mostly done in the developed countries where human resource (HR) department is very active in job rotational activities and look after each issue regarding the trainability and pressure handling of employee with regard to his new duties, but we targeted the banking sector of a developing economy that is, Pakistan. This could also be a reason of this negative relationship. The correlation, however, is also weak as indicated by a small correlation coefficient vale. This issue however, needs special attention and in-depth investigation in this particular phenomenon which would be more fact revealing.

Findings of this research indicates that employee commitment and job involvement could be slightly increased by boosting up job rotational activities in banking sector of Pakistan while the issue of employee motivation is still debatable and we call for more research in this area to understand the phenomenon in more accurate and appropriate way.

This research is important in several ways; first the impact of overall training of employees has widely been studied in management research areas but individual impact of various training methods particularly, on the job training methods are somewhat neglected area of attention from researcher around the world, this study is the first attempt to highlight the importance of the training methods as on separate bases. Second, developing countries lack sufficient evidence with regard to different aspects of work life and work related behaviors and Pakistan particularly is deficient in many aspects of understanding regarding the organization related research. So, it is useful to look into the phenomenon to probe into the yet unanswered questions and provide explanations which are relevant particularly in the scope of a particular sector of a particular economy and rechecking the finding on different sectors by applying and researching the phenomenon in detail. Third, the usefulness of this research has practical implications as it provides managers the explanation of the employee behavior in the specific context of job rotation that could be useful or dangerous to their organization apart from the traditional benefits such as a technique for skill building and enhanced exposure and drawbacks.

So, the duty of HR managers in this sense is to incorporate the planned rotational activities in the overall training program of the bankers in order to realign the efforts of the employees in the direction of the shared goals and vision of the organization. It is not only the demand of this competitive era but also a key to equip employees with diverse skills and expertise.

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