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JOB ROTATION: AN EXAMINATION OF ITS EFFECT ON EMPLOYEE PERFORMANCE AT KCB BRANCHES IN THE NORTH RIFT REGION, KENYA

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Abstract: *Non financial motivators are very essential in maximizing the performance of employees. Literature shows that there is little study of a considerable depth that has been carried out to determine the effect of non financial motivation strategies on employee performance. The objective of the study was to determine the effect of job rotation on employee performance, a study of Kenya Commercial Bank. The study was conducted in 6 KCB branches in the North Rift region. The study adopted a case study research design approach. Census technique was used to collect data from 6 branches of Kenya Commercial Bank in the North Rift Region. The study relied on both primary and secondary data. Primary data was collected through questionnaires while secondary data was sourced through review of relevant records. Data analysis for this study was conducted through qualitative and quantitative methods. Questionnaires were tested for reliability and validity. Data coding, entry and analysis was carried out using Statistical Package for Social Sciences (SPSS Version 20.0). The analyzed data was presented using frequency tables, proportions and percentages. Research findings indicate that majority of the respondents acknowledge that job rotation affected their performance. From regression analysis, it was observed that job rotation contributed to 55.29% of employee performance.*

Key words: *Job rotation, Employee performance*

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INTRODUCTION

Top-performing employees are an asset to organizations, and companies that focus on keeping their productive employees engaged will experience long-term benefits (Denka, 2009). Similar management studies also support that when employees are motivated, their productivity increases and are more satisfied with their current position, and both factors have been linked to greater organizational success and performance (Drake *et al.,* 2007).

According to the KCB Group website the group has over 5,000 employees. The percentage of employee turnover is 5% i.e. 250 employees per year which is very wanting as it is not within the industry policy of 1% as set out by the Federation of Kenya Employers. The worst case is employee strike of 1998 where the bank fired over 500 employees after the workers strike due to lack of provision of insurance on customer deposits and fringe benefits. The bankers association of Kenya in the same year did not agree with then minister of finance who was Hon. Simeon Nyachae hence igniting the striking of the lower cadre of non-management staff of Kenya commercial bank which lead to them being fired.

Kenya commercial bank was then forced to recruit staff to fill in the positions left by the then striking employees. Since then, the bank has had several management strategies to ensure effective and excellent employee performance. This includes both financial and non-financial motivational strategies to boost the performance of its employees. From the bank branch management some of the non-financial motivational strategies employed by the bank include job rotation, training and career development, promotions and recognition. However, the bank has still been experiencing challenges in its annual performance which in some instances has influenced its annual financial performance and massive employee turnovers. The challenge to the bank has thus been to determine the factors affecting its performance and this study sought to put an effort by objectively analyzing the effect of job rotation on employee performance.

LITERATURE REVIEW

Two Factor Theory

Herzberg's (1959) two factor theory distinguishes between two broad categories of factors that affect people working on their jobs. According to him the key to true job satisfaction and motivation lies on the motivators (intrinsic factors): achievement, recognition, responsibility, advancement, growth and the work itself (Bateman and Zeitham 1993).

Herzberg believes that such factors are the main driving force of satisfaction and that they help boost the employee to work harder and better, due to the motivation that is brought about.When these factors are present jobs are presumed to be both satisfying and motivating for most workers. Hygiene factors (extrinsic factors) reduce dissatisfaction when they are present to an acceptable degree. However, they do not necessarily result in high level motivation. When hygiene factors are absent, they act as dissatisfies.

In the Two-Factor Theory, the presence of certain factors would serve to increase the individuals' job satisfaction but the absence of those factors would not necessarily promote job dissatisfaction. Job factors cited as causing dissatisfaction are supervision, working conditions, interpersonal relationships, pay, job security, company policies and administration The gratification of certain factors called motivators lead only to minimal dissatisfaction; for example, when hygiene factors are not gratified, negative attitudes are created producing job dissatisfaction. According to Herzberg's research, motivators are the conditions that truly encourage employees to try harder. Focusing on hygiene factors will not be enough, and managers should also enrich jobs by giving employees opportunities for challenging work, greater responsibilities, advancement opportunities, and a job where their subordinates can feel successful (Pride *et al,* 2005).

JOB ROTATION

Job rotation is the surest way of keeping the employee away from complacency and boredom of routine. It is difficult for an employee to sustain his interest in a given job for any substantial length of time as humans have the tendency of outgrowing their jobs through the learning and experience that they gain over a period of time. Stimulating human mind through diversity of challenges is a sure way to bring to forefront its creative instincts and in taking the individual and organizational performance to a higher plane. This is where job rotation can prove to be a handy tool (Pride *et al*., 2005). Job rotation gives the employee the opportunity to develop skills in a variety of changing jobs.

In job rotation, employees will make lateral moves the majority of the time, but job rotation can also involve a promotion. It must start with an end goal**.** The goal of the job rotation determines the job changes. Thus, if a department in which every employee is cross-trained to do every job is the goal, a careful structuring of the rotation must occur. If the development of individual employees, for eventual promotion, to advance the employees' career options, to avoid job boredom, or to create backup help for vacation times, is the goal, the job rotation plans will differ. Effective job rotation specifies the goal. Job rotation must be carefully planned. An optimum training plan helps the employee build upon the skills learned at each step of a job rotation. So, the plan involves the employee participating in a series of jobs on a path that other employees have followed that resulted in a fully trained employee, or the accomplishment of the goal (Pride *et al.,* 2005).

Fowler (2001) revealed that when an employee does one kind of job week-in week-out, they will always get de-motivated to carry on with their work more especially when the work is not very challenging. Fowler suggested that employees need to be rotated around the organization to meet new challenging tasks in order to keep their minds busy and feel like they are doing something for the organization. However, Clifton (2000) disagrees with these revelations. He asserts that job rotation does not actually lead to motivation of the employee; it just helps the employees not to get bored with their work. In other words it helps the employers to maintain a certain level of motivation in employees.

CONCEPTUAL FRAMEWORK

This is based on Elton Mayo (1880 – 1949) theory; he believed that workers are not just concerned with money but could be better motivated by having their social needs met whilst at work (something that Taylor ignored).

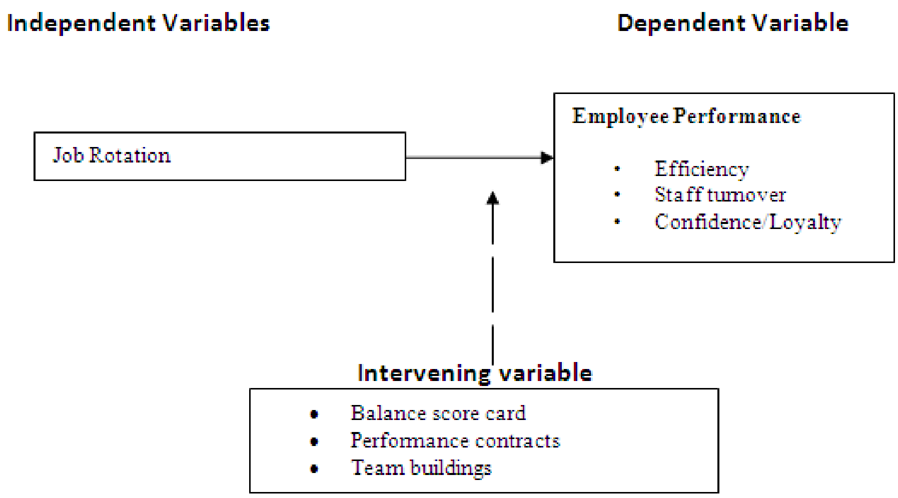

Fig 1: Conceptual Framework

Source: Authors own compilation (2014)

He introduced the Human Relation School of thought, which focused on managers taking more of an interest in the workers, treating them as people who have worthwhile opinions and realizing that workers enjoy interacting together. From the conceptual framework, job rotation has an impact on employee performance as cited by (Pride et al., 2005). This is because in job rotation, employees will make lateral moves the majority of the time, but job rotation can also involve a promotion. It must start with an end goal. The goal of the job rotation determines the job changes.

METHODOLOGY

The study adopted a case study research design technique in investigating the effect of non – financial motivational strategies and employee performance. According to Noor (2008), a case study is not intended as a study of the entire organization but rather intended focus on a particular issue, feature, and unit of analysis. In addition, a case study method is appropriate when probing an area of interest in-depth (Patton, 2002). The study employed a Census approach that mapped between the objectives of the study and finally designing questionnaires that would capture data that relates to the objectives earlier identified (GAO-US, 2005). This is preferred over other designs in cases where the sample size is small and manageable.

The target population for this study was made up of Branch managers from the 6 branches, bank employees from different sections of the bank which includes: Operation section, Customer service, Credit section, Business development and Sales section. The population frame was provided by KCB Operations division with a target population of 196 employees. From census there were 196 KCB employees from 6 KCB branches in Northern Rift Valley region.

The study employed census sampling to select all the 196 respondents from the 6 KCB branches, within Northern Rift valley. Newman (2000) argues that, the main factor considered in determining the sample size is the need to keep it manageable enough. This enabled the researcher to derive from it detailed data at an affordable cost in terms of finance and human resource. The researcher ensured a high degree of correspondence between a sampling frame and sample population during the study as the accuracy of the sample depended on the framework.

The data gathered was prepared for analysis by coding, categorizing and recording. SPSS version 20.0 for windows was used for data analysis. Data obtained was subjected to quantitative analysis. The data was analyzed through descriptive statistics whereby percentages, averages and frequencies were used. Inferential statistics were used to determine the effect of job rotation on employee performance. The inferential statistics used were Karl Pearson product moment correlation (bivariate analysis) and simple linear regression analysis. Probability levels were set at 95% (0.05) for job rotation and 1% for training, career development, recognition and promotion. Tables and narratives were used for data presentation.

RESULTS AND DISCUSSION

Effects of Job Rotation on Employee Performance

The first objective of the study was to establish the effects of job rotation on employee performance at KCB. In realizing this objective, the researcher found it credible to first establish whether this strategy was being operationalized at the branches or not. The findings indicate that majority of the respondents (95%) accepted that job rotation was being applied at the bank branches. The researcher's queries on job rotation mainly focused on questions such as; "this is a good place for training and personal development", "It is possible for new employee to shift to a sensitive sections in the organization", "Job rotation is only applicable to lower cadre employee", "Do you agree with the rotation cycle in the bank?" and "Job rotation is essential in day today work environment." This is clearly illustrated in Table 1.

Table 1 Extent of job rotation at KCB

	Mean	Std. Deviation	Skewness	Kurtosis
It is possible for new employee to shift to a sensitive sections in the organization	2.8944	1.23947	0.22	-0.667
Job rotation is essential in day today work environment	1.2667	0.53482	1.907	2.752
Do you agree with the rotation cycle in the bank	3.1278	1.28607	-0.082	-0.978
Job rotation is good for training and personal development	2.9222	1.29224	0.115	-0.982
Job rotation is only applicable to lower cadre employee	2.1167	1.10497	0.52	-1.093
Valid N (list wise) 180				

Source: Research Data (2014).

From the above table 1, it's clear that majority of the respondents from the study agreed that job rotation is essential in the day to day work environment with a mean response of 1.3 which could be rounded off to 1 in the likert scale as strongly agree. Job rotation allows new employees at the bank to shift and have access to sensitive sections in the organizations and this as one of the aptly said reduces the notion of being alienated from the organization one is working with. This boosts the employees' morale and that most of them agreed with how the rotation cycle was done at the bank. However, quite a good number of the respondents were neutral on the notion that job rotation was good for training and personal development with a mean of 2.9 rounded off to 3.0. This, through further probing, the research revealed that most of the employees' rotated from one section in the bank to another but in most cases continued with the same work or exercise they were doing in the previous section and vice versa hence, there was no training and personal development.

Pearson Product Moment Correlation between the Employee Performance and Job rotation

To check on the effect of job rotation on employee performance, a bivariate correlation analysis was computed at 0.01 significance levels where the average score on job rotation was correlated against employee performance and the result are as presented in Table 2.

Table 2 Pearson Product Moment Correlation between job rotation and employee performance

		Staff rotation	Performance
Staff rotation	Pearson Correlation	1	.934**
	Sig. (2-tailed)		.000
	N	180	180
Performance	Pearson Correlation		1
	Sig. (2-tailed)		
	N		180

Source: Research Data (2014)

The result show that there exist a positive correlation (*p*=0.000) between job rotation and employee performance at KCB. The results are also significance at 0.05 levels. The strength of the relationship was found to be strong as espoused by Cohen and Manion's framework (Creswell, 2003). This therefore means that job rotation has a strongly positive effect on performance and therefore leading to the conclusion that KCB management need to rethink and redesign their job rotation structure to increase performance of employees.

Effect of Job rotation on Employee Performance

To conclude on the main objective of the study, a simple regression analysis was computed to check on the effect of job rotation on employee performance at KCB. The results are presented in Table 4.10 (a, b and c).

Table 3 (a) ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16728.148	3	5576.049	55286.395	.000[a]
	Residual	17.852	177	.101		
	Total	16746.000[b]	180			

Source: Research Data (2014)

The analysis of variance (ANOVA) table is used to test several equivalent null hypotheses; that there is linear relationship in the population between the dependent variable and the independent variable, that all of the population partial regression coefficients are 0, and that the population value for multiple R^2 is 0. The result established significant regression equation, F (55286.395) =65.854, $p<0.05$. Therefore, there was a linear relationship between employee performance and the predictor in the population, at least one of the population partial regression coefficients of the predictors is not 0, and the population value for multiple R^2 is not 0.

Table 3 (b) Model Summary

Model		R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
						R Square Change	F Change	df1	df2	Sig. F Change
dimension0	1	.999[a]	.999	.999	.31758	.999	55286.395	3	177	.000

Source: Research Data (2014)

Table 3 (c) Coefficients

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
Job rotation	.710	.009	.985	76.911	.000	1.000	1.000
b. Dependent Variable: Employee performance							
c. Linear Regression through the Origin							

Source: Research Data (2014)

The result from the model summary shows that the coefficient of multiple determinations is 0.5529; therefore about 55.29% of the variation in employee performance is explained by job rotation strategies employed by Kenya Commercial Bank. The remaining 44.71% of the variation in employee performance could partly be attributed to other factors not specified in this model and to the error term in the regression equation. Since the R^2 value was above 99% then it is considered high and reliable. This model was very useful for making predictions since the value of R is close to 1. This therefore means that by KCB employing job rotation, this could improve employee performance. Hence using the constant and β coefficients of job rotation (X_1), an estimated prediction (regression) equation for this model can be written as follows;

$$\hat{Y}=0.253+0.985\ X_1+0.31758$$

The results show that job rotation had positive regression coefficient. This means that when other factors have been kept constant and job rotation increases, employee performance likely increases by 98.5%. The findings imply that job rotation has a high motivational power in KCB. This argument concurs with Maslow's concept of prepotency (Newstrom, Reif, and Monczka, 2006). According to Maslow, if a need is important to the individual and presently a deficiency exists between what is perceived as an appropriate level and what is presently provided, then it has a great motivating potential.

CONCLUSION AND RECOMMENDATIONS

The study concluded that job rotation is usually applied at KCB as a non – financial incentive to improve performance. KCB management needs to restructure and redesign their job rotation framework as non – financial motivator to improve employee performance in their organization.

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