

# Job Rotation Practices in Accounting Firm: Its Effect on Employee Performance and Job Satisfaction Level

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## ABSTRACT

Most manufacturing organizations, unlike other types of business activities, are normally utilizing a total labor for bookkeeping capacities. Essential capacities among others incorporate monetary, general, cost, speculation, settled resources, treasury, payables, receivables, finance and tax assessment and administrative prerequisites. Staying and working in just a single capacity of representing a drawn out stretch of time now and then makes worker get exhausted and wasteful. To stay away from this, there are very quantities of preparing advancement programs which are accessible to be received by an association to build representatives' abilities, gifts, and information. These preparation strategies are intended to inspire, illuminate, refresh, familiarize and instruct workers on what to do along these lines guaranteeing productivity in the bookkeeping operation of an association. Among the different strategies accessible to the administration of an association is the example that makes it conceivable to move representatives from one capacity to the next every now and then, to gain information and abilities of what is reachable in different ranges of their work. This sort of preparing is alluded to occupation revolution.

It gives the worker the chance to create abilities in an assortment of evolving occupations.

## Keywords

Job rotation, transfer & training, Job satisfaction, performance and productivity

## 1. INTRODUCTION

Top-performing employees are an asset to organizations, and companies that focus on keeping their productive employees will experience long-term benefits [1] (Denka 2009).

Good employee performance might be achieved in different techniques and among those various techniques is job rotation. Job rotation program enables a worker to make a career in a work place and stand the chance of climbing the leadership ladder to the top. That is, gaining promotion from one level to another based on his competency, efficiency, productivity, and effectiveness in the performance of a given task. Thus, an employee who must have undergone a complete job rotation training program in a given organization, would not only have mastered the entire operational process, but must have gotten enough experience to train others or to manage the firm in a long-run.

### 1.1 Statement Of The Problem

This study intends to determine the effect of company's job rotation practices on employee's level of performance in accounting department.

Specifically, the study aims to answer the following sub-problems:

1. What is the employee's level of satisfaction on the transfer and training employed by the company as part of job rotation practices?
2. How does the employees rate the level of performance in relation to company's job rotation practices in terms of:
  - 2.1 Productivity
  - 2.2 Career development
3. Is there significant relationship between job rotation and employees level of performance?

## 2. SIGNIFICANCE OF THE STUDY

The positive results of this study, should the company hasn't implemented the job rotation practices yet, will help them realize the benefit of it on employees and their organization.

On employees, the company will help them improve their performance, productivity and develop their career that will make them satisfied to stay for long period. In return, this is an employee's big contribution for better operations of the business.

Job rotation practices also help the company in saving costs. Selecting, hiring and training new employee take time and need budget. Through job rotation, the transfer and training to employees only require a short time and a minimal spending. Job rotation might also help the company to avoid fraud inside the company between employees and other parties.

## 3. LITERATURE REVIEW

### 3.1 Job Rotation

Job rotation has been defined as a systematic movement of employees from one job to another at planned intervals [2] (Dessler and Varkkey, 2009). It involves periodic shifting of employees from one task to another where each task requires different skills and responsibilities [3] (Robbins, 1996). Torrington and Hall [4] (1991) described the job rotation as movement of employees among different tasks and positions which will probably be of similar nature. Job rotation is a training method followed by the organization to develop the employees in various department where they can gain diversified learning of job skills for a specific period of time and job rotation is a practical approach to enrich and expand the job assignments of the employees [5] (Seibert & Kraimer, 2001). Job rotation is also a useful experience for education of individuals whom have potential talent for holding senior organizational positions. Thus, it is necessary for them to work in different organizational units in order to acquire essential organizational knowledge for fulfilment of future responsibilities and duties [6] (Abtahi, 1997, p: 93).

On the other hand, Jaime [7] (2000) stated that job rotation promotes psychological and physical health of employees

through creating positive attitudes on employees, facilitating their health and increasing the variety of work through reduction of boredom to work, seeing things in a new perspective, decreasing in physically demanding portfolios and having self motivation towards their positions in organizations.

Campion, [8] Cheraskin and Stevens (1994) study job rotation inside the finance department of a large U.S. pharmaceutical company. First, they find that tenure has a negative effect on the rate of job rotation: junior employees rotate more frequently than senior employees. Second, the educational level has no significant effect on the rate of job rotation. Third, individual performance has a significant positive effect on the rate of rotation. Fourth, the rate of rotation has a moderate positive effect on the rate of promotion. Last, the authors use a questionnaire to complete the data that they have collected from personnel records. In that questionnaire employees are asked their opinion about the benefits of job rotation. According to most employees, job rotation provides increased knowledge.

[9] Kusunoki and Numagami (1998) study the patterns of interfunctional mobility of engineers in a large Japanese company. They proved that there is a positive relationship between the employee's speed of promotion and the rate of rotation.

### 3.2 Job Transfer & Training

[10] Moshabaki (2006) defines job transfer as a transfer from a job to another, both are though relatively similar in terms of position, responsibility and skills. It may be temporarily or permanently. Those transfers conducted due to transiently reducing and increasing workloads, absence or illness are temporary transfers and those considered to perpetually reducing or increasing workloads are called permanent transfers. Put it differently, if people are transferred in identical positions, job rotation is created.

Training is a type of activity which is planned, systematic and it results in enhanced level of skill, knowledge and competency that are necessary to perform work effectively. Training is a program that helps employees learn specific knowledge or skills to improve performance in their current roles. The training given to the employees improve their performance by the way of development in their skills [11] (Hazel and Tzafir, 1999). [12] McEnvoy (1997) also concludes that training of the employees can improve their commitment level, knowledge sharing and their honor to work in the organization.

### 3.3 Job Satisfaction

The study of job satisfaction is a topic of wide interest to both people who work in organizations and people who study them. Job satisfaction has been closely related with many organizational phenomena such as motivation, performance, leadership, attitude, conflict, moral etc. Researchers have attempted to identify the various components of job satisfaction, measure the relative importance of each component of job satisfaction and examine what effects these components have on employees' productivity.

[13] Spector (1997) refers to job satisfaction in terms of how people feel about their jobs and different aspects of their jobs. [14] Ellickson and Logsdon (2002) support this view by defining job satisfaction as the extent to which employees like their work. Employees who have higher job satisfaction are usually less absent, less likely to leave, more productive, more likely to display organizational commitment, and more likely

to be satisfied with their lives (Lease, 1998). Job satisfaction and dissatisfaction not only depends on the nature of the job, it also depends on the expectations what the job supply to an employee [15] (Hussami, 2008).

### 3.4 Employee Performance & Productivity

Performance refers to the accomplishment of something or mere working effectiveness. Employee performance is defined as the outcome or contribution of employees to make them attain goals [16] (Herbert, John & Lee 2000). [17] Afshan et al. (2012) define performance as the achievement of specific tasks measured against predetermined or identified standards of accuracy, completeness, cost and speed. Employee performance can be manifested in improvement in production, easiness in using the new technology, highly motivated workers.

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 [18] (Eittington, 1997; Leat, 2007).

In scientific literature, 'productivity' is defined as the relationship between output and input; between results or proceeds and sacrifices. Employee productivity is an assessment of the efficiency of a worker or group of workers. It may be evaluated in terms of the output of an employee in a specific period of time.

### 3.5 Career Development

Job career generally means job progression. It is defined, from human resource perspective, as a model of experiences relating to work specifying people's way of life [19] (Babaei Rahimabadi, 2011). Job career is a multidisciplinary and multifaceted system including horizontal and vertical promotion, rotation in similar positions, teamwork, and the development of individuals' capabilities to better and more usefully do activities [20] (Soltani, 2013).

Studies by [21] Ortega (2006) indicated job rotation could be used for development of knowledge and fusion both in breadth and depth and when this strategy takes effect those who have rotated are expected to master new knowledge and to integrate all facets of knowledge resources in the organization. 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 [22] (Faegri et al., 2010).

Based on a study conducted by [23] Metin et al. (1998) job rotation is important in two aspects namely; an employee who rotates without changing the portfolio accumulates experience more than the one who does not. Hence, it is an effective tool for career development.

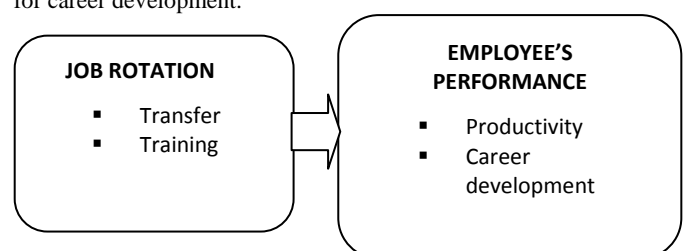


Figure 1: Conceptual framework

**Hypothesis:**

**H1 – Job rotation affects the level of employee’s performance as it makes employees satisfied and more productive.**

**H2 – Job rotation affects the level of employee’s performance in developing their career that might lead to promotion**

**4. METHODOLOGY**

**4.1 Sources of data and method**

A survey of fifty-five (55) employees from six different manufacturing companies inside economic zone in Batangas was conducted. The respondents were rank-and-file employees up to managerial level. The gathered data were analyzed using (1) descriptive statistics whereby frequency, percentage and weighted mean were used to interpret the results and (2) Pearson product moment correlation to interpret the relationship between independent and dependent variables.

The following formulas were used to analyze and interpret the results:

- $Percentage = \frac{f}{n}$

where:

f = frequency (number of respondents)  
n = total number of respondents

- $Weighted\ Mean = \frac{\sum fx}{n}$

where:

$\sum$  = sum total  
f = frequency  
x = item value  
n = total number of respondents

- Pearson product moment correlation:

$$r = \frac{n(\sum xy) - (\sum x)(\sum y)}{\sqrt{[n\sum x^2 - (\sum x)^2][n\sum y^2 - (\sum y)^2]}}$$

where:

r = degree of relationship between x and y  
x = observed data for the independent variable  
y = observed data for the dependent variables  
n = number of respondents

**4.2 Questionnaire**

The questionnaire starts with the demographic profile of the respondents followed by the Likert scale-type questionnaire to answer all the problems under study and ends with the problems encountered by the respondents and recommendations, if any. Likert scale was used to determine the effectiveness of job rotation and the level of employees’ satisfaction. It was also used in determining the level of agreement of the respondents as scaled as follow: 4 as strongly agree, 3 as agree, 2 as disagree and 1 as strongly disagree.

**5. RESULTS AND DISCUSSION**

Seven (7) out of fifty-five (55) employees or 12.7% are not affected by job rotation because the company is not yet employing the said rotation but they have plan to employ it in the near future. It will be noticed that the total number of

accounting functions, which is 72, is higher than the fifty-five total respondents. Managers and supervisors have more responsibilities than lower level and therefore they’re handling more than one function. Respondents’ demographic profile

In rating the effectiveness of company’s job rotation practices, 47 out of 48 respondents or 97.9% confirmed its positive effect. This result to a weighted mean of 3.25 interpreted as “Effective”. With regard to productivity and career development, weighted mean are 3.19 and 3.35, respectively and also interpreted as both “Effective”.

Likewise, 97.9% also confirmed their satisfaction with the company’s job rotation practices. This result to a weighted mean of 3.17 and interpreted as “Satisfied”. The summary of level of effectiveness and employee satisfaction will be illustrated in Table 1.

There are twelve (12) statements in Part II of the questionnaire that the researcher provides to test the level of agreement by the respondents and it is divided equally between productivity and career development. The results indicate that 99% of the respondents agreed that job rotation has significant effect to employee’s productivity and career development. The test also results to an average weighted mean of 3.44 and 3.48, respectively, and both are interpreted as “Agree”. This positive level of agreement also proves that job rotation has significant relationship to employee performance as a confirmation to the first and second hypothesis. The summary of the result will be found and illustrated in Table 1.

**Table 1: Summary of the Survey Questions**

Survey Questions	4	3	2	1	Total	Mean	Interpretation
Q1. How would they rate the effectiveness of their company’s job rotation practices?	13	34	1	0	48	3.25	Effective
Q2. How satisfied are they with the company’s job rotation practices?	9	38	1	0	48	3.17	Satisfied
Q3. How would they rate the effect of their company job rotation practices with regard to employee productivity?	9	39	0	0	48	3.19	Effective
Q4. How would they rate the effect of their company’s job rotation practices with regard to career development?	18	29	1	0	48	3.35	Effective

**Table 2: Summary of Effects of Job Rotation on Performance**

*On Productivity*

Effect of Job Rotation on Performance	4	3	2	1	Total	Mean	Interpretation
1. Job rotation reduces boredom of employees.	16	31	1	0	48	3.31	Agree
2. I have accumulated a lot of experience through job rotation.	20	28	0	0	48	3.42	Agree
3. Job rotation has promoted communication between employees.	21	27	0	0	48	3.44	Agree
4. Since coming to this organization, I have developed positive attitude towards learning.	17	31	0	0	48	3.35	Agree
5. Job rotation broadens my knowledge and skills in doing my skills.	29	19	0	0	48	3.60	Strongly Agree
6. Job rotation improves my planning and organizing skills	24	24	0	0	48	3.50	Strongly Agree
<b>Average weighted mean</b>						3.44	Agree

**On Career Development**

Effect of Job Rotation on Performance	4	3	2	1	Total	Mean	Interpretation
7. I believe that job rotation has improved may job stability.	21	27	1	0	49	3.44	Agree
8. I am confident that job rotation has increased our efficiency in learning.	28	20	0	0	48	3.58	Strongly Agree
9. Job rotation increases my job opportunities.	27	21	0	3	51	3.56	Strongly Agree
10. Job rotation is a tool for career development that will lead to promotion.	22	22	0	0	44	3.35	Agree
11. I'm satisfied that job rotation has led employees to advanced learning.	26	22	0	0	48	3.54	Agree
12. Job rotation leads to more expertise on training for new jobs.	19	29	0	0	48	3.40	Agree
<b>Average weighted mean</b>						<b>3.48</b>	<b>Agree</b>

**6. CONCLUSION**

Based on the results of the survey, it is conclusive to say that job rotation affects the employees’ job performances positively and favourably in manufacturing. Job rotation is an effective tool to improve employees’ productivity and in developing employees’ career. It is also beneficial to the company to save time and cost in lieu of hiring and training new employees.

**7. RECOMMENDATIONS**

Job rotation is an effective tool that positively affects employees’ performance but not in all cases. There were some respondents that encountered some problems with regard to timing and turnover of assigned jobs. It is therefore the responsibility of a manager to have a proper planning, timeline, proper training and closely monitoring of work progress to assure the effectiveness of transfer and rotation during the transition period. In addition, the company should provide external training and seminars to the employees to fully understand the assigned jobs.

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