

# Job Hopping Tendency among Young Talents in Banking Industry of India

Mr. Santosh Kumar

Research Scholar in Management, Himachal Pradesh University  
E-mail: [sksankhyan666@gmail.com](mailto:sksankhyan666@gmail.com)

---

**Abstract**—Banking industry in India is one of the most preferable industry in terms of the employment opportunities for the young talents of the country. Every year a huge number of young talents are employed by the various public and private sector banks of the country. But as per the present scenario the tendency of job hopping has become common among the newly employed talents. Job hopping refers to the tendency of an individual, where he or she works in one organization on one position for a smaller period of time and switch to another organization rather than staying at any one job or organization for long term. The present study has been conducted to know about the various factors that contribute to create the tendency of job hopping, the study also focuses to know about the impacts of job hopping tendency on the career of these young talents, and on the organization from where these talents are relieving. The data for the present study has been taken from various secondary and primary sources by administering a well-designed questionnaire from 50 respondents between the age group of 20 to 35, working in various public and private sector banks. At the end of this study certain suggestions are proposed to control the tendency of job hopping so a talent can sustain for a long run in an organization and the loss of organization can be avoided.

**Keywords:** Banking Industry, Job Hopping, Young Talents.

## 1. INTRODUCTION

India's banking sector is sufficiently capitalized and well-regulated. The financial and economic conditions in the country are far superior to any other country in the world. Indian banking industry has recently witnessed the roll out of innovative banking models like payments and small finance banks. The Indian banking system consists of 21 public sector banks, 21 private sector banks, 45 foreign banks, 56 regional rural banks, 1,551 urban co-operative banks, 96,612 rural co-operative banks.

The banking sector of India is one of the biggest sector in terms of providing job opportunity to young talents. Every year thousands of young talents joins banking sector as their career destiny. But from last few years a tendency of job switching is observed among these talents. This phenomenon is generally called as job hopping. A job hopper is someone who works briefly in one position after another rather than staying at any one job or organization long-term. Although most people change jobs more frequently than was the case in

the past, job hoppers do so more often. Job hopping is a pattern of changing companies every year or two of one's own volition rather than as a result of something like a layoff or company closure.

## 2. LITERATURE REVIEW

Ng, Hirono & Siy, 1986 has studied that the problem of job hopping is not only found in skilled workers, technicians or engineers, but also in managers and executives in the technology firms. Simons, 1995 found that job hopping phenomenon could be found in different industries like hospitality industry or hotel industry. Vallabh and Donald, 2001 conducted a study to examine the differences in job hopping behaviors between black and white managers. In their study, job hopping is described as excessive movement between jobs and such hopping behaviors are usually done by people who are in the managerial level and driven by their greed and desire of receiving higher salaries. Muffels, Tsakoglou & Mayes, 2002 found that Job hopping is the better method to enhance income and be beneficial to one's long term career prospects than staying in the same organization. Aswathappa, 2005 studied that employees changing jobs frequently would lead to frequent labor shortage in the company. Gray & James, 2007; Freedman, 2008; has found that job hopping phenomenon seems to be common in technology related industries. Trunk, 2008 (as cited Nkomo, & Thwala) found that there are also negative perceptions from employers to job hoppers. They were perceived as always ready for leave the company, unpredictable, lack of commitment as well as irresponsible. Mtungwa, 2009 has revealed through his research that job hoppers has never stay long enough in the companies, they are assumed as those who do not make contributions to the companies, not learn enough skills or gain enough experiences from their jobs and not adapt to the organization cultures. Witt, 2011 has revealed that the problems of job hopping are not only found in skilled workers, but also the managers. Some job hoppers who are at managerial level did not have any actual contributions to improve companies' productivity. Lim, 2013 has revealed that job hopping would seriously influence the efficacy of companies and the economy as well as retard the acquisition

of skills by labors. *Lake & Highhouse, 2014* has studied that job hopping motives were derived from examining factors such as: personality traits, impulsivity, proactivity, persistence, self-concept, career self-efficacy, growth need strength, previous quitting behaviors, and locus of control.

### 3. NEED OF THE STUDY

On the basis of above cited literature it can be stated that very few studies have been conducted in the area of job hopping tendency in banking industry and the very few aspects which motivates the young talents for job hopping in banking sector were cover and some are remain untouched in the previous literature. Keeping these facts in mind the present study is being conducted to suggest some suggestions in order to minimize the tendency of job hopping among young talents in banking industry so the banks can retain the best talents and the young talents can save their career as well.

### 4. OBJECTIVES

The present study have been undertaken to achieve the following objectives:-

1. To know about the various factors that contributes to create the tendency of job-hopping among young talents in banking industry.
2. To know about the impacts of job-hopping tendency on the career of young talents.
3. To know about the impacts of job-hopping tendency on the organizations from where the young talents are relieving.

### 5. METHODOLOGY

By using convenience sampling method data is collected from 50 respondents of various private and public sector banks through a well-constructed schedule.

### 6. SCOPE OF THE STUDY

The present study is conducted in Shimla area of Himachal Pradesh. The data is collected from the respondents working in the various public and private sector banks of the Shimla between the age group 20 to 35 years. Top five public sector banks which includes State Bank of India, Punjab National Bank, Canara Bank, Bank of Baroda, Bank of India and private sector banks which includes HDFC Bank, ICICI Bank, Axis Bank, Kotak Mahindra Bank, Indusind bank, in terms of their employee base has selected for the present study.

### 7. FINDINGS OF THE STUDY

Demographic profiles of the respondents are as out of 50 respondents 22% were between the 20-25 years age group, 62% were between 25-30 years age group and 16% were between the 30-35 years age group. Out of 50 respondents

62% were the male respondents and 38% were the female respondents. Educational status of the respondents 24% were graduate and 76% were post graduate. 28% of the respondents were married and 72% were unmarried. Income status of the respondents as 58% respondents were between the income group of 2.1 to 6 lakh and 42% respondents were between the income groups of 6.1 to 15 Lakhs. 32% respondents were of 1-2 years' work experience, 66% respondents were of 2-4 years' work experience, and 2% were of 4-6 years of work experience. Out of 50 respondents all the respondent has changed their job, 44% has changed their job once, 40% has changed their job twice, and 16% has changed their job thrice in their banking career.

**Factors that contributes to create the tendency of job-hopping :**The study has revealed that the various factors that motivates young talents for job hopping are enhanced salary package, promotion and career growth, relationship between employee and his superior, dissatisfactory work, taking experiences of working with new organization, unfavorable work environment, long working hours, work pressure, job location and area, and personal & family issue. These factors encourage young talents highly for switching the job. On 5 point Likert scale with the weighted average mean of 4.68 promotion and carrier growth is the major reason behind switching the job, after that with the weighted average score of 4.56 majority of the respondents are strongly agree that the enhanced salary package is second major reason for switching the job. Job location and area is regarded third major reason for job hopping with the weighted average mean of 4.12. Subsequently the weighted average score of unfavorable work environment was 3.48, personal and family issues 3.28, dissatisfactory work 3.22, taking experience of new organization 3.12, relationship with the superior 3.06, dissatisfactory working hours 2.84, and the weighted average score of work pressure was 2.54.

**Impacts of job-hopping tendency on the career of young talents :**The study has also revealed that the tendency of job hopping impacts positively as well as negatively on the carrier of young talents in many ways. On 5 point Likert scale with the 4.40 weighted average mean majority of the respondents are agree that job hopping leads to the growth and development of the career of the individuals. Majority of the respondents with the weighted average mean of 4.32 are agree that through job hopping an individual can gain an experience of working of different organizations. Majority of the respondents with the score of 4.18 are agree that job hopping increases the work experience and knowledge of an individual. The study found that through job hopping an individual can fulfill his or her financial needs, majority of the respondents are agree on the statement with the weighted average score of 3.74. Along with the above mentioned positive impacts of job hopping on the career of young talents, there are some negative impacts also. The study has revealed that majority of the respondents are agree with 3.96 weighted average score that job hopping puts a question mark on the job stability of

the employee. Also with the 3.14 weighted average score majority of the respondents are agree that job hopping affects in salary bargaining while individual switches the job. Also sometimes the individual faces the loss of job opportunity if frequently switches the job.

**Impacts of job-hopping tendency on the organizations from where the young talents are relieving :** The study has also revealed that the tendency of job hopping among young talents also impacts on the functioning of the organization from where the talent is switching somewhere else. On 5 point Likert scale with the 3.78 weighted average mean the majority of the respondents are agree that the job hopping leads to the increase in hiring cost of the organization from where the employee is switching the job, with the 3.64 weighted average mean majority of the respondents are agree that job hopping leads to the loss of huge training cost of the organization, a breakdown also comes in the existing customer relations of the organization from where the employee is relieving. Along with this study also revealed that the more job switching from one organization can also be a signal of bad organizational culture, and bad superior subordinate relationship, the weighted average score for both the statements was 2.56.

As per the discussion with the respondents few thing also revealed by the study that the tendency of job hopping is found more in private sector bank employees in comparison to public sector employees. In public sector banks job hopping is done only if the employee gets an opportunity of higher rank and higher salary. Job security and low work pressure in public sector banks leads to the more job stability of the young talents in banking industry.

## 8. SUGGESTIONS AND RECOMMENDATIONS

After the analysis and discussions following suggestions are recommended :

**Recommendations to organizations:** The organizations must provide a satisfactory salary package and timely career promotion and growth to their employees so they can stay remain with the same organization for a long period of time. The creativity of the employees must be encouraged and their participation in management must be appreciated so they feel organization as their family business and work dedicatedly for it. The work environment must be healthy, friendly and cooperative so the relations between superior and subordinates, lateral level can be made strong and long lasted bonding can be created among the employees. The employee must provide the job location where they feels comfortable and their personal and family issues can also be resolved easily also the employee can perform better on their home locations as he is having greater knowledge of local customers comparatively to the far locations. Working hours must be reasonable so the work life balance can be maintained and the employee can give a good time to his family and other relations also. This will lead to the longer relationship of the

employees with one organization and he performs his maximum for achieving the organizational goals.

**Recommendations to Employees :** The young talents must stay with one organization for a long period of time because the tendency of frequently switching the job puts a bigger question mark on their job stability and the recruiter is always in a dilemma that weather the individual will stay with them for a long period or not. This will also lead to the loss of job opportunity in long run and also affects the salary bargaining during the hiring time. The job hopping tendency also impacts negatively on the behavior of individual and loss of learning also occurs with the frequent job switching.

## 9. CONCLUSION

From the study it can be concluded that the job hopping tendency is an emerging problem in the banking sector these days and it has an adverse long term impact on the career of the young talents as well as on the functioning of the organizations. The factors that leads to the job hopping tendency among young talents must be rectified and the employees must be recognized with satisfactory salary and rewards so this problem can be overcome. Otherwise it will be a serious issue in future and the organization will face a huge amount of hiring as well as training cost on the employees. And off course if the employee switch more frequently he will face a loss of learning and will become a partial trained human asset have not proper and full knowledge of working and functioning of the organization.

## REFERENCES

- [1] Aswathappa, K. (2005). Human resource and personnel management. Tata McGraw-Hill Education.
- [2] Author. (n.d.). Reserve Bank of India. Retrieved December 15, 2019, from <https://www.rbi.org.in/>.
- [3] Brand India. (n.d.). Retrieved December 15, 2019, from <https://www.ibef.org/industry/banking-india>.
- [4] Fan, X., & DeVaro, J. (2015). Does Job Hopping Help or Hinder Careers? The Signaling Role of Work History. Unpublished Manuscript, University of New South Wales.
- [5] Freedman, M. L. (2008). Job hopping, earnings dynamics, and industrial agglomeration in the software publishing industry. *Journal of Urban Economics*, 64(3), 590-600.
- [6] Gray, M., & James, A. (2007). Connecting gender and economic competitiveness: lessons from Cambridge's high-tech regional economy. *Environment and Planning A*, 39(2), 417-436.
- [7] Lake, C. J. & Highhouse, S. (2014, May). Identifying and assessing job hopping motives. Poster presented at the annual meeting of the Society for Industrial and Organizational Psychology, Honolulu, HI.
- [8] Lim, C. Y. (2013). Singapore's National Wages Council: An Insider's View. World Scientific.
- [9] Mtungwa, I. Q. (2009). The Black Spot: A Critical Look at Transformation in the Workplace. N.A.: CreateSpace.

- 
- [10] Muffels, R. J., Tsakoglou, P., & Mayes, D. G. (Eds.). (2002). *Social exclusion in European welfare states*. Edward Elgar Publishing.
- [11] Ng, C. Y., Hirono, R., & Siy, R. Y. (Eds.). (1986). *Effective Mechanisms for the Enhancement of Technology and Skills in ASEAN: An Overview*. Institute of Southeast Asian.
- [12] Nkomo, W., & Thwala, W. D. (2009). Problems facing construction companies in retention of employees in South Africa: a case study of Gauteng Province. Retrieved from <http://ujdigispace.uj.ac.za/handle/10210/5299>
- [13] Rouse, M., & Rouse, M. (n.d.). Computer Glossary, Computer Terms - Technology Definitions and Cheat Sheets from WhatIs.com - The Tech Dictionary and IT Encyclopedia. Retrieved December 15, 2019, from <https://whatis.techtarget.com/>.
- [14] Simons, T. (1995). Motivating hotel employees. *Cornell Hospitality Quarterly*, 36(1), 20.
- [15] Witt, T. C. (2011). *IT best practices: management, teams, quality, performance, and projects*. CRC Press.
- [16] Vallabh, M. A., & Donald, F. (2001). A comparison of black and white managers on intent to leave and job mobility. *SA Journal of Industrial Psychology*, 27(2), 37-41.