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ROTATIONAL ASSIGNMENTS

USING THEM TO CREATE STRONG TALENT AND LEADERSHIP PIPELINES

BY CHRIS PARDO, SGMS-T

Companies increasingly believe that talent is the one issue that will have the biggest impact on their success as they expand globally. But whether growth is occurring domestically, regionally, or globally, the task of finding, developing, and retaining the best employees at all levels within the organization becomes ever more challenging. While many would love to say that their talent pipeline is stacked at various levels within and across the organization, the reality is that most companies still find “talent” to be their most critical issue to address.

According to PwC’s “19th Annual Global CEO Survey,” the No. 1 change that CEOs are making in their talent management agenda is to elevate their focus on better developing their talent and leadership pipelines.

Adding to the issue of global expansion is the employee-employer relationship landscape, which is changing due to the impact of technology on how and where work gets done, the changing face of workforce demographics, and the continuing

globalization of economies. *What has worked in the past to attract, develop, and retain employees is being challenged in this new dynamic employment atmosphere.*

In the recent “2016 Global CEO Outlook” from KPMG International, 99 percent of CEOs reported that they are taking increased actions to develop existing or future talent. They view talent development as a key focus to combat skills gaps, deal with volatile economies, and support clients in an increasingly wider geographic and cultural business spectrum. They need a generation of people with innovative ideas who can harness technology to drive customer loyalty and lead dynamic and responsive future growth initiatives.

How are they doing this? Enter rotational assignments! Simply put, rotational assignments are a series of two or more assignments for a specific employee, usually short-term in nature—under one year—but not necessarily. Rotational assignments are an example of where global mobility and talent management align perfectly to provide companies with programming that will attract, develop, and retain employees at all levels within the organization.



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From a talent management perspective, the biggest objective for rotational assignments is to ‘attract, develop, and retain high-performing, high-potential employees.’

The top two reasons companies implement rotational assignments are to:

1. Address critical business initiatives and projects.
2. Develop talent and leadership within their organizations.

In a 2015 report titled “Building the C-Suite Talent Pipeline,” The Center for Executive Succession highlighted that one of the most important corporate practices for developing a C-suite talent pipeline is to “provide rotational assignments for high-potentials across departments and/or functions.”

And the development and usage of rotational assignment programs is trending up! According to Plus Relocation’s recent “Exploring Rotational Assignments Survey Report,” a whopping 88 percent of companies predict that their rotational assignment activity will increase or remain the same in 2017 as compared to 2016. Additionally, of the 66 percent of companies that do currently send employees on rotational assignments, nearly two-thirds of companies already have formalized (written and documented) policies and procedures in place to support them. In fact, the majority of companies have more than one rotational program, as 59 percent indicated that they have two, three, or more policies developed for managing different rotational assignment programs within their company.

Of the one-third that do not have a formalized program in place, 77 percent plan to develop a formal program. Of the 34 percent who reported they are not currently using rotational assignments, half of them indicated that they plan to.

At every employee level, rotational assignments are a great way for companies to broaden an employee’s skill base, stretch their management and leadership capabilities, increase the employee’s level of engagement, and ultimately retain them as valued employees. Let’s briefly consider rotational assignment programs for three employee levels: college graduates, midlevel managers, and higher-level executives:

- College graduates are attracted to rotational programs that provide the opportunity to learn a variety of positions within the company as they explore their internal career. A typical approach would be three- to four-month unaccompanied assignments in three locations before returning or landing in a specific spot, which is most frequently the home location starting point.
- Midlevel managers improve skills, increase their ability to adapt, and raise the level of their engagement through multiple assignments in different environments while working with a mentor. A typical approach here would be six- to 12-month assignments—often unaccompanied, but not always—in two to three locations.
- Executives gain critical corporate knowledge and key market insights and hone their leadership skills as they work through their rotations on the way to top leadership positions. A typical approach here would be 12- to 18-month accompanied assignments in three locations.

Innovative companies leveraging rotational assignment programs benefit when employees move further along the talent development pipeline and go on to



lead key future growth initiatives. The challenge of developing a strong leadership pipeline is particularly compelling at the highest level, the executive leadership level. Deloitte’s “Global Human Capital Trends 2015” stated, “For the third year in a row, leadership soared to become one of the most pressing talent challenges faced by global organizations. Nearly 9 out of 10 global HR and business leaders (86 percent) cited leadership as a top issue. Fully 50 percent of respondents in our survey rated their leadership shortfalls as ‘very important.’ Yet only 6 percent of organizations believe their leadership pipeline is ‘very ready’—pointing to a staggering capability gap.” Too few leaders receive any development, and there is a lack of corporate investment that ultimately results in a weak leadership pipeline.

When these programs combine the use of a mentor who is within senior leadership, the ability to assess ROI and support the success of employees is dramatically improved. The Plus survey revealed that 4 out of 5 companies are actually using coaches or mentors in their rotational assignment programs and that this feature helps attract candidates to the rotational experience, disseminates key knowledge from within the organization, enhances the transition periods at the beginning and end of each rotation, and improves post-assignment retention rates, helping employees map out their careers post-repatriation.

What companies need from employees is changing, parallel to what employees want from employers. Those companies that figure out the “magic formula” are the ones that will win the talent game and, in

so doing, will beat their competition. This magic formula is often referred to as a company’s “EVP” or employee value proposition. It is the EVP that is at the heart of the employee experience. In order for employers to meet the new expectations of employees, they will need to redesign their EVP to offer not just a job, but an experience that provides rewards and working environments that meet employee demands, particularly demands of high-value talent.

Rotational assignments are being increasingly utilized as part of companies’ EVP to help:

- Attract top talent who are seeking growth.
- Retain talent in difficult-to-retain demographic groups.
- Develop and increase the engagement levels of the talent they want to keep.
- Retain and capitalize on talent that has cross-functional knowledge of the organization.
- Strengthen succession planning.

As the world becomes more complex, accelerating the development of employees in a more intentional, structured fashion, no matter what stage of employment they are in, ensures that a company always has a bench of ready, trained, engaged, motivated, and high-performing talent at all times. Rotational assignments are a powerful method for overall enhancement of a company’s employee value proposition and ensuring strong and fully loaded talent and leadership pipelines. *M*

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