

BEST PRACTICES



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IT Job Rotation Makes Business Sense

Attract, Retain, And Develop Business-Smart IT Talent

This is the third document in the "IT Roles And Skills" series.

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EXECUTIVE SUMMARY

While formalized rotation programs offer recruitment, retention, and development benefits, few CIOs have these programs in place today. Rotation within IT develops new hires and enables them to contribute to IT faster. Rotation from IT to the business develops business technologists who have a greater understanding of the business and know how to leverage technology to drive business value. Rotation from the business to IT engages business leaders with IT and can help Trusted Supplier IT organizations transform into Partner Players.

TARGET AUDIENCE

Chief information officer

CIOs ARE MISSING OUT ON THE BENEFITS OF FORMALIZED ROTATION PROGRAMS

In Forrester's interviews of 44 IT executives, we found mostly nonexistent or ad hoc rotation programs.¹ According to a recent survey by *CIO* magazine, only 11% of IT organizations offer job rotation programs for their employees.² However, CIOs can re-energize existing IT workers by rotating them into other business areas for six-month stints prior to major promotions.³ CIOs can attract promising college grads into entry-level IT positions through well-structured rotation programs that expose them to multiple facets of IT and prepare them for future leadership positions. These revitalized IT workers would then return to IT with a broader skill set, relationships with business stakeholders, and higher company loyalty.⁴

CIOs Need To Formalize Rotation Programs For New Hires Within IT

Internal IT rotation develops versatile employees with a big-picture appreciation of IT as well as the basic skills to temporarily step into the gaps caused by retirements or sudden departures. Internal IT rotation programs shape and develop a workforce that is well prepared for IT's growing business orientation, changes in IT technologies, and an increasingly global business. These rotation programs should:

- **Target entry-level staff.** While new hires in general can benefit, IT rotation offers the greatest promise for entry-level hires, giving them foundational and wide-ranging knowledge. For example, Boeing's Information Systems Career Foundation Program rotates high-potential recent college

grads through six different areas, including business analysis, project management, software configuration management, enterprise architecture, systems integration, and another IT area of the new hire's choice.⁵

- **Offer regional, national, or international assignments.** Typically, younger workers are both able and even eager to travel. CIOs should introduce these workers to regional or international IT operations that help the organization better manage remote operations, offshore providers, and distributed user constituents. For example, entry-level participants in Air Products and Chemicals' Information Technology Career Development Program may be assigned as part of the rotation program to an IT role in Asia, Latin America, Eastern Europe, or South Africa.⁶
- **Dovetail with the internship program.** Rotation programs do not exist in a vacuum. CIOs should include them as part of a broader strategy for developing an IT talent pipeline. As part of this strategy, CIOs should have a smooth process in place that brings interns into IT, selects the best interns to hire, and develops them through the IT rotation program. For example, CIGNA's three-year Technology Early Career Development Program primarily draws from past summer associates, who gained basic familiarity with the company's IT organization during college internships. This program identifies high-potential candidates to recruit after graduation and then puts them through a combination of rotational assignments, hands-on mentoring, performance assessments, and CIGNA curriculum.⁷

CIOs Need To Formalize Rotation From IT To Other Business Areas

CIOs know that their IT staff must boost its business IQ to make a difference to and succeed with business peers. Prior to major promotions, IT employees should rotate into the business, preferably into a function where they already have working relationships. CIOs should:

- **Tie rotations to promotions, employee strengths, and succession planning.** Tim Stanley, CIO at Harrah's Entertainment, rotates 20% of his IT employees each year into roles in IT or other business organizations.⁸ Because IT analysts, project team members, and architects all work to varying degrees with departments like finance, sales, and marketing, execs should consider rotation assignments prior to promotions that align with the expertise areas of IT staff members. The big win for IT? Populating business departments with staff members who are not only skilled at traditional IT problem solving but who are also knowledgeable about IT processes, infrastructure, and applications. In addition, CIOs should add rotation to succession planning to develop a well-rounded IT bench that can smoothly fill staffing gaps.
- **Identify rotation goals.** In addition to rotating IT workers prior to promotions, CIOs need to identify rotation targets that ultimately fill IT's own knowledge and experience gaps. For example, an IT organization about to launch an IT marketing program could rotate the point person into the marketing organization for six months to develop knowledge of the marketing tactics that resonate.

- **Partner with peers on the rotation decision and timing.** Some firms have used a committee structure with representatives from IT and other business areas to determine the timing of rotations and the associated impact (e.g., backfilling positions). For example, if a business function needs a specific skill set, IT should seize on the opportunity to seed employees into the organization.
- **Donate staff to the business.** Another way CIOs can demonstrate value to the business is to have such a healthy IT pipeline that IT becomes a supplier of talent to other business functions. Following a series of rotations to the business, business areas may permanently hire some of these business technologists. In turn, these business technologists will serve as unofficial IT evangelists in their new roles. As one telecom CIO noted: “Our CEO and EVP of corporate operations are very keen on leveraging our IS organization to be a talent pool going forward. We are going to be hiring a number of graduates with the expectation that we’ll populate supply chain into the rest of the enterprise going forward.”

CIOs Should Encourage Staff From Other Business Functions To Rotate Into IT

Some CIOs interviewed by Forrester note that job openings in IT are sometimes applied for and filled by employees from other business groups in the enterprise. Formalizing this ad hoc rotation into a regular bidirectional occurrence:

- **Cross-pollinates knowledge.** Rotation of business unit staff members into IT provides business staff members with a clearer view into the “black box” of IT projects, workload, and processes. Current IT team members receive a much-needed infusion of the perspectives, issues, and possible automation opportunities that business unit employees know all too well. For example, one hospital IT organization has boosted its knowledge of nursing and medical processes by hiring a nurse as an IT implementation analyst for a new medical system project.
- **Creates future IT advocates.** After a stint inside IT, businesspeople come back into their functional areas with a realistic perception of what IT can do, the resources required for IT projects, and how IT impacts the rest of the business. They also serve as informal relationship managers for IT, during and sometimes after their rotation, and can assist with communicating IT’s value to their peers. One professional services firm CIO characterized them as “antennas within the business units for IT.”
- **Propels IT to the next archetype.** Rotation increases IT’s mindshare in the rest of the organization; it can catapult an IT organization from Trusted Supplier to Partner Player as key business execs return from rotations in IT with a new perspective of what IT can do to create business value.⁹ In other words, rotate the CEO of tomorrow into IT today to avoid an IT-clueless chief executive with no frame of reference on IT’s value-generating potential.

ENDNOTES

- ¹ Of the 44 CIOs we interviewed, only five admitted to having a formalized rotation program.
- ² *CIO* magazine surveyed 269 IT executives about their present and future staffing needs, retention efforts, and hiring plans. Source: “2006 Midyear Staffing Update,” *CIO* magazine, September 1, 2006 (<http://www.cio.com/archive/090106/staffsurvey.pdf>).
- ³ Are traditional career paths for enterprise IT professionals still feasible in the face of outsourcing, offshoring, and downsizing? Forrester interviewed 55 IT and expert executives to learn their views. The result? Enterprise IT execs are optimistic but not proactive in reinforcing the attractiveness of an IT career. But enterprise IT is as attractive as it has ever been, taking on a less technical and more business-focused shape. The new IT career paths meander into and out of IT. Entrances and exits to and from business groups and ecosystem partners are not only possible but accepted and routine. These IT paths span IT sourcing, architecture, management, and innovation. IT executives must step up to reinvigorate the IT career, getting it done with the help of consortia, partners, and universities. See the August 10, 2006, Trends “[Is There A Career Future In Enterprise IT?](#)”
- ⁴ Source: Judy Mottl, “Building Tech Talent Through Extensive Professional Development,” *TechCareers*, June 23, 2006 (<http://www.techcareers.com/content/article.asp?articleID=189601033&pgno=3>).
- ⁵ Source: Boeing (<http://www.boeing.com/employment/college/collegeCareerGrowth.html>).
- ⁶ Source: Air Products and Chemicals (<http://www.airproducts.com/Careers/NorthAmerica/UniversityRecruiting/ITCareerDevelopmentProgram.htm>).
- ⁷ Source: CIGNA (<http://www.cigna.com/general/careers/it.html>).
- ⁸ Source: Stephanie Overby, “How to Hook the Talent You Need,” *CIO* magazine, September 1, 2006 (http://www.cio.com/archive/090106/fea_talent.html?page=1).
- ⁹ From the outside looking in, all IT organizations appear to have the same reason for being. But CIOs must understand that there is no one type of IT organization that is right for all enterprises and all industries. Instead, there are three clear archetypes for successful IT organizations: Solid Utilities, Trusted Suppliers, and Partner Players. Understanding which is which helps articulate IT strategy, dictate tradeoffs, and IT achieve its goal of running more like a business. Top management expectations dictate which type is right, but overall IT maturity constrains or enables performance within each archetype. See the March 22, 2006, Trends “[The Three Archetypes Of IT](#)”