Cornell University
School of Industrial and Labor Relations
Center for Advanced Human Resource Studies

CAHRS at Cornell University
187 Ives Hall
Ithaca, NY 14853-3901 USA
Tel. 607 255-9358
www.ilr.cornell.edu/CAHRS

WORKING PAPER SERIES

Design, Implementation, and Evaluation of HR Leadership Development Programs

Karina Li Ming Kuok
Bradford S. Bell

Working Paper 05 – 02

Design, Implementation, and Evaluation of HR Leadership Development Programs

by

Karina Li Ming Kuok
School of Industrial and Labor Relations
Cornell University
Ithaca, NY 14850
Phone: 607-351-1827
Email: lk30@cornell.edu

and

Bradford S. Bell
School of Industrial and Labor Relations
Cornell University
Ithaca, NY 14850
Phone: 607-254-8054
Fax: 607-255-1836
Email: bb92@cornell.edu

December 2004

Abstract

Given today's new market reality and rapid changes in the business world, companies need to select and develop high potential talent who can maneuver in a hypercompetitive market and ultimately fill its top-tier jobs. Organizations can utilize the Human Resource Leadership Development Program (HRLDP) as a tool to attract, develop and retain high potentials to fill the future HR leadership pipeline. However, an HRLDP can be controversial and tricky to implement and maintain. The goal of this report is to provide useful guidelines for those interested in designing, managing and/or evaluating the effectiveness of such programs. If carefully designed and managed well, the HRLDP can provide an effective way for organizations to train and develop the HR leadership of tomorrow.

Design, Implementation, and Evaluation of HR Leadership Development Programs

Changes in the global marketplace and increased competition from expanding third-world economies has forced many organizations – large and small – to undergo reorganization and restructuring in an effort not only to compete but in many cases, just to survive. In order to compete globally, organizations must have experienced managers who can recognize and adapt to changing markets, and also have the ability to mobilize internal resources so as to capitalize on growth opportunities (McClelland, 1994). Hence, open competition forces organizations to rethink their competitive strategies and develop new, more effective ways to compete. In addition to competing for customers, markets, and raw material pricing, companies must also compete across industries for managerial talent (Feild & Harris, 1992). Since high-potential talent is in high demand, companies who are unable to readily "buy talent" are turning to growing their own talent in-house. In the long run, talent built in-house brings the advantages of lower salary costs, better assimilation to organizational culture, and an established employee track record. Organizations are increasingly implementing rotational development programs as a way to attract, retain and develop high potential talent to the organization (Burke, 1997; Frase-Blunt, 2001).

The rotational development program refers to a formalized development program tailored to a few select participants who are recognized to have upper level managerial talent (Feild & Harris, 1991). Companies aggressively select high potential talent and groom them through a series of accelerated and challenging rotational assignments, so as to make their talents quickly available to the organization (Feild & Harris, 1991; Burke, 1997). The high-profile rotational assignments and development opportunities help to attract and retain high-potential individuals who are drawn by the special attention afforded to them and by the opportunities for rapid promotion to leadership roles. Rotational Programs also support HR workforce planning efforts because it forces organizations to review their available managerial talent, identify potential gaps, and start developing the talent that will be needed in the future. Organizations are able to gain competitive advantage because the accelerated development program makes it possible to quickly prepare highly talented managers to assume positions in which they can maximize their contributions to the organization (Feild & Harris, 1991). In *Training* magazine's list of Top 100 Companies for Training, more than 50 percent of the companies provide employees with the opportunity to participate in rotation programs (Corporate Leadership Council, 2004).

Typically, rotational development programs assign new hires to work for specified periods in various departments, business units or geographical locations. Organizations typically run multiple, functional rotation programs, which focus on developing future leadership bench strength in areas such as finance, engineering, marketing, information management, operations management, and human resources. The programs seek to achieve the following goals: groom future managers and executives; socialize associates into the organization's business and culture; build depth of technical skills and breadth of cross-functional skills; and develop employees who are agile and can be staffed anywhere they are needed (Frase-Blunt, 2001). The program participant in turn benefits from the program by having exposure to the business environment, gaining a broader strategic focus, receiving more in-depth knowledge of the different business units, and having exposure to senior leadership (Kuznia, 2004). Rotational programs provide trainees with intensive accelerated experiences that would often take years to gather in a standard corporate career – if at all (Frase-Blunt, 2001).

Although the rotation development programs can be a source of competitive advantage, they can cause serious problems if not properly designed and implemented (Field & Harris, 1992). Despite the fairly widespread use of these programs, there are few guidelines or available information for those interested in designing, managing or evaluating the effectiveness of such programs. The goal of this report is to present a framework to shed more light on the design and implementation of rotational programs. Specifically, we will be focusing on the design, implementation and evaluation of the Human Resource Leadership Development Programs (HRLDP). The report is based on a comprehensive search of published materials regarding the structure and administration of rotation programs as well as findings from phone interviews conducted with HRLDP Program Managers at 16 companies. The Appendix section includes the HRLDP profiles for each of the participating companies.

Framework for Effective Management and Evaluation of HRLDP

The HRLDP must be formally administered and structured, so that program participants are able to master the functional and management competencies needed to successfully assume leadership positions within the organization (Corporate Leadership Council, 2004). The following provides a process framework for the effective management and evaluation of the HRLDP:

- **I.** Needs Assessment and Stakeholder Buy-In
- **II.** Design and Implementation
- **III.** Evaluation

Needs Assessment and Stakeholder Buy-In

As with all other organizational practices, the effective implementation of the HRLDP will depend on how well it is linked and aligned with the organizational strategy. Oftentimes, organizations do not take the important first step in clearly identifying the business need for the HRLDP. According to research, there is typically a weak link between business strategy and management development objectives (Kuznia, 2004). To have maximum impact, the HRLDP must be based on an explicit strategy that will support the organization’s strategy. If there is no clear sense of how the program will support the company’s business strategy, the program design will be misguided (Burke, 1997; Kuznia, 2004).

Some questions that the organization should reflect on include: Why does the organization need a HRLDP? How will the program support the business strategy and improve the organization's competitive advantage? How will the HRLDP help the organization fulfill its leadership needs for the future? (Burke, 1997) Hence, before deciding to implement the program, the organization must determine the extent to which a business need exists for creating and managing the HRLDP. An organization's possible strategy may include addressing future shortage of managerial talent post baby boomer retirement, competing in a global marketplace, expanding to new markets, providing customer value, increasing quality, and improving innovation. Each of these strategies will impact the program design and implementation in terms of candidate selection criteria, types of assignments and also the supplementary training and development curriculum available for the program.

For example, several of the companies that were interviewed have included international rotational assignments into their program because they see the strategic need to groom successful global managers who have a broad cultural perspective and can understand the complexities of operating in a global environment. Company B and Company O fully incorporate the international assignment as part of their HRLDP model, while Company A, Company I, Company J, Company L and Company M only provide the overseas assignment opportunity to select program associates based on business needs and outstanding performance. Although other companies realize the importance of providing the high potentials with a global perspective, many are also cognizant of the high costs involved of relocating the associate abroad.

Another critical criteria for success is to secure executive-level and company-wide support for the program. This will help to make the program more attractive to program associates, encourage line ownership and also help to reduce any negative animosity from non-program participants (Feild & Harris, 1992). Top management and executive-level buy-in is important to the success of the program because they approve the budget, can integrate program management across the business units, and will also be involved in mentoring and other program activities. Program participants will relish the exposure and networking opportunities with the executives and can learn from them. Although the majority of the participating companies report that they have tremendous senior leadership support for the program, several companies indicated that one of their main challenges is to get all their leaders to support the program. The lack of leadership buy-in leads to other challenges, such as push back from the organization about not wanting to invest the time and resources to nurture and develop in-house talent and difficulty in garnering executive involvement in networking and monthly leadership presentations.

Line managers must also be convinced that their role in developing participants is important, and that the program is worthwhile and in support of the business strategy. Since line managers often have direct interaction with the program associates, they are key to shaping the associates' development. Line managers who are committed and share a vision of the program will devote more time and effort towards developing their associates for the good of the organization (Feild & Harris, 1992). It is important to carefully select the assignment supervisors to ensure that they have strong leadership skills and are excited about developing the associates. Many of the profiled companies say that they are very careful in selecting the right assignment and supervisor for the participant. Company I and Company L both mentioned during their interviews that they spend tremendous due diligence in selecting supervisors who are good leadership role-models. In addition to looking for managers with a track record of fully supporting the development of their direct reports, program managers also request that the supervisors fill out a full developmental plan on how they plan to develop the associate during the assignment.

Design and Implementation

After establishing that the organization will benefit from the HRLDP and securing organizational buy-in, the firm needs to tackle the more complex step of program design and implementation. This step is composed of four key sections: selection criteria for program participants; structure of rotational assignments; supplementary development opportunities; and program administration responsibilities.

Selection criteria for program participants

The effectiveness and success of the HRLDP hinges on the quality of its participants. Therefore, careful attention must be given to the criteria used to select participants. In general, the companies interviewed indicated using similar standards to select participants for rotational programs:

- » Academic achievement
- » Teamwork and Leadership
- » Interpersonal Skills
- » Work Experience
- » Communication Skills
- » Flexibility and Adaptability
- » Analytical and Strategic Thinking

There has, however, been a growing trend for companies to prefer hiring candidates with prior work experience and a business background. Based on interviews with profiled companies, the majority of them primarily recruit from the top Masters and MBA programs which have a strong focus in HR, Organizational Behavior or Industrial Labor Relations. For example, Company P is focused on actively recruiting MBA candidates with a strong passion for HR because it has found that these candidates are able to better integrate a business perspective with their HR competencies, thereby becoming more successful business partners. Company J finds that their most successful associates tend to have two to four years of experience. Likewise, based on a recent review of successful candidate profiles, Company B will be changing its selection criteria to place a greater emphasis on selecting candidates who have higher maturity levels and sufficient life experiences outside of school. These companies find that more experienced candidates are able to get more out of the HRLDP - they have the maturity and competence to interface with high level executives and provide valuable perspectives to business units whom they support.

Structure of the Rotational Assignments

Although the works by Burke (1997) and Feild and Harris (1992) touch on the importance of identifying which skills to develop and providing challenging assignments to help program associates grow, there is still a lack of clear guidelines on how rotational assignments should be designed and structured. The interviews with the 16 companies suggest three key elements that need to be considered in the structure of the rotational assignments: program length, assignment duration and types of assignments.

Program Length: Based on data collected on the different models of HRLDPs at the participating companies, it is found that the length of the programs typically spans two or three years. Two-year programs seem to be more popular, as 12 out of 16 companies opt for the more accelerated program. The program length is typically dependent on the number of assignments, duration of each assignment and the resources available to manage the associates.

Assignment Duration: An important consideration is the duration of each rotational assignment, as it is critical the program associates maximize their development and contribution in each assignment, yet continue to progress in their fast-paced career track (Burke, 1997). Ten of the profiled companies tend to prefer shorter assignments of six to nine months, while other companies have longer term rotation assignment of 12 to 18 months long. Companies who want to give program associates as much cross-business exposure as possible will tend to pick shorter project assignments across a multitude of business areas. For example, Company O has a set of eight HR functional areas that all associates are required to rotate through during the course of the three-year rotational program. Given this intense curriculum, some of the rotational assignments will be between two to four months for less complex project assignments, and from eight to twelve months for more complex and involved projects.

Our interviews revealed that companies often struggle to determine the optimal length of rotational assignments. If an assignment is too short, associates barely have sufficient time to understand the business and progress on the learning curve before they are off to the next assignment. Further, the associates may not be in the position long enough to build strong technical expertise or to reflect on the outcomes of their decisions. Hence, accountability becomes a problem and the associate's credibility may be questioned. On the other hand, if the assignments are too long, valuable development time may be wasted and the associates will not be able to gain exposure to additional HR knowledge and skills. Two companies within the survey group, Company I and Company N, have actually decided to extend the duration of their rotational assignments from 12 months to 18 months (i.e. cutting down to two rotations per associate). According to the program manager for Company N, the change in the program structure was due to feedback from business leaders who feel that a longer assignment time frame will allow the associates to stay around long enough to be productive and make a positive impact. Ultimately, an organization must find the right balance on the duration of each rotational assignment. A balance must be struck between creating the right learning opportunity for the associate's development and achieving the organization's goal (Thompson, Kirkham & Dixon, 1985; Burke, 1997).

Types of Assignments: The HRLDP is put in place to equip program associates with core skills and on the job experiences that can prepare them for HR leadership positions within the generalist or specialist functions within HR. Hence, all the rotational assignments will provide opportunities for the program associate to select assignments across generalist roles and specific functional areas of HR (e.g. Benefits & Compensation, Staffing & Recruiting, Talent Development, Training & Development, HR Systems & Operations, and etc). There are also companies who provide program associates with the opportunity to explore non-HR assignments. Company A's rotational development program model includes one rotational assignment within a non-HR area such as Operations, Marketing, Sales, or Finance, so that the program associates can gain the business acumen critical to their future success as true business partners. However, this is not a popular model, as only one or two other companies from those interviewed currently encourage program associates to undertake assignments outside of the HR function.

The majority of the companies surveyed report that they work with the individual associates to review their HR knowledge and experience level and long-term career interests in order to match them with the assignments that will help them develop and meet their career goals. For example, if a program associate already has previous compensation experience, he or she will not have to rotate through compensation. This flexible developmental model is in line with the research by Heisler and Benham (1992), who recommend that assignments for developmental purposes be based on an analysis of individual needs, as "individuals have differential needs and assignments teach differential lessons".

Company C and Company O have both taken a different spin to design of the rotational assignments. At Company C, all program associates participate in the rotational program sequence concurrently. These rotational assignments have been matched to the company's HR business cycle (i.e., the first rotation will be in the Fall/Winter with Compensation, the second rotation will be in the Spring/Summer with Recruiting and the final rotation will be within a generalist function). By matching the rotations to the HR business cycle, program associates will be assured of a consistent experience and are able to gain full exposure during each department's peak deliverable period. Company O's rotation program model is also similar in that there is a core set of functional areas that all program associates will rotate through during their three-years. The program committee feels that it makes sense to give all program associates the same foundational knowledge in concentrations such as Benefits, Compensation, HR Operations, Labor Relations, Mergers and Integration, Talent Acquisition and Development, Generalist and an International Assignment.

In addition to providing program associates with exposure to various HR functional areas, the type of assignments should encompass challenging projects that will stretch and allow associates to exercise some leadership early on in their careers. Responding to challenging situations is at the heart of managerial development, because it teaches the high-potential candidates critical lessons on how to take action quickly, how to cope with ambiguous problems and how to make choices without sufficient information. According to the results of the longitudinal study by AT&T, as cited in McCauley' 1986 report on *Development Experiences in Managerial Work*, it was found that there is a significant relationship between early job challenge and subsequent management success. Further, high potential talent often want and need to be challenged. They want to feel like they are contributing to the success of the company (McCall, 1988). Therefore, as Byham (1999) recommends, "The people earmarked as future leaders by an organization should be continually challenged and developed with new responsibilities designed to stretch their leadership competencies and expand their experience base."

All program managers from the 16 companies that were surveyed said that they were very particular of the projects that are assigned to the program associates. Often, they will work very closely with the assignment supervisors to ensure that the projects will provide the associates with challenging and fulfilling work. For example, at Company J, the first rotation assigned to a program associate was to lead the agenda for an HR Leadership Team (HRLT) project to redesign the company's staffing model and establish an effective central sourcing team. Within a four-month time frame, the associate was able to diagnose the problem, synchronize the completion of seven integrated work streams, and facilitate buy-in across the HRLT and cross functional groups such as Staffing Systems, Legal, Six Sigma, Compensation, Finance, Training and Communications. The project challenged the associate, provided leadership opportunities, and offered tremendous exposure/networking opportunities with the HRLT and cross business unit stakeholders.

Supplementary Developmental Opportunities

In addition to the job rotation assignments, it is important to provide supplementary developmental opportunities that can help program associates develop further and contribute more effectively to the organization. Developmental processes that are commonly used to complement the accelerated job rotation program include peer buddies and mentors, executive networking, and formal skill building programs. Each of these is described briefly below.

Peer Buddies and Mentors: Since peer coaches are typically alumni of the program, they are able to provide valuable advice and assist the program associates in adjusting to assignments, acclimatizing to the company, and coping with daily tasks. Typically, program associates are also paired with a senior member of the management team. The senior executive can share his or her insights and lessons learned from past experiences, as well as offer career development advice and assist associates in making professional decisions (Kuznia, 2004; Corporate Leadership Council, 2004). Peer buddies and mentors provide associates with necessary guidance and counsel to support them in their career progression, enhance their understanding of the firm's culture and politics and provide direction for how best to maneuver within the organization context (Burke, 1997). This will be invaluable in ensuring that the program associates remain on track and successfully navigate through the organization. The majority of the profiled companies match the incoming class of associates with mentors and/or peer buddies to help them learn the corporate culture and assimilate into the organization. Company N, however, does not have a formal mentoring initiative. The company does not believe in forcing a mentoring relationship, which it feels is best left to develop over time. Instead, program associates are given a list of possible mentors, and are encouraged to approach the executives on their own to set up a mentoring relationship. Regardless of whether a formal or informal mentoring approach is taken, guidance should be given to both the mentor and mentee on how to initiate the relationship, how often to meet, how to give and receive constructive criticism, as well as set up a development plan to measure the associate's progress (Otto, 1999). This helps eliminate confusion and uncertainty on how the associate should interact with the mentor, thus facilitating more effective dialogue and feedback between mentor and mentee.

Executive Networking: According to the research by Feild and Harris (1991), the developmental process that is most highly associated with development effectiveness is opportunities for participants to establish a network of important company contacts. In all cases, profiled companies provide program associates with ample opportunity to interact with senior leadership either through mentoring opportunities, lunch & learn programs, or project presentations at the end of a rotational assignment. At Company J, HR leadership is heavily involved with the program and participate in monthly brown bags where they provide program associates with an insight on the issues/strategic initiatives that they are currently working on. Program associates greatly enjoy the learning experience, because they are naturally curious and interested about what is happening within the organization.

Formal Skill Building Programs: In an effort to equip program associates with leadership skills and broaden their perspectives on business issues that impact the organization, many companies offer training seminars and annual training conferences which cover topics such as global standards of leadership, Six-Sigma certification, business partner skills, organizational development skills, change management, and etc. Although the majority of the skill training is focused on general skill building, several companies tend to focus more on training that is tailored to the organization's specific needs. For example, Company K's monthly half-day learning sessions are focused on providing firm specific learning, where associates discuss strategic issues that the company is currently facing.

Program Administration

The HRLDP at all profiled companies are typically managed by a corporate HR functional group such as Talent Management, Executive Staffing, College Relations, or Organizational Development. Most companies will have a designated program manager to oversee the administration of the program. At Company B, Company D and Company I, the program manager works closely with a steering committee of HR leaders to select the program associate, monitor their performance and determine rotation assignments and placement decisions. The responsibilities involved in managing the program are fairly comprehensive and covers the following areas: budgets, recruiting, assignment management and performance management.

Budgets: According to the program manager at Company D, the estimated budget for administering a program with three associates a year is approximately $500,000. Company M reports that the cost incurred to sponsor each associate is approximately $90,000 annually (includes salary, overhead, and benefits costs), while Company G estimates that it takes approximately $250,000 to sponsor each associate through the two-year program. Companies tend to vary in terms of whether Corporate HR pays for the budget or whether each business unit gets prorated for the budget when a program associate rotates through their area. Some companies have adopted a hybrid approach where Corporate pays for the recruiting and initial relocation expenses, while the business units pays for the salaries of the associates. At Company A and Company C, the business unit hires each program associate directly and is therefore responsible for budget and headcount of the associate throughout the program. One issue that Company I has encountered is that smaller business units tend to feel excluded from the program associates because they cannot afford to sponsor an associate to rotate through their area. There are advantages and disadvantages to either approach. If the business unit sponsors the program associate throughout the program or for part of the assignment, there will be more line manager accountability and interest in ensuring the success of associate through the program. However, this means that Corporate will have less control over the consistency of experience and that certain business units may be left out because they lack the resources to participate. From the interviews conducted, it is unclear as to whether the source of budget control has had a direct impact on the success of the program.

Recruiting: At some companies, the program manager wears many hats. In addition to administering the program, they are also tasked with recruiting candidates from the top schools to join the HRLDP. This can be overwhelming, because it is a fairly involved effort to keep up with university relations and candidate selection, while also monitoring the progress of current program associates. If resources permit, it is advisable to split up the recruiting and program management responsibilities. Company B recently split up the program management between College Relations (in charge of recruiting and selection) and Talent Management (in charge of management and development). Traditionally, the entire program was run by College Relations. Company N is currently reviewing separating the two functions. The program manager feels that in order to ensure that the program associates are getting the attention that they need, she needs to focus solely on the program management and associate development. Right now, a lot of her time is absorbed by recruiting activities such as working with targeted schools, identifying new schools, rolling out activities for appropriate campus presence, and coordinating interview schedules.

Assignment Management: In order to provide a rewarding experience for the associates and to develop them to be future HR leaders, the program manager or assignment manager needs to find challenging project assignments for the associates. Typically, the program manager markets the qualification of the program associates and solicits interest from the different business units. Due to the high reputation and performance caliber of the program associates, there are often more requests than there are candidates. Companies tend to choose assignment supervisors with care. Since the program associate's experience will largely be impacted by their relationship with their supervisor, it is important to ensure that they are paired up with managers who have a track record for great leadership and management skills. Company P requests that the assignment managers submit a full development plan on how they plan to develop the associate through the project assignment. Although Company L also takes great care in choosing assignment supervisors, one challenge that it faces is that the organization changes so rapidly that program associates may sometimes face disruptions as their assignment supervisors move on to another position mid-way through the rotation. In order to better prepare assignment supervisors in managing their associates, several companies plan on developing a "Manager's Guide" aimed at helping them better understand the purpose of the accelerated rotational development program and guiding the development of the associates.

Performance Management: An important aspect of personal development centers on developing a self-awareness of one's strengths and weaknesses. Hence, it is critical to continuously monitor the performance of the associates and provide them with timely feedback. Performance reviews are typically conducted by the assignment supervisor, who will send updates to the program manager. Companies vary as to how often the performance reviews are completed. Most companies either did it at the end of the rotational assignment, or at the midpoint as well as end of the assignment. At Company P, whose assignment durations span a year or longer, assignment supervisors provide quarterly updates to the associate and SVP of HR, in addition to completing the corporate-wide annual performance review.

Given that the program administration is such an involved process, it is recommended that organizations consider implementing an automated system to help with the more effective management of the program. Company H intends to develop a more robust and automated tracking system that will send out automatic email reminders for rotation reassignments and performance reviews. Company L has set up a self-service model, where associates enter their profile updates and assignment histories onto the associate network website. A truly robust program management system should have the following components (McCall, 1988):

- » A means for identifying and tracking high potential people across the corporation and all levels of the hierarchy, allowing for frequent updating and fluid membership
- » A mechanism for assessing and facilitating self-assessment of accomplishments, career experiences and demonstrated learning over time. (This will be helpful in providing program associates with the chance to reflect on what they've learned through each rotational assignment)
- » A means of identifying developmental jobs throughout the company, a means for keeping track of them and what they might teach, and procedures for unblocking key assignments without losing solid performers in the process
- » A way to ensure that placement decisions are made in light of developmental as well as business interests, and that line managers take reasonable risks for developmental purposes
- » A way of keeping the managers who make placement decisions informed of available candidates from other parts of the business and provisions for keeping track of the high potentials as they move to new assignments, particularly when they go overseas

Evaluation

The final critical element to implementing a successful HRLP is to institute an appropriate evaluation mechanism to ensure that the program is meeting corporate objectives. Otherwise, the organization will have no way of assessing the program's contribution or revising the program to ensure greater success (Burke, 1997). Based on the interview feedback from the 16 companies, the metrics that are used to monitor program success are retention, promotion levels & succession plans, satisfaction levels, performance ratings and return on investment (ROI).

Retention: All of the profiled companies report that one of the main evaluation metrics of program success is to track the retention rates of program alumni. Since the main goal of the program is to build a pipeline of future HR leadership talent, it is critical to ensure that the high potentials stay around long enough within the company to be promoted to executive band jobs. Company D reports that retention is a tremendous program challenge - many of the program alumni have since left the company. The main reasons cited for their departure are reluctance to relocate geographically and the preference for becoming HR specialists rather than generalists. Similarly, Company B grapples with the retention issue too and is trying to make a greater concerted effort to identify ways of retaining associates beyond the rotational part of the program. Although the program has been around since 1988, the company reports that very few program alumni have stayed on long enough to make it through to the executive ranks within the organization.

Both Company L and Company N have noticed a trend in the retention of their program associates. Company L finds that the critical point on retaining program alumni is at the fourth or fifth year mark (i.e. program alumni tend to drop off after two to three years off the program). During this critical period, HR works with the managers to closely monitor the high potential to make sure that they remain engaged, have sufficient training and development opportunities, and are encouraged to attend networking events so that they feel more involved. Benchmark analysis is also done to ensure that compensation levels are competitive with market rates, to prevent the talent from being poached by competitors. Company N finds that the critical retention period is between three to five years out of the program, and typically at certain times of the year (mainly March, August and September). The company reports that it has recently been hit with heavy poaching by competitors.

Research by Tyler (2004) found that program associates tend to have lower turnover intentions than program alumni. The results from his study revealed that program alumni experience significantly lower levels of organizational commitment due to frustrations with the employer after the program ends. One program alumni in his study complained that there was very little effort spent on making her feel like a valued employee coming off the program. Based on Tyler’s findings, the high turnover intentions of program alumni is attributed to the lack of effort on the part of the employer to maintain the commitment to the employee upon graduation from the program. Similarly, Feild and Harris’ (1992) in-depth assessment of the entry-level, high-potential management development program in a large U.S. Fortune 200 company revealed that participants were frustrated by the lack of the employer's interest in their long-term growth. A program graduate complains, "Once you have gotten through the first year or two of the program, you are forgotten about. There is no counseling or career path guidance. Little or no feedback is given to the participant. The participant essentially becomes a lost entity." The program supervisor agrees – "Participants aren't counseled on their careers. Their careers, after the training phase of the program, are not planed or followed closely. Year 2-5 of the program aren't developed. A mentor or counselor should be assigned to each participant. Previous participants are shuffled out and forgotten about. They are totally under-utilized and ignored. This could be a major reason for the exodus of people at this level" (Feild & Harris, 1992).

Clearly, this failure to focus on talent retention has led to major frustrations on the part of program alumni to the point that it dilutes their company loyalty and commitment. To address this phenomenon, it is recommended that companies provide continuous career development activities for the program alumni. This is to mitigate participant's concern that somewhere along the line, their careers will plateau. Also, it demonstrates that the company is interested in their long-term development and will continue to monitor their progress over time. As recommended by Feild and Harris (1992), "It is important to embed a high potential management development program within a larger, more encompassing, and ongoing career planning and development effort." Entry-level, fast-track programs should not be a "one-shot deal", but rather the first step in an encompassing and ongoing approach to strategic HR planning within the company. To accomplish this continuity, the entry-level fast-track program should serve as a feeder into other developmental programs geared to the successive stages of the participants' careers (Feild & Harris, 1992). In addition, the companies should incorporate several fast-track program developmental tactics such as providing participants with opportunities to take calculated risks, experience crises and adversity, receive career guidance throughout their employment, and engage in international assignments. These tactics were closely associated with respondents' assessment of recruitment/retention effectiveness, as suggested by the findings by Feild and Harris (1991).

Promotion Levels and Succession Plans: Since one of the major objectives of the program is to develop high potential talent through business and leadership exposure, it is of obvious interest to track the career progression of the associates to see if they make it to the executive ranks and/or succession planning lists. All of the profiled companies currently use this as a primary measure to track program success. Company E said that historically, 20 percent of the program associates reached executive level ranks within 10 years. In the case of Company A, who has had its program in place since 1953, the program has been a tremendous success as program alumni have been able to fill executive band positions at the rate of 50 percent. Other surveyed companies are not yet able to fully measure program success through the promotion of associates to executive ranks as their HRLDPs are still relatively new.

Satisfaction Levels: Several of the companies surveyed said that they will survey program participants, assignment supervisors and the clients to ensure that the program is on track with meeting their needs. Both Company E and Company N distribute evaluation/satisfaction surveys to gauge the sentiments of both the program participants and the assignment supervisors. Company D surveys the HR community to find out the impressions and feedback on the performance caliber of the program associates. Since Company J’s program is relatively new, the executive sponsor of the program continues to solicit feedback from program participants to further evolve and improve the program. Program participants have suggested ways to enhance the program such as more flexibility, more explicit candidate profiles, greater standardization of rotational experiences, and a consistent program sponsor (each class had a different executive sponsor).

Performance Ratings: Companies use performance ratings to make sure that the program associates are in the desired performance trajectory and continue to meet the high-caliber performance expected of them. Company M reported that there had been a couple associates who had been asked to leave the program in the past because they were unable to cope with the intense program and high performance expectations. Company I tracks the performance ratings of associates to ensure that they consistently rank as “Effective Contributor” and “Exceptional Contributor,” which are the top two ranks within their four-point ranking scale. Company O feels that using performance ratings as an indication of program success may be not be accurate or realistic. At times, it may be okay for the program associate to just “Meet Expectations,” especially if the project assignment is challenging and is used as a stretch assignment to address the associate’s development gap. Although it may not be necessary for the associate to exceed expectations in all assignments, especially on stretch projects, it is still necessary for the associate to perform at the expected high performance level. The HRLDP is a very high profile program within the company. Hence, its continued success and positive impression will hinge on the outstanding performance of the program associates.

Return on Investment (ROI): All but one of the profiled companies reported that they do not currently run ROI calculations to justify the program benefits. According to the program managers, the programs typically have full leadership support since they see a very real need for the organization to develop future leaders in order to maintain a sustainable competitive advantage. However, many are curious as to whether other companies are looking into ROI calculations. Only Company M has been asked to provide an ROI on the program. The program manager used more qualitative rather than quantitative measures (such as higher retention levels and better attraction tool of high potential leaders) to justify the program. The program manager at Company E suggests building an ROI model by comparing the costs of developing an internal executive candidate versus hiring an external executive candidate. Historically, 20 percent of associates will reach the executive level within 10 years. Assuming the 10-year career trajectory, the cost of recruiting, salaries, benefits, training & development of an associate can be tabulated across the 10 years as he or she gets promoted up to the executive level. This total cost number is then compared to the cost of hiring an external candidate through an Executive Search firm. Based on his calculations, the program manager found that the salary and benefits of an external hire is typically 15 – 20 percent higher than that of an internal candidate. These figures do not include the additional cost for the Executive Search firm fees plus the intangible benefits associated with an internal candidate, such as a better cultural fit and demonstrated track record within the company.

Conclusion

Implementing and managing an HRLDP involves a comprehensive list of activities, ranging from needs assessment to design and implementation to evaluation. The organization must first assess the business need for the program as well as clearly align it with the organizational strategy. Next, the organization must define the selection criteria and determine the duration and type of rotational assignments. Varied rotational assignments, exposure to different business and the right mix of additional programming activities are all critical for the training and development of the high-potential talent. In addition, mentors, peer buddies and assignment supervisors can help program associates navigate through the organization and cope with demanding assignments. Most importantly, the program needs to be evaluated to make sure that it is on track and helping to achieve long-term corporate objectives. It all makes for a demanding and very ambitious plan. However, if carefully designed and managed well, the HRLDP can provide an effective way for organizations to train and develop the future HR leadership for tomorrow.

The objective of this report is to provide HR practitioners with a useful guideline on designing, implementing and evaluating HRLDPs. Exhibit 1 provides a summary of the guidelines and key findings extracted from the interviews with 16 companies. Although all 16 companies had very different HRLDP models, the main themes that resonated are that leadership and line manager buy-in are critical to the success of the program, careful selection of assignment supervisors help shape the associate's experience and talent retention is key to the program's sustainable success. However, there were differences in opinion on assignment duration, types of assignment, mentoring structure and budget allocation. There remain many unanswered questions, suggesting a need for future research in this area. For example, research should examine how assignment duration influences important outcomes, such as associate learning as well as career progress. Research is also needed to compare the utility of different program designs, such as those that provide consistent rotational assignments to all associates and those that provide more tailored rotational experiences. The findings from such research will be essential for establishing guidelines that organizations can use to enhance their HRLDP's effectiveness and build an HR leadership pipeline for the future.

EXHIBIT 1: SUMMARY OF GUIDELINES AND KEY FINDINGS

I. Needs Assessment and Stakeholder Buy-in

To have maximum impact, the organization must assess the need for the program as well as clearly align the program with the organization strategy. It is critical that senior management and line managers fully support the program and its vision. Otherwise, the lack of stakeholder buy-in will lead to insufficient budget/resources, difficulty in setting up executive networking and mentoring, unfulfilling assignments, and problems with placing associates upon graduation from the program.

II. Design and Implementation

There are four key sections to program design and implementation:

» **Selection criteria for program participants -** Companies typically select candidates based on academic achievement, team work and interpersonal skills, flexibility and analytical thinking. There has been a recent trend towards a preference for hiring candidates with prior work experience and a business background. Companies find that more experienced candidates have the confidence and maturity level to interface with high level executives and hence be able to get more out of the HRLDP.

» **Structure of rotational assignments** – Program length typically spans for 2-3 years. The majority of rotational assignments range from 6-9 months, although a couple of companies have extended their assignment durations to 12-18 months. The duration and length of the rotational assignment depends on the kind of learning experience that the organization wants to provide to the associates, plus the availability of resources to manage the associates. In order to equip the program associates with core skills and exposure for future HR leadership positions, the assignments tend to rotate through a generalist and specialist HR function. Rarely do companies provide associates with assignments outside of the HR function, or require that all associates go through the exact same rotational assignments.

» **Supplementary development opportunities** – In addition to job rotation assignments, HRLDPs should include opportunities for program associates to develop further and network with the rest of the organization. These include matching them with peer buddies and mentors to help them navigate through the organization and cope with the program. Formal guidance on how to establish a mentoring relationship may be helpful in eliminating uncertainties and facilitating dialogue between mentor and mentee. Other program activities to help program associates better assimilate within the organization include executive networking events and formal skill building programs.

» **Program administration responsibilities** – The responsibilities involved in managing the program are comprehensive. In addition to coordinating with the leadership steering committee, the program manager is often times in charge of managing the program budget, recruiting, assignment management and tracking the performance of the associates. The program budget is typically shared between Corporate HR and the business units. By making the business unit pay for some of the costs, they are more likely to have a vested interest in the program and be more involved. However, the downside is that some business units feel left out if they do not have sufficient budget to sponsor an associate. Often, effort is also spent marketing the associates and finding challenging and productive assignments for the associates. Since the program associate's experience will largely be impacted by their relationship with their supervisor, program managers tend to perform careful due diligence in the selection of assignment supervisors to ensure that associates are paired up with high potential managers with a track record for great leadership and management skills. Although the formal performance evaluation is typically conducted by the assignment supervisor, it is the program manager's responsibility to track the associate's progress and ensure that developmental gaps are addressed.

III. Evaluation

Based on interview findings, the metrics used to monitor program success are:

» **Retention** – This is the main evaluation metric used to track program success for all the profiled companies, since attrition would the hinder the organization's ability to build a future leadership pipeline. Companies find that the critical time frame for retention is between 2-3 years post the program. It is important for companies to continue to engage and develop program alumni, so that they continue to feel valued and loyal to the company.

» **Promotion Levels and Succession Plans** – This is another important measurement to see if the program is successful in achieving the organization's goal of building future HR leadership talent. Companies track the career progression of program associates to see how many make it to executive ranks/and or succession planning lists. It typically takes about 8-10 years for program associates to reach executive level positions.

» **Satisfaction Levels** – Some companies conduct surveys to gather feedback from program participants, assignment supervisor, client groups and the HR community to determine satisfaction levels and continuously improve the program.

» **Performance Ratings** – Several companies report that they also track performance ratings to ensure that program associates are in the correct performance trajectory and continue to meet the high caliber performance expected of them. This also helps program managers monitor performance levels and address any performance gaps throughout the program.

» **ROI** – Only one company from the 16 interviewed has been asked by senior leadership to provide ROI on the program. The other companies report that ROI justification has not been necessary as senior leadership fully supports the need for developing future leadership talent.

APPENDIX 1: COMPANY A

Industry Type:	Conglomerates
Employees:	More than 100,000 people
Enterprise Value:	More than $100 Billion
Program History:	HR Rotational Development Program was established in 1953
Program Goals:	Initially, the program was started to train HR professionals on how to handle union relations. Currently, the goal of the program is to develop HR leadership talent
Class Size:	50-65 program associates per year worldwide. Program participants are selected mainly from top educational programs all over the world. For the U.S. rotational program, associates are selected primarily from the top U.S. Masters and MBA programs
Program Length	2 years
Rotation Assignments:	3 rotation assignments of approximately 8 months each. 2 of the rotation assignment will be in HR (i.e. generalist, compensation, staffing, etc.), while the 3rd will be within another non-HR function (e.g. Marketing, Sales, Finance, etc.). The associates are often assigned so that they spend as much time in the field, as close to the line population as possible (e.g. if the associates rotate within the financial center, they will work within the call center, or if they rotate through a manufacturing division, the assignment will be at a plant)
Additional Programming:	» Four 1-week long seminars where the associates will focus on HR skill building, getting to know the company's businesses and networking with other HR professionals and leaders » All associates worldwide gets together twice a year in one of the company's global location, to promote further bonding and networking opportunities » Six Sigma Certification » Associates are given the opportunity to work on a cross-business project
Program Administration:	» Although the overall structure of the program, recruiting, and content of curriculum take place as part of the corporate HR function (within the responsibility of the HR Training & Development and Executive Staffing Group), it is the Program Coordinators within each of the business units who determine the associate's rotation assignment, compensation, business-related training/support activities and buddies/mentors set-up. The business unit provides the budget and tracks the performance of the associate throughout the two-year rotational program
Program Evaluation:	» Tracking the number of people that show up in succession planning » The number of program associates that have been promoted to executive band jobs » Retention of the program associates over time
Program Challenges:	» Given how global the program is, it is difficult to ensure that the program management, candidate selection and program structure is consistent worldwide

APPENDIX 2: COMPANY B

Industry Type:	Healthcare
Employees:	10,000 – 50,000 people
Enterprise Value	Less than $50 Billion
Program History	HR Rotational Development Program was established in 1988
Program Goals:	Mechanism for bringing in a diverse group of high potential talent that can be groomed for top HR leadership positions within the company
Class Size:	3-4 program associates per year. Program participants are selected mainly from top U.S. Masters and MBA programs
Program Length	2 years
Rotation Assignments:	4 rotation assignments of approximately 6 months each. Model of rotation includes one assignment within the Centers of Excellence (i.e. Compensation, Talent Management, and Staffing); one international assignment, one HR generalist assignment within a major business unit, and a fourth assignment depending on associate's interest or the opportunity that arise for another generalist or Centers of Excellence Assignment
Additional Programming:	» Associates get together monthly as a group for networking events and presentations by HR/Business leaders across the company » An new element that is recently implemented is the opportunity for the HR associates to work together on a joint-project, in addition to their respective rotational assignments
Program Administration:	» Historically, the program was run by recruiting and staffing. Now, responsibilities are split between College Relations (selection) and Talent Management (management and development) » Program manager and steering committee collectively discuss the HR associates and their potential. This helps to build a broader senior management ownership of the program
Program Evaluation:	» Tracking the career progression of the associates after they graduate from the program » Tracking the retention/attrition levels » Tracking the satisfaction level of the associates (identify root cause for possible attrition)
Program Challenges:	» The biggest challenge faced is how to retain associates post program graduation. What process should be put in place to track and involve the associates once they graduate from the program (there is currently nothing put in place in terms of the continuing development of post-program associates)? Because of the retention challenge, it is found that very few associates have actually made it through to the executive ranks » Another challenge the program manager faces is how to do a more thorough job of identifying the right profile of the candidates. Upon a recent review of successful candidate profiles, the company plans to shift toward selecting more diverse candidates who have sufficient life experiences outside of school

APPENDIX 3: COMPANY C

Industry Type:	Healthcare
Employees:	More than 100,000 people
Enterprise Value	More than $100 Billion
Program History:	HR Rotational Development Program was established in 2003
Program Goals:	The program is focused on developing the future HR leadership for the company
Class Size:	Approximately 8 program associates per year. Program participants are selected mainly from top U.S. Masters and MBA programs
Program Length	2 years
Rotation Assignments:	3 rotation assignments of approximately 8 months each. All the HR associates will rotate through 3 HR rotations at the same time, so that they can have a shared experience and their experience mirrors the HR cycle. The first rotation for all associates is in compensation, so that the associates can be more involved with the year-end compensation planning process. During the spring time frame, the associates will rotate through the recruiting function, where they will learn about strategic staffing, workforce planning, recruiting and college relations. Finally, the last rotation will be a generalist rotation, where the associate will work on employee relations issues, succession planning, organizational development and training issues
Additional Programming:	» The associate will all go through 2 weeks of training between each rotation. Training topics that are covered include orientation, global standards of leadership, HR competencies building, basic and advanced consulting skills, management fundamentals, etc. » Associates are set up with mentors
Program Administration:	» The program associate is sponsored by a specific business unit throughout the two years, and will place with the business unit for the full-time assignment » The associates are selected into the program by the VP of HR of each business unit. The HR group within each business unit takes care of on boarding the associate, setting them up with a mentor and also facilitating the rotation assignment process » The program elements are administered by the Strategic Talent Management Group at Corporate Headquarters
Program Evaluation:	» Tracking the program associates over a 5-year period to identify performance ratings and career progression through the years. Interested to see how many of the associates are promoted within the 2-3 years upon graduation
Program Challenges:	» The biggest challenge that the company faces is the strong competition from other more established HR programs

APPENDIX 4: COMPANY D

Industry Type:	Manufacturing & Business Services
Employees:	10,000 – 50,000 people
Enterprise Value	Less than $50 Billion
Program History:	HR Rotational Development Program was established in 1997
Program Goals:	To build an HR leadership pipeline
Class Size:	2-3 program associates per year; Extra headcount for an associate in Europe or Asia. For the U.S. rotational program, participants are selected mainly from top U.S. Masters and MBA programs
Program Length	2 years
Rotation Assignments:	3 rotation assignments – 2 assignments of 6 months each and a 12-month rotation at a plant
Additional Programming:	» Special Projects » Mentoring Program
Program Administration:	» Budget is centrally managed by corporate, but all business units contribute to the common pool. The ballpark budget for administering a program with 3 associates per year is approximately $0.5 million (which includes all recruiting, relocation and salary costs) » There is a steering committee that discusses the performance of the program associates and determine where they need to rotate to next, in order to reach further growth opportunities
Program Evaluation:	» Track whether the program associates have managed to fill any real openings upon graduation (if associates can be used to fill full-time open positions, that would mean one less position to recruit for) » The HR community's impression and feedback on the performance caliber of the program associates
Program Challenges:	» Tremendous retention challenge. In the past 7 years, there has been significant turnover among the program participants once they complete their rotation » Program participants tend to prefer specialist rather than generalist assignments » Also, program participants prefer not to move around to different geographically dispersed locations » The company is faced with the dilemma of whether it should consider a combination recruiting process of both direct hires and rotational program associates. This is to ensure that they do not lose out on high potential talent who are less mobile and hence not attracted to programs that requires rotation through different geographical locations

APPENDIX 5: COMPANY E

Industry Type:	Healthcare
Employees:	50,000 – 100,000 people
Enterprise Value	$50 Billion - $100 Billion
Program History:	HR Rotational Development Program was established in 1981 (The program has gone through four phases of revisions. The most recent phase has been put in place since 2002)
Program Goals:	The main goal of the program is to build an HR talent pipeline for the future. The program also helps to build HR competencies of highly analytical and strong leadership skills. Lastly, there is an abundance of work needed to be done across the organizations. These program associates are a great resource to be tapped for the project work because they are quick learners and highly capable of making very real impact on these special projects
Class Size:	6-8 program associates per year. Program participants are selected mainly from top U.S. Masters and MBA programs
Program Length	3 years
Rotation Assignments:	2-3 rotation assignments of approximately 12 months to 18 months each. The key to a successful rotation program is not to make it too rigid. If a candidate has already had staffing experience, they will not need to go through another staffing assignment. The program manager will work with each associate to make sure that they can achieve their long-term development and career goals. The rotation assignments are not linked to an actual headcount position – it is a job assignment that is created for the program associate
Additional Programming:	» Bi-annual training meetings that are focused on honing HR skills such as OD skills, change management, business partner skills, leadership traits, consulting skills, etc. » Associates are set up with Mentors and buddies » Networking with HR leaders
Program Administration:	» The program is administered by the HR Administration group within Corporate Headquarters
Program Evaluation:	» Recruiting success as measured in terms of how many offers are made and accepted, and also how diverse the incoming class is » Retention of program associate after they graduate (compared to other companies with 75% attrition rates, the company feels that it is doing well in terms of retention, since there are 50% of associates still left in the company over the span of 25 years) » Tracking of how quickly the associate moves up to executive level positions (historically, 20% of the associates will reach the executive ranks within 10 years) » Number of associates that appear on the talent and succession planning lists » Evaluation/Satisfaction surveys filled out by both the associate and the assignment supervisors
Program Challenges:	N/A

APPENDIX 6: COMPANY F

Industry Type:	Conglomerates
Employees:	50,000 – 100,000 people
Enterprise Value	Less than $50 Billion
Program History:	HR Rotational Development Program was established in 1999
Program Goals:	Building a pipeline of HR leadership talent
Class Size:	10 program associates per year. Program participants are selected mainly from top U.S. Masters and MBA programs
Program Length	2 years
Rotation Assignments:	3 rotation assignments of approximately 8 months each
Additional Programming:	» 1 week of training per year (topics include gaining business acumen, leadership skills, orientation to the company's businesses, core business skills and financial skills). » Video conferencing presentations with subject matter experts » Program associates are matched with mentors who are alumni of the program
Program Administration:	» Corporate pays for the entire program budget » Program administration responsibilities are split between Program Manager and Assignment Manager
Program Evaluation:	» Retention of associates post program » Number of promotion levels the program associate achieve post program » Number of associates that make it to the succession planning list and remain on the high potential list
Program Challenges:	» What types of additional development programs should be put in place besides on-the-job rotational assignments? » How to get business units to be more involved and invested in the program associates?

APPENDIX 7: COMPANY G

Industry Type:	Conglomerates
Employees:	More than 100,000 people
Enterprise Value	\$50 Billion - \$100 Billion
Program History:	HR Rotational Development Program was established in 2004
Program Goals:	The goal of the program is to build future HR leadership talent
Class Size:	3 program associates per year. Program participants are selected mainly from top U.S. Masters and MBA programs
Program Length	2 years
Rotation Assignments:	2 rotational assignments of approximately 12 months each. Program associates will rotate within 5 business segments or the Corporate Headquarters. The rotational assignments are focused on core HR functions such as succession planning, union & labor relations, community relations, recruitment, training & development, compensation and acquisition integration
Additional Programming:	» Brown bag lunches with HR leadership » Program participants are matched with a mentor
Program Administration:	» Budget is paid for by corporate. Approximate ball park investment of \$250,000 per person throughout the two years » The program administration is split between two groups: University Relations takes care of the selection, performance management and lining up the brown bag lunch events. The assignment manager takes care of the day-to-day running of the program, creates the rotation assignments and matches up the program participants with an assignment supervisor and mentor
Program Evaluation:	» The company plans on monitoring the performance and promotion levels of the program associates during the program and up to 10 years post the program » Number of program associates that make it on the succession planning list in the future
Program Challenges:	» What types of additional training and development opportunities should be implemented to supplement the rotation assignments? What topics should be covered (e.g. leadership skills, HR skill building, etc.) during these supplementary training sessions? » How should the company tabulate the ROI for the program?

APPENDIX 8: COMPANY H

Industry Type:	Industrial Manufacturing
Employees:	10,000 – 50,000 people
Enterprise Value	N/A
Program History:	HR Rotational Development Program was established in 1995
Program Goals:	Building future HR leaders and creating a High Potential feeder pool
Class Size:	1-3 HR program associates per year (part of larger associate program of 25 people overall). Program participants are selected mainly from top U.S. Masters and MBA programs
Program Length:	2 years
Rotation Assignments:	3 rotation assignments of approximately 8 months each. Typically HR generalist type work rotating through different plants and corporate
Additional Programming:	» 1-2 seminars per year providing professional type training rather than functional specific training (topics include “Negotiating & Conflict Resolution, Financial Decision Making Process, Computing Economic Value Add, etc.) » Job specific training facilitated by the hiring manager (e.g. Six Sigma Training, HRIS training, Peoplesoft Training, Facilitator Training, etc.) » Networking Opportunities for program associates » Each associate has a coach throughout his/her program
Program Administration:	» The program is run and administered by corporate » There are one to four steering committee members who oversee the development, hiring, assignment selection and placement of associates » Performance management evaluations are given at the midpoint and conclusion of each assignment by the assignment supervisor
Program Evaluation:	» The program manager has the system capability to run queries on post program graduates to see how many times they have been promoted, but nothing is currently in place to track High Potential success » Do not currently track attrition levels of post-program graduates or the reason why they leave
Program Challenges:	» The program manager is very heavily involved with recruiting activities and university relations – can get overwhelming » It is challenging finding full-time placements for program associates because hiring managers prefer to hire well-seasoned HR professionals » There is push back from managers who are skeptical about spending all the time and resources to build in-house high potential talent. Why do that when they can hire more seasoned professionals? » There is a need to develop a managers’ guide for the assignment supervisor, so that they can fully understand their responsibilities and accountability for the development of the program associate » There is a need for a more robust and automated associate tracking system. All the associates are in different stages of their rotation and different locations – it would be helpful to have an automated reminder of when relocation assignments should be set up, when performance reviews need to be administered, etc.

APPENDIX 9: COMPANY I

Industry Type:	Healthcare
Employees:	10,000 – 50,000 people
Enterprise Value	$50 Billion - $100 Billion
Program History:	HR Rotational Development Program was established in 1996
Program Goals:	To develop a pipeline of future HR leaders. Rotational assignment will provide leadership development opportunities early on to high potential associates, who are also able to get exposure to the different areas within the company
Class Size:	5-7 program associates per year. Program participants are selected mainly from top U.S. Masters and MBA programs
Program Length	3 years
Rotation Assignments:	2 rotation assignments of approximately 18 months each. Typically one generalist rotation and another specialist rotation within compensation & benefits, recruiting, training & development, HR Systems, etc. Select associates are offered international assignments
Additional Programming:	» Site visits and tours of different facilities across the company's 5 business units » 3-4 meetings per year with HR leaders who share how they are executing HR strategies to address current business issues » Individual and group opportunity for "Lunch with Leader" program » Mentoring program where associates are matched with an HR director » Peer Advisor program where associates are matched with post program graduate
Program Administration:	» The program manager is the VP of HR, who is the main point person » There is also a steering committee represented by each business unit that conducts the interviews, selects the candidates and make placement decisions (central management of what the hiring needs are, how many to recruit, etc.) » Performance management reviews are completed by the assignment supervisor, but the feedback is passed back to the steering committee for review » The budget of the program is not centrally managed because each business unit will pay for the salary of the associate that is rotating through their area » When assigning supervisors for each rotation, the program coordinator will ensure that the supervisor has had significant people management experience and has a track record as a strong manager
Program Evaluation:	» The career progression of the associates is tracked once they graduate off the program and get promoted. Many program associates has had an accelerated career path post program and are already in manager and director positions » Retention of the associates post program is also tracked. So far, retention levels have been successful at 85% - 90% » The performance ratings of the associates are also tracked. Out of a four-point rating scale, associates should be consistently ranked the top 2 of "Effective Contributor" and "Exceptional Contributor"
Program Challenges:	» Since the budget is not centralized and paid by corporate, smaller business unit tend to feel left out as they cannot afford to sponsor an associate » Since the timing of the recruiting season is not in line with the company's fiscal year and budget time frame, it is often difficult to assure associates of where their next assignment is until the last minute. There has been push back from the associates regarding this high level of uncertainty » Company locations are geographically spread out. Hence, it may be difficult for associates who have assignments in more remote areas to fully participate in the site visits and meetings with HR leaders. Need to either find a way to budget travel expenses or find another way to include them from external locations » Question on whether they made a good decision in extending the rotation assignment length from 12 months to 18 months (recent program modification)

APPENDIX 10: COMPANY J

Industry Type:	Technology
Employees:	50,000 – 100,000 people
Enterprise Value	More than $100 Billion
Program History:	HR Rotational Development Program was established in 2002
Program Goals:	The goal of the program is to build a leadership pipeline for HR and also to professionalize HR at the company (i.e. attract and retain high potential candidates with formalized HR backgrounds)
Class Size:	8-10 program associates per year (in the past two years, the program started with 4 associates each year). Program participants are selected mainly from top U.S. Masters and MBA programs
Program Length	2 years
Rotation Assignments:	3 rotational assignments of approximately 6-8 months each. The rotational assignments are set within various subgroups such as HR Generalist, Compensation & Benefits, Employee Relations, Organizational & Leadership Development, Talent Acquisition, HR information Systems, Corporate Diversity and Staffing. 1-2 select associates may also be given the opportunity to rotate through an international assignment, depending on business needs and the associate's relevant background/experiences. If an associate is tremendously talented and ready for a direct hire position after just one rotational assignment, the program is flexible enough to accommodate that
Additional Programming:	» Monthly brown bags where HR leadership talks about what issues/strategic initiatives that they are currently working on » Informal networking events » An assigned executive sponsor will mentor all incoming program participants. Program participants will set up monthly meetings with the executive sponsor
Program Administration:	» Historically, the program has resided in Leadership Development. However, there will be a change so that a designated program manager and program coordinator will oversee the program. The program manager is a high level HR executive who sits on all the governing boards of HR » The direct assignment manager will write the performance appraisal, which will then be calibrated across all the other HR managers » Assignment supervisors are selected with care, and must have a great track record of leadership quality
Program Evaluation:	» Ensure that the company is able to retain the high potential talent post program » Number of program associates that appear on the succession planning list in the future » Program participants' performance ratings » The quality of the impact that the program participants bring to the businesses that they support » Velocity of promotion – how quickly the program associates make it up to Director, VP and Partner levels
Program Challenges:	» How to ensure that the internship pool provides a great feeder source for the full-time rotational development program?

APPENDIX 11: COMPANY K

Industry Type:	Technology
Employees:	5,000 – 10,000 people
Enterprise Value	Less than $50 Billion
Program History:	Rotational Development Program was established in 2002
Program Goals:	Build leadership pipeline. Program enables the accelerate learning and leadership development of associate within an 18 – 20 month time frame.
Class Size:	1 - 2 HR program associates per year (part of larger associate program with 12-14 people overall). Program participants are selected mainly from top U.S. Masters and MBA programs, although it is also open to internal employees who exhibit potential and also recently completed their Masters Program in the relevant function
Program Length	18 months
Rotation Assignments:	2 - 3 rotation assignment of approximately 6 – 9 months each. In the long-term, would like the program to evolve so that program associates will participate in cross-functional rotations
Additional Programming:	» Monthly half-day learning sessions. The topics vary, but are mainly focused on tackling current company strategic issues. Much more firm specific learning than general training » Program participants are encouraged to complete the General Management Leadership Curriculum, which entails completing 10 flagship courses throughout the 18-month time frame » Networking sessions held bi-annually » Informal opportunities to attend corporate functions for further exposure to senior leadership » Program participants are matched with mentors who are program alumni
Program Administration:	» Corporate pays for the first 3-6 months of the initial budget. After which, the budget is picked up the specific function who is sponsoring the program associate » The program manager interviews the assignment supervisor, peers and utilizes other assessment tools to identify the associate's strengths and weaknesses. The program manager then works with the associate to craft an individual development plan
Program Evaluation:	» Number of program associates that have matriculated through to executive ranks and made it to the succession planning list
Program Challenges:	» Not all leaders are bought into the program. Challenge to get the remaining 1/3 to buy-in. There is push back on why the organization needs to invest the time and resources to nurture and development in-house talent when they can hire direct hires with more experience » Getting the associates freed up from their rotational assignment so that they are ready to move and pick up the next rotational assignment » How to market the program internally as well as externally so that there is more buy-in » How to build a brand so that the program can compete with the other more well-established rotational development programs » How to ensure that the additional program curriculum is appropriate and also creating enough excitement about the program so that senior leaders willing volunteer their time for the monthly presentations

APPENDIX 12: COMPANY L

Industry Type:	Financial
Employees:	More than 100,000 people
Enterprise Value	More than $100 Billion
Program History:	HR Rotational Development Program was established in the early 1990s
Program Goals:	Develop the bench strength of world-class HR talent who have leadership and global competencies to quickly transition across various business units
Class Size:	8-10 program associates per year. Program participants are selected mainly from top U.S. Masters and MBA programs
Program Length	2-3 years
Rotation Assignments:	2-3 rotational assignments of approximately 12 months each. Typically one generalist and one specialist rotation assignment
Additional Programming:	» Every other month, senior HR executives or business leaders come to speak to the group (both current and alumni) during the lunch & learns » There are also learning labs for specific skills e.g. compensation » There is an annual conference where participants from all over the world come together for a week-long training program covering topics such as Influencing Skills, Interviewing Skills, etc.
Program Administration:	» The program management is run by the Executive Development group » The program manager uses an HR solution system to track compensation and performance management of the current and post-program associates » A website is also set up where associates and alumni can update their profiles and rotation assignment history » Program manager carefully selects assignment manager with great leadership and managerial skills » Performance reviews are conducted mid-rotation and at the end of the rotation. The program manager will work with the associate to work on goal setting and developing an individual development plan.
Program Evaluation:	» Analyzing compensation, performance reviews and turnover data to track success of the program » Number of people that have stayed and are in the correct trajectory based on performance ratings » View of the associates help by line managers and senior leadership team » By 2009, number of program alumni that have made it to executive positions, and are leaders of the business
Program Challenges:	» The critical retention time frame to watch out for is approximately 2-3 years out from the program. Need to work with managers to ensure that compensation levels are competitive, training & development opportunities are sufficient, and that there are ample networking opportunities available to continue to keep the high potential involved and engaged » Size of the company and the diversity of the business makes it difficult to ensure that program associates are experience similar experiences. Are they receiving a consistent core set of knowledge that is necessary to excel within each functional rotation? » Organization change occurs rapidly, so sometimes, program associates will face disruption as their assignment supervisors change mid-way through the rotation

APPENDIX 13: COMPANY M

Industry Type:	Conglomerates
Employees:	More than 100,000 people
Enterprise Value	$50 Billion - $100 Billion
Program History:	HR Rotational Development Program was established in 2001
Program Goals:	The main objective is to build HR leadership bench strength. The rotational program provides opportunities for newly hired HR professionals to become skilled in the various facets of HR and be exposed to the many roles/responsibilities of HR within the company
Class Size:	6-8 program associates per year. Program participants are selected mainly from top U.S. Masters and MBA programs
Program Length	2 years
Rotation Assignments:	4 rotation assignments of approximately 6 months each (assignments durations are flexible – if the project requires a longer time frame, the associate can extend their assignment beyond 6 months). Assignments include Benefits/Compensation, Staffing & Selection, Labor Relations, Training & Development, and HR Generalist. The association will also have the opportunity to do a rotation outside of HR and may also participate in an overseas assignment.
Additional Programming:	» Associates are encouraged to attend corporate training programs
Program Administration:	» The headcount for the program associates reside at the corporate office, but each business unit will pay for the direct cost of the associate's salary during the rotation assignment. The overall relocation and bonus costs are divided across all seven business units, regardless of whether the individual business unit plans to sponsor an associate. The budget amount per associate (includes salary, overhead and benefits is approximately $90,000. Ballpark for each associate's class is approximately $0.5 million per year) » The program manager will work with the associate to find out what their interests and development plans are, before assigning the associate to their first rotation. For subsequent rotation assignments, it is up to the associate to reach out to business unit leaders to source for their next role
Program Evaluation:	» Measurement of promotion levels to see how many associates end up in executive level positions » Measurement of retention rate (currently at 98%) » Have been asked to provide ROI. Used more qualitative rather than quantitative measures such as higher retention levels and better attraction of high potential leaders
Program Challenges:	» Program associates are becoming rather picky about rotation assignments. Southern and Western locations are more difficult to fill as compared to Northeast and Midwest locations » Associates sometimes find it difficult to transition from short-term rotation assignments to longer-term full-time placement positions » Identifying poor performers and coaching them out of the program

APPENDIX 14: COMPANY N

Industry Type:	Manufacturing
Employees:	More than 100,000 people
Enterprise Value	Less than $50 Billion
Program History:	HR Rotational Development Program was established in 1995
Program Goals:	The main goal of the program is to build the HR leadership pipeline. Program enables the accelerated development of high potential talent by providing high impact assignments, exposure to different businesses & access to senior leaders
Class Size:	15 – 20 program associates per year. Participants are selected mainly from top U.S. Masters and MBA programs. The company also recruits at diversity events
Program Length	3 years
Rotation Assignments:	2 rotation assignments of approximately 18 months each (this has recently been modified – the old program was 3 rotational assignments of approximately 9 months to 12 months each. The change in the program has been due to feedback from business leaders who feel that the longer assignment time frame will allow the associate to stick around long enough to be productive after spending some time ramping up the learning curve. It also helps to reduce the cost of relocation and satisfies the needs of the program associates who are less keen on moving as frequently). The program associates will have the opportunity to rotate through various HR areas such as compensation, generalist, employee relations, staffing and organizational development. The program associate fills an actual headcount position within each of the functions. If the opportunity arises, there might also be the possibility for the associate to go on an overseas assignment for 6-9 months.
Additional Programming:	» There is an initial orientation program which includes HR associates and all other rotation program associates across different functions. The CEO and senior executives provides business unit (BU) overviews » Networking events are at the discretion of each business unit, so not all program associates will be given the same opportunities » Candidates are given a list of possible leaders who are interesting in mentoring. There is no formal mentoring program, so it is up to each individual to approach the HR leadership to set up a mentoring relationship
Program Administration:	» Corporate owns the cost of recruitment, interviewing and travel expenses for interview candidates. However, it is the BU that extends the full-time offer and manages the assignments/development of the sponsored program associate » The current assignment manager will help the associate identify next rotational assignment opportunity. However, the program manager will also make sure that opportunities are identified for the program associates during the bi-annual resource review with staffing leaders » Program manager will work with the assignment supervisor to define the roles and responsibilities of the program associate when an opportunity is identified, to ensure that the project is challenging but not too overwhelming » The assignment manager is responsible for tracking the performance of the associate, and the results and goals of the project. Accountability is linked to the assignment manager's individual performance management review
Program Evaluation:	» Annual survey of participants and assignment supervisors » Tracking of performance, promotion levels and attrition rates. Also tracks which BU seems most popular and attractive to program participants
Program Challenges:	» Program participants are "poached" by competitors. Critical time frame is approximately 3-5 years out from the program. Have also found that attrition tends to happen during certain times of the year (e.g. Mar, Aug & Sept) » Since the associate fills an actual headcount position, there may be cases where the previous associate grows the role and takes it to the next level – it's difficult for another associate to assume the role which has grown too big » Associates are reluctant to take on assignments in less popular destinations, even though the assignment will provide greater learning opportunity » It is difficult to manage both the staffing and development of the program especially as the program continues to expand

APPENDIX 15: COMPANY O

Industry Type:	Technology
Employees:	10,000 – 50,000 people
Enterprise Value	Less than $50 Billion
Program History:	HR Rotational Development Program will soon be established in 2005/2006 (The program framework has been put into place, but there is currently no associates rotating through the program)
Program Goals:	To build a pipeline of future HR leadership talent
Class Size:	Anticipated number of 1-3 program associates per year (may expand once the program is well underway). Program participants are selected mainly from top U.S. Masters programs with a strong Industrial Labor Relations focus
Program Length	3 years
Rotation Assignments:	8 rotation assignments of approximately 2-6 months each. All the HR associates will rotate through the core set of foundational concentration areas such as Benefits, Compensation, HR Operations, Labor Relations, Mergers & Integration, Talent Acquisition & Development and Generalist. Program participants will also learn the business in a global environment and implement strategies in a cross-cultural setting by completing one the above concentrations as an international assignment
Additional Programming:	» Program associates will be included in the Emerging Executive Program, which provides 5 kickoff networking events and 2 elective training sessions per annum. Topics covered through the elective training include change management, process orientation (e.g. Six Sigma Training), overall leadership skills, talent management and building strong teams. » Associates will also be paired up with mentors from “First Executive” ranks
Program Administration:	» Corporate will pay for the program budget through the entire program » The Organizational Development Group is responsible for designing the program, recruiting and managing the performance of the associates
Program Evaluation:	» Will plan on tracking retention rates for up to two years out. If the associates are still within the company after 2 years, will consider that it is a good measure of program success » Will plan on tracking the career progression of the program associates to make sure that they are performing well and on track » Will plan on surveying business leaders to see if there is positive acceptance of the program and the capabilities of the associates
Program Challenges:	» As with any organization, the program committee will need to manage the organizational-wide perception of the program. There may be push back that is unsupportive of the idea that newly hired employees are given exclusive participation rights to a high-profile rotational development program. In order to mitigate this internal equity issues, the company plans on opening the program up to internal candidates in the long term. However, in the short-term, the program will be targeting external high-potential candidates from top Masters Programs » Grappling with dilemma over the quantity of rotations versus the quality of the rotations. Will business leaders push back that the accelerated rotations are too short such that associates end up with limited decision making experience and technical knowledge?

APPENDIX 16: COMPANY P

Industry Type:	Technology
Employees:	10,000 – 50,000 people
Enterprise Value	More than $100 Billion
Program History:	New HR Rotational Development Program was re-launched in 2003
Program Goals:	To identify and develop future HR leaders
Class Size:	4-7 program associates per year. Program participants are selected mainly from MBA programs and the Cornell MILR program (specifically candidates with business and work experience)
Program Length	2 years or more (no set program length – depends on the unique needs of the individual)
Rotation Assignments:	There is no set duration for each rotational assignment. It depends on the individual's development need, project criteria and process cycle (i.e. the associate is encouraged to stay through the critical business cycle for a particular HR function). International assignments and cross-functional rotations are encouraged
Additional Programming:	» Associates participate in quarterly lunches with the SVP of HR and her direct reports to discuss progress and development needs » Associates are paired up with mentors who are top HR executives
Program Administration:	» The program is spearheaded by the SVP of HR. The SVP of HR will help to place the associates in rotational assignments and full-time placement based on associates' interest, developmental needs and business opportunities » The budget of the program comes out of the HR budget as well as gets pro-rated back to the businesses who sponsor the associate per rotational assignment » The assignment supervisor will review the associate during the company's annual review process. In addition, quarterly update reports are given to the associate as well as the SVP » The recruitment of the candidates is handled by the Universities Relations office
Program Evaluation:	» Currently, since the program is still relatively new, there has been nothing put in place yet to evaluate the success of the program.
Program Challenges:	» Anticipate possible negative attitude from non-participants who may feel left out or question the "elite" status of the program associates » Difficulty in marketing the program to candidates due to the lack of structure around the program

References

Burke, L. (1997). Developing High-Potential Employees in the New Business Reality. *Business Horizons*, 40: 18-24.

Byham, W. (1999). Grooming Next-Millennium Leaders. *HR Magazine*, 44(2).

Corporate Leadership Council (2004). *Structure and Administration of Rotation Programs*. Catalog No. CLC11FK025. (Corporate Executive Board).

Derr, C., Jones, C. & Toomey, E. (1988). Managing High-Potential Employees: Current Practices In Thirty-Three U.S. Corporations. *Human Resource Management*, 27(3): 273-290.

Feild, H. & Harris, S. (1991) Entry-level, Fast-track Management Development Programs: Developmental Tactics and Perceived Program Effectiveness. *Human Resource Planning*, 14(4): 261-273.

Feild, H. & Harris, S. (1992) Realizing the “Potential” of “High-Potential” Management Development Programs. *The Journal of Management Development*, 11(1): 61-70.

Frase-Blunt, M. (2001). Ready, set rotate! *HR Magazine*, 46(10): 46-51.

Heisler, W. & Benham, P. (1992). The Challenge of Management Development in North America in the 1990s. *Journal of Management Development*, 11(2): 16-31.

Kuznia, K. (2004). *The Rhetoric and Reality of Fast Track Management Development Programs*. (Annual Conference Proceedings) Midwest Academy of Management.

McCall, M. Jr. (1988). *Developing Executives Through Work Experiences*. Technical Report No. 33. (Greensboro, NC: Center for Creative Leadership)

McCauley, C. (1986). Developmental Experiences in Managerial Work. Technical Report No. 26. (Greensboro, NC: Center for Creative Leadership).

McClelland, S. (1994). Gaining Competitive Advantage Through Strategic Management Development. *Journal of Management Development*. 13(5): 4-13.

Otto, P. (1999). Mentors and Mentoring: A Classic Concept Comes of Age. *Food Product Design.* May Issue.

Thompson, P., Kirkham, K. and Dixon, J. (1985). Warning: The Fast-Track May Be Dangerous to Organizational Health. *Organizational Dynamics*, 14: 21-33.

Tyler, C. (2004). *The Effects of Rotational Leadership Development Programs On Employee Retention*. Graduate Thesis. (Ithaca, NY: Cornell University).