JOB ROTATION AND EMPLOYEE PERFORMANCE

Research that will soon appear in *The International Journal of Human Resource Management* shows that job rotation leads to higher individual performance in the years following the job rotation. However, this effect is primarily driven by the performance gains of those who were high performers prior to the rotation, and there does not seem to be much performance improvement due to job rotation for those who were low performers prior to the rotation.

Key Takeaways:

- High performers who participate in job rotation programs perform better over time.
- High performers who participate in job rotation programs perform better in the future than do high performers who did not participate in job rotation programs.
- Job rotations do not seem to improve the performance of low performers.

Using data on 15,000 employees, representing over 40 financial service companies in Germany between the years 2004 and 2007, researchers found that job rotation programs (lateral, within company job transfers) were common across companies. The researchers also found that overall, future employee performance was higher for those that participated in such job rotation programs. However, these performance increases were isolated to those who were high performers prior to the job rotation, whereas poor performers prior to the job rotation did not seem to benefit from the job rotation.

The research team also found more complex relationships. For instance, despite the fact that job rotation positively influenced future performance for those who were high performers, and that those high performers who participated in job rotation improved performance more than those employees who did not participate in job rotation programs, high performers were less likely than their lower performing counterparts to be provided job rotation opportunities. The researchers also note that they only find these performance benefits when job rotations occur within functional areas.

Their analysis statistically controlled for aspects of the environment (like year), the firm (like company fixed-effects), and the employee (like company tenure, salary, hierarchical position and career type).

Source: Kampkötter, P., Harbring, C., & Sliwka, D. (2016): Job rotation and employee performance – evidence from a longitudinal study in the financial services industry, *The International Journal of Human Resource Management*.