

# Use of Job Rotation in GE's Junior Officer Leadership Development Program

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**I. Overview.** General Electric (GE).

a. Profile. General Electric Co. is a technology and financial services company that develops and manufactures products for the generation, transmission, distribution, control and utilization of electricity. The company was founded in 1892 and is headquartered in Fairfield, Connecticut. The products and services of GE range from aircraft engines, power generation, water processing, and household appliances to medical imaging, business and consumer financing and industrial products. The Power & Water segment serves power generation, industrial, government and other customers worldwide with products and services related to energy production – it serves customers in more than 100 countries (Reuters, 2014).

GE is renowned for its unrivalled focus on leadership and leadership development. The organization’s commitment dates back 100 years to the two programs designed to develop high potential mid-level corporate staff and engineering graduates. GE’s HR leadership touts the success of the programs in the statistic that nearly one third of its 650 leaders are graduates of the leadership programs (Ciccarelli, 2012). Amidst the success of these programs, GE developed other career models to capitalize on relevant experiences of incoming high potential employees. One such program is GE’s Junior Officer Leadership Program (JOLP) which is an early career model designed specifically to transition high performing military officers into successful GE careers” (GE Careers, 2014).

b. Organizational Behavior Concept. This paper will focus on the job rotation aspect of the JOLP. According to the GE Careers website, “The Junior Officer Leadership Program (JOLP) is a unique opportunity to work in three, eight-month rotations with one of the following businesses: GE Appliances, Energy Management, Transportation, Healthcare, Power & Water,

Aviation, and Oil & Gas. Qualified candidates are selected to start their careers in a two-year, cross-functional, rotational training program, which includes both on-the-job and formal classroom training. The program is focused on providing a broad range of useful experience while cultivating the skills sets you will need to enjoy a successful career.” (GE Careers, 2014).

## **II. Job Rotation Concept.**

a. Concept. Job rotation is effectively the movement of an employee from one position to another. The purposes and motivation of an employee participation or employer implementation vary, but generally appears to be aligned with encouraging or stimulating the growth of the employee. The competing concept to job rotation is specialization. Specialization is the division of labor to increase the productivity of workers by allowing them to concentrate on simple, narrowly defined tasks. Because greater division of labor generates higher productivity, firms generally have an incentive to increase the degree of specialization in their organization of work (Coşgel & Miceli, 1999, p. 301). Although job rotation appears to sacrifice the benefits of specialization, a counter-benefit becomes employees’ greater knowledge of the overall production process, which can result in innovation in the process, or the organization of tasks (Coşgel & Miceli, 1999, p. 315). Job rotation complements worker participation by allowing workers to better understand the entire production process and thus participate more effectively. In a specialized firm, improving employees’ breadth of knowledge would require each employee to go through a costly process of training. Incorporating the training into the work process through job rotation minimizes this cost (Coşgel & Miceli, 1999, p. 313).

**III. Considerations.** There are three theories for the application of job rotation: employee learning, employer learning, and employee motivation. Employee learning: employees who rotate accumulate more human capital than other employees because they are exposed to a wider range of experiences. Employer learning: the firm learns more about its employees by observing how employees perform at different jobs. Employee motivation: job rotation motivates employees who would otherwise grow bored with endless repetition of tasks. (Eriksson & Ortega, 2006, p. 654).

**IV. Application of Job Rotation at General Electric (GE).** In an article by Human Resources online, Harvard Business School Professor Boris Groysberg indicates that companies cannot just poach other companies’ high potential employees and plug-and-play them into their own organizations because of the gap in knowledge of organizational culture, leadership, and strategy. He goes on to indicate that companies must find the balance between hiring externally – to have diversity of talent and experience – and promoting internally to promote the desired organizational culture and align leadership-development programs to develop people from internal and external sources to become future leaders (Ciccarelli, 2012).

**a. Program Overview and Application.** One veteran recruiting firm conducted a case study of the JOLP and highlights the focus of the program as providing a broad range of developmental experiences; cultivating knowledge, skills, and abilities central to succeeding in GE’s business culture. The program’s three, eight-month rotations in different job fields allows GE and the participant to identify the strengths and interests of the junior officers, ultimately to allow the officers to grow within that particular field once they graduate from the JOLP. For this paper, I conducted eight anonymous web interviews of past and present GE JOLPs. When asked

to describe the program in their own words, the common threads were the rotational and cross-functional aspects of the program; the focus on participants with high potential or high performance; and the transition and translation of military experience into a business context.

**b. Strengths.** When employees have more need to be trained, implementation of job rotation is more likely. As a result, employees with more tenure in a company, as well as those with previous work experience in the same industry would be less likely than other employees to rotate (Eriksson & Ortega, 2006, p. 656). Since candidates in the JOLP are “junior” to the industry, the inter-functional job rotation helps prepare employees to become top managers. As employees move up to broader jobs, they need to gain deeper understanding of more aspects of business, and job rotation helps them do so. One anecdote from Interviewee A supports this stating that “exposure to a broad spectrum of business segments and responsibilities is the biggest benefit of the program...the formal and informal training structure focused on our lack of experience in the business sector is beneficial. (A, 2014)”

Job rotation also improves job assignments by enabling the firm and employee to identify which part of an employee's performance is due to the employee ability, unrelated job-specific factors, and which part is due to the employee's job-specific abilities (Eriksson & Ortega, 2006, p. 654). Interviewee D’s statement validates this premise saying “[t]he program addresses the single biggest flaw in transitioning junior military officers (JMOs): the chance of a "bad fit" in their first civilian job...in many cases there exist no equivalent role to what they did in the military...[t]herefore, JMOs often find they do not like their first job, and decide to seek employment elsewhere or go back to school. JOLP solves this by allowing JMOs to try out up to 3 different functions, before picking a career path. During that time, [the JMOs] are gaining valuable experience. (D, 2014)” Meanwhile, Interviewees C and H indicate that the foremost

strength of the program is the exposure to the big picture and strategic thinking of the organization’s leadership (C, 2014) along with the diversity of the business experiences in the three different roles (H, 2014).

c. Weaknesses. When asked the question: “What would you describe as weaknesses of the GE JOLP program?” the interviewee responses fell into one of two categories either that participants become “jacks of all trades masters of none” due to the relatively short rotational timeframes or the feel the impacts of “delayed ownership” or “limited responsibility” toward participants again due to the rotational time limitations. Across the board, interviewees indicated that they seldom found themselves challenged to their highest potential or expectation, particularly in an organization known for pushing program and project success and in comparison to any roles they previously held in the military.

**V. Costs and Benefits.** The limited amount of job rotation observed in the world indicates an associated cost with job rotation. Job-rotating firms and workers must have distinct characteristics that make them more likely than others to prefer job rotation over specialization (Coşgel & Miceli, 1999, p. 305). In the case of GE’s JOLP, the officers are often embarking on a new career and attempting to find a new niche. GE and firm’s like it with similar programs are therefore attractive to these candidates and a benefit to GE, as GE is able to incorporate the leadership talent and skills of officers into its GE human capital pool. However, being new to the industry often requires training and a train-up period.

Training becomes an important variable as there is a positive relationship between training and job rotation, but there is also a cost associated with training. To the extent that high training expenses reflect high training needs, one benefit of job rotation are the lowered training costs

(Eriksson & Ortega, 2006, p. 656). GE leverages the cost of training and inherent benefit of using job rotation as an on-the-job training technique and as previously stated, GE can assess the best placement for the JOLP candidates as they progress in the organization.

Another benefit frequently attributed to job rotation is that it improves a firm's ability to respond to change, which is what keeps a company relevant and innovating in the current market and economy. Job rotation promotes innovations largely as a consequence of the broadening of workers' knowledge of the overall relationship among tasks and ultimately promoting process style innovations that result in more efficient organization of tasks and lower production costs (Coşgel & Miceli, 1999, p. 314). The “benefit” most commonly cited by the JOLP interviewees and that is closely linked to the idea of change responsiveness is the exposure and expansion of their GE network. Understanding where and from whom you can seek assistance to accomplish an objective or to innovate, even, can be enhanced by having a strong network. As Interviewee G puts it, “A stronger GE network is probably the largest benefit. It also results in an increased awareness of business, financial, and product development acumen. (G, 2014)”

In reviewing the theories of employee learning, employer learning, and employee motivation and comparing it with the insights on JOLP strengths and benefits from the perspectives of the program participants, it appears that the most applicable theory associated with the JOLP is the employee learning theory. That is, employees who rotate accumulate more human capital than other employees because they are exposed to a wider range of experiences or, in summation of the JOLP comments: exposure to multiple facets of GE, expansion to the network and understanding the organization’s strategic leadership.

**VI. Recommended Improvements.** The most significant improvement that GE can make to the JOLP is to provide a way to measure the participant’s contribution to GE especially given the propensity of former JMOs to need measurement and the company’s reliance on performance metrics. However, implementing a measure of performance will require GE to determine how to resolve the constraints of the eight month rotations and the limited responsibilities that presently exist in the program.

The other improvement that can be made to the JOLP is an early out or early completion that without an associated stigma or penalty. From the feedback of the interviewees, specifically Interviewee B, it appears that “JOLPs face the very real chance of missing out on a great opportunity. If the ‘perfect’ position becomes available while on program, the individual must either pass on the position or leave and potentially not graduate the program. This has unpredictable short and long term consequences. (B, 2014)”

GE JOLP is generally effective in transitioning the skill sets and qualities from one professional area (military) to a more specialized one (GE). The current participants see the value in the program, but have asked for more responsibility and impact. If GE truly intends to “transition high performing military officers into successful GE careers (GE Careers, 2014)”, taking the time to tweak the program and play to the “high performance” aspect that its participants seek.



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