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Job rotation in management at Automobili Lamborghini and Audi Hungary

Abstract

This research has two main aims: First, to establish how sense-making/meaning-making facilitates job rotation success, and second, to determine whether there is a universally acceptable rotation interval for automotive management. This paper intends to examine and explore both research objectives and help to understand the management rotation phenomenon. Moreover, the researchers have collected and analyzed negative experiences (e.g., loss of specialized skills, decrease in productivity, or stress and anxiety) and ways of learning from them. Ideally, this research will lead to a better understanding of the job rotation process and better HR models and plans for job rotation. The researchers provided questionnaires about job rotation to staff at Automobili Lamborghini and Audi Hungary, with the survey paying particular attention to the second research question. Based on their research, the authors have not found an optimal rotation interval, but the questionnaire results suggest that this number is between three and six years. The research also provides detailed information on the average rotation time at two companies and a thorough analysis of the background and different aspects of managerial job rotation.

Keywords: job rotation, management, automotive companies, rotation interval

INTRODUCTION

Diverse segments within the automotive industry, including the compact, premium, sport, and super-premium segments, exhibit substantial disparities in implementing management job rotation strategies. These discrepancies arise from variations in the unique requirements and dynamics of these market segments, which are continually influenced by changing market conditions (Weick, 2015). The ability of managers to swiftly adapt to novel workplace terminologies and evolving market demands significantly impacts the execution of job rotation strategies (Matilis–Christianson, 2014). To navigate this complex landscape, managers within automotive companies employ sense-making processes to comprehend and respond to evolving market conditions (Matilis–Christianson, 2014). Furthermore, the importance of generational collaboration in managing automotive companies cannot be overstated (Singh, 2014). Generation Z employees' engagement and effective utilization necessitates providing suitable human resources, motivation, and management tools to accommodate their needs and expectations. (Smith, 2013). The researchers found it essential to see how each generation of managers (Baby Boomers, X, Y) experiences and views job rotation. These generational differences considerably influence the implementation of labor and management rotation practices within the automo-

tive sector. Additionally, job rotation strategies in automotive companies are influenced by the nationalities of their founders and executives (Boone–Hendriks, 2009).

The leaders' cultural perspectives and values shape the organization's strategic decisions related to job rotation. Economic considerations also play a pivotal role in shaping job rotation practices within automotive companies, as certain rotational elements can incur substantial costs (Ortega, 2001). Economic factors are a crucial determinant in the design and execution of job rotation programs, particularly in the automotive sector. In this context, Cost-Benefit Analyses (CBAs) emerge as essential tools for evaluating the feasibility and impact of job rotation strategies. A comprehensive examination of the existing literature in this domain reveals the need for a systematic and comprehensive approach to understanding job rotation within the automotive industry.

However, it is imperative to acknowledge that job rotation within automotive company management remains relatively rare, which makes the need for comprehensive research and analysis of its effects all the greater. This paper will present our research on job rotation at two luxury automotive manufacturers.

Automobili Lamborghini (AL) is an Italian manufacturer of luxury sports cars and SUVs. The company was founded in 1963 by Ferruccio Lamborghini, a successful tractor manufacturer who wanted to create a high-performance car to rival Ferrari. It is a subsidiary of Audi Hungary.

This paper investigates managers' job rotation at Automobili Lamborghini and Audi Hungary, which, despite their corporate relationship, are run differently by managers with different backgrounds.

The COVID-19 pandemic has significantly impacted job rotation practices in the automotive industry. The pandemic has led to many challenges, including suspending international rotations. This disruption to employee rotation was due to the risk of infection and difficulty obtaining travel visas. The disruption of home-office arrangements made it difficult for managers to contact their colleagues and learn about the local culture. The increased risk of quarantine made it difficult for managers to travel home for holidays or to visit their families. Finally, the decline in production led to decreased demand for job rotation, as companies were reluctant to send employees to new locations. The need to relax promotion criteria was due to many talented candidates being unable to meet the traditional requirement of two to three years of international experience. In cases where a rotation had occurred, the lack of opportunities for new managers to get to know their team members led to ongoing difficulties between some managers and their staff.

These challenges have significantly impacted companies' ability to rotate employees effectively. The industry is still recovering from the effects of COVID-19 restrictions. As a result, job rotation practices will likely be slower and less efficient in the coming months and years.

In addition to the challenges mentioned above, the pandemic has highlighted the importance of job rotation. Job rotation can help companies develop their employees' skills and knowledge, improve communication and collaboration, and promote diversity and inclusion. As the automotive industry recovers from the pandemic, companies will likely place an even greater emphasis on job rotation.

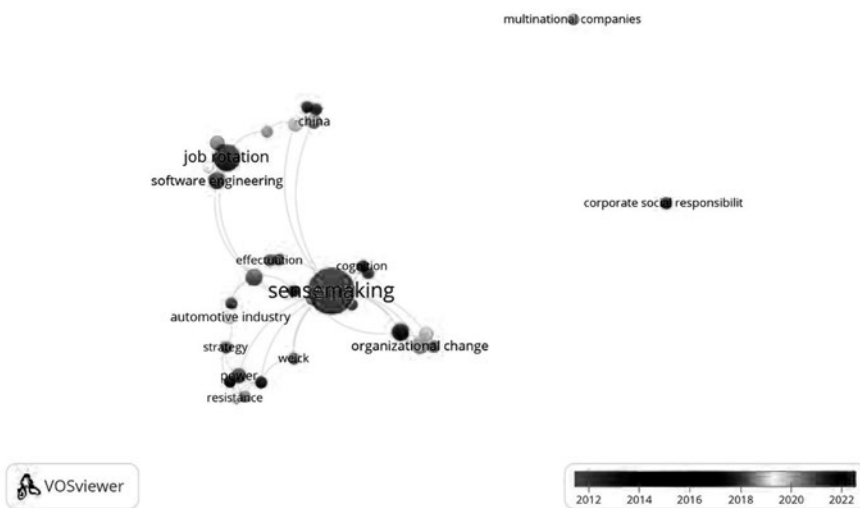
The following literature overview was made to understand this topic's state of the art of science. The methodology will be introduced, and then the results. Finally, the conclusion will be presented.

1. LITERATURE REVIEW

We performed a digital (using VOS View software) and a traditional systematic literature review (SLR) to understand how reasoning/sense-making helps in successful job rotation. We also asked if there is an optimal rotation interval for everyone in automotive management. A set of keywords based on the internet databases Scopus and Web of Science was used to perform the SLR. In traditional SLR, 174 articles were subjected to content analysis by the authors. These 174 publications were categorized into four sections based on their content: job rotation, sense-making, management, organizational culture, and terminus technicus (jargon). The procedure was used to evaluate each group's articles to find an answer to the research questions. The publication dates of the literature examined were between 1973 and 2022.

Over 4,500 articles and books were searched in the digital SLR using the above search terms or keywords. The publication date of the digitally surveyed literature was between 2012 and 2022.

Figure 1 Results of digital SLR research, with a web of relationships among keywords



Source: Authors' survey with VOSviewer

Ortega (2001) conducted similar research on the effects of job rotation, but only from the non-managerial employees' perspective. Ortega claims that the results of his research do not fully align with the *employee learning* and *employee motivation* theories; therefore, the effect of rotation "on the effectiveness with which the employer learns

about its employees" is unknown (2001, 9). Ortega argues that his *firm learning theory* conforms more to the empirical facts and aims to compare job rotation and specialization theories related to employees. These efforts are worthwhile but incomplete. The effects of job rotation on companies should be placed at the center of an investigation, as firms can receive valuable information about job rotation and from studies of the job rotation process, e.g., job-employee matches and the profitability of jobs.

Ortega contrasts his work with the job-matching article of Jovanovic (1979) and Miller (1984). Ortega states that his model focuses on intra-firm mobility – the most typical kind of mobility in the automotive industry – and cases in which employees change jobs in a predetermined way. His research allows forms to gain valuable information that can be used to improve job assignments. This emphasis sets his research apparent from the job-matching literature.

Ortega concludes that based on his model, job rotation is a better learning mechanism than specialization – an assertion supported by empirical evidence. As regards the two other job rotation theories, he claims that while the employee motivation theory suggests that firms rotate employees to fight boredom, empirical evidence suggests a negative correlation between tenure at the organisation and rotation. According to the employee learning theory, firms rotate employees to make them acquire new skills. However, if that were true, there would be a negative correlation between tenure at the organisation and rotation in innovative firms or innovation and rotation in a company that has just introduced a new technology. Unlike these explanations, the theory of firm learning seems to reconcile with all empirical evidence. The literature discusses and analyses rotation processes to prevent line workers' burnout and maintain their ergonomic health. It does not pay enough attention to the rotation of managers and leaders. There is a significant gap in the existing literature. Most of the literature (Ortega, 2001; Osterman, 2000) does not deal with managers but rather the workers in job rotation. Also, no theories in the broader literature relate specifically to the automotive branch. Attention is mainly directed to healthcare, production lines, and jobs in the social care sector (e. g., Rhodes et al., 2016). Ortega defines job rotation as a mechanism that helps firms learn about employee productivity and the profitability of different jobs or activities, including their costs and benefits. When comparing job rotation and assignment policy, he argues that existing evidence on rotation supports the firm learning theory rather than theories of employee motivation and learning.

No other studies on this topic can be found, except for some references to generational differences, which are irrelevant to this research.

2. METHODOLOGY

This research aims to define an optimal rotation interval for everyone in automotive management. The secondary aim is to accumulate and analyze the best job rotation practices. It could be extended into exploring job rotation and job rotation strategies, which is the research's long-term goal.

The primary target group of the questionnaire consisted of Hungarian managers (Audi Hungary). The researchers also had the opportunity to research another subsidiary of the Audi Group, Automobili Lamborghini, which employs Italian managers. The data collection was primarily quantitative, followed by in-depth qualitative research and focus group (segment-focused) interviews. Here, the meta-data analysis approach, which analyzes the results of an extensive collection of studies, was chosen. The reliability and validity of the measures used were ensured using several methods.

The first round of research was conducted in 2022 from October to December. Two hundred seventy-eight managers were surveyed, including middle and upper management and executives. The Lamborghini research was subsequently carried out in March 2023. The total management team consisted of 97 individuals at Automobili Lamborghini (out of a total workforce of 2,290 employees), and 23 of them were surveyed. The questionnaire was the same for both companies. It can be found in the Appendix.

This research has the benefit of a large sample size. These are two separate surveys with identical questionnaires conducted at different times. The objective was to compare managers' opinions within a specific corporate group internationally, conducting a comprehensive sample survey to find and establish a general rotation interval. In the case of Audi, the Easy feedback system was used. The Easy feedback system is Audi's GDPR-compliant questionnaire system and an approved platform for corporate scientific research. At the same time, for Lamborghini, the questionnaire was sent to randomly selected CEOs, upper management, and middle management, with complete anonymity ensured with the support of the HR Director. The Győr pilot project, the GDPR officer, the IT Security manager, and the Compliance department ensured the validation of the questionnaire. The questionnaire was finalized after a pilot survey involving two segments and five middle managers.

The surveys examine the speed with which terminus technicus (jargon) is mastered as a possible measure of the speed of integration. It also offers different rotation period proposals, i.e., after how many years some managers see the need for rotation and where they see signs of burnout. It should be noted that in informal conversations, several managers have already indicated that they do not consider job rotation important. Additionally, they feel that the obligation of changing areas is harmful. Thus, the questionnaire takers will likely offer various responses and opinions.

From the questionnaire, an approximate ideal rotation time interval can be assumed. From the speed of acquisition of the terminus technicus, the speed of the sense-making process can be estimated. The questionnaire results may also provide answers about the attitudes of different manager generations (Baby Boomer, X, Y) toward job rotation.

3. RESULTS

In this nascent phase of the research inquiry, the primary aim is to garner empirical evidence that substantiates the conjectured hypotheses. The researchers have determined that a considerable gap in the research exists concerning the effects of job rotation on managers. However, there is a strong demand to create a standard plan that

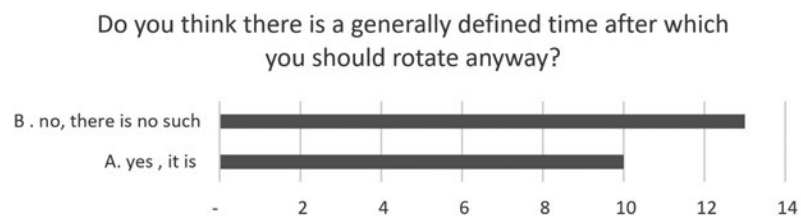
shows how to move workers around different jobs in the car industry. Big companies in this industry face similar needs, which creates a good reason for making consistent rules for rotating workers.

The quantitative data derived from the outcomes of the Lamborghini Management Questionnaire are comprehensively documented within the supplementary section of this research document. This section provides the empirical foundation for our investigative endeavor, incorporating statistical data to enhance transparency and scholarly rigor.

The Appendix contains the statistical results of our research. This placement allows us to focus on theoretical explication, hypothesis formulation, methodological delineation, and broader interpretation of findings, allowing for a more detailed narrative without distracting the reader. We invite readers to assess this data for themselves critically.

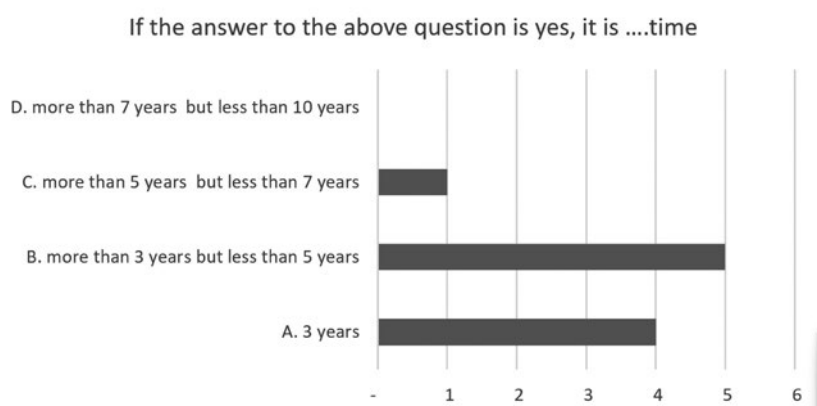
The 2022 Lamborghini Pilot Project found that the average rotation cycle in automotive management is approximately four years, with a quadrennial span being the optimal threshold, based on preliminary interviews and questionnaire assessments with seven top management senior members.

Figure 2 Management Questionnaire Results of Lamborghini 1, n = 23



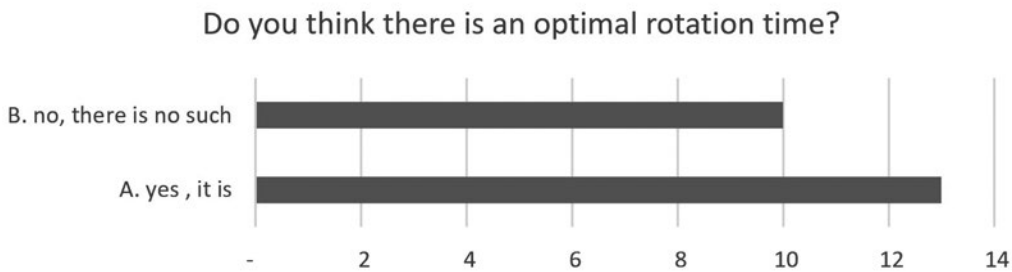
Source: Authors' figure based on survey

Figure 3 Management Questionnaire Results of Lamborghini 2, n = 10



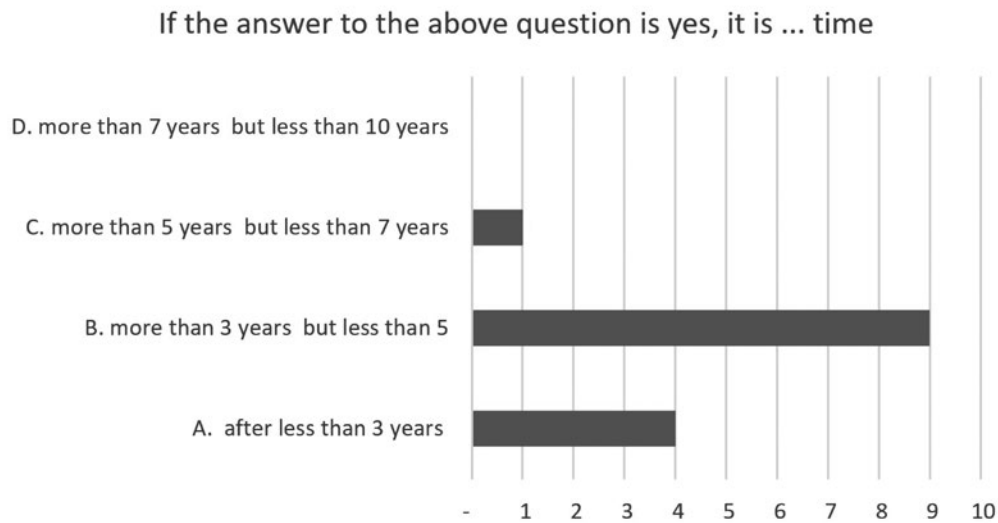
Source: Authors' figure based on survey

Figure 4 Management Questionnaire Results of Lamborghini 3, n = 23



Source: Authors' figure based on survey

Figure 5 Management Questionnaire Results of Lamborghini 4, n =14

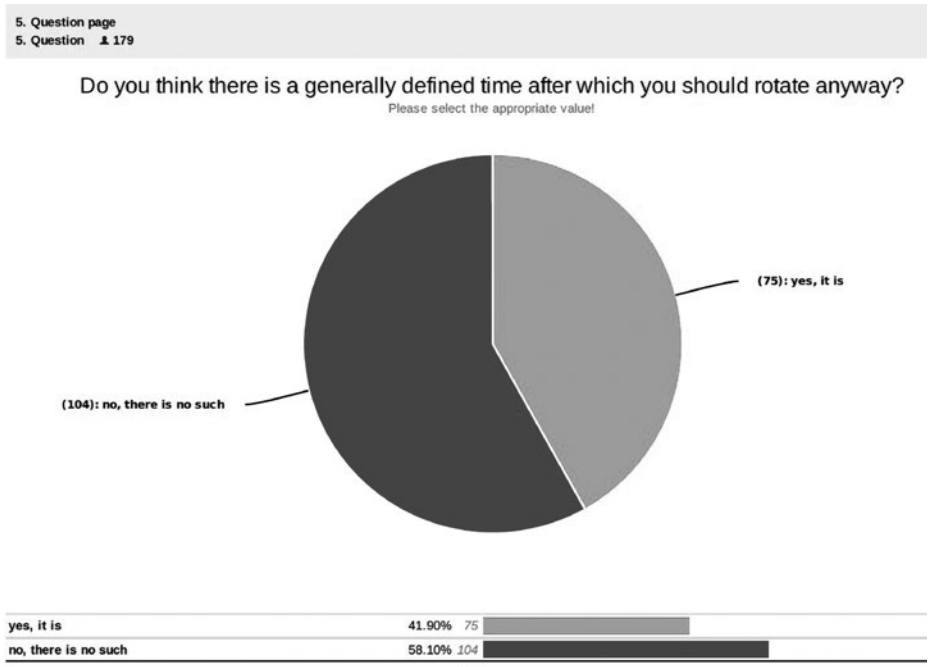


Source: Authors' figure based on survey

Figure 3 shows that Lamborghini managers were most likely to believe that between three and five years is an acceptable timeframe for job rotation. Figure 5 shows that most (58%) managers considered this the optimal time.

Conversely, within the confines of Audi Hungary, a comprehensive study involving 278 participants has indicated a prevailing inclination toward a six-year rotation cycle as the ideal or expected time frame (see Figure 6).

Figure 6 Management questionnaire results of Audi Hungary 1, n = 179



Source: Authors' figure based on survey

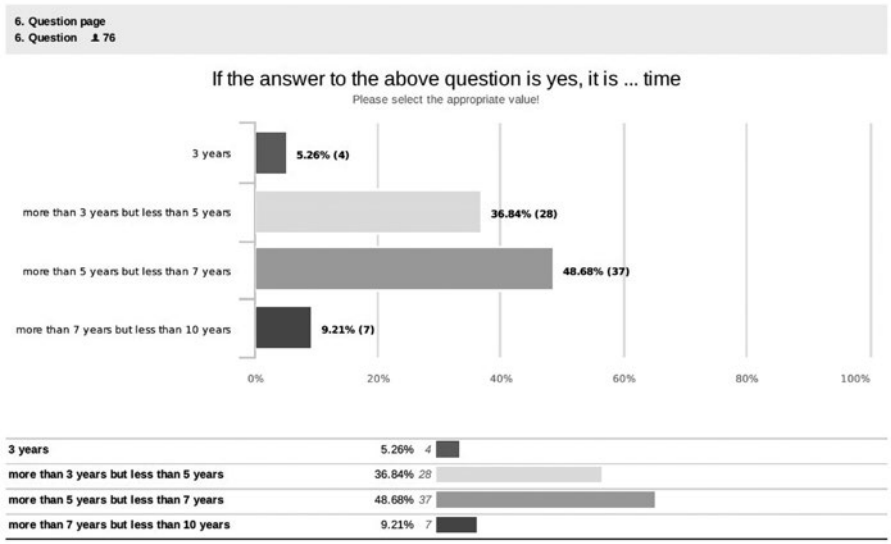
The study reveals a significant discrepancy in the optimal duration for managerial rotation, with research at Lamborghini suggesting a four-year interval. In contrast, research at Audi suggests a six-year cycle, indicating a need for further research.

This variance in the suggested optimal rotation durations between these two numbers suggests a need for further research. This differential is not merely numerical; it holds substantial theoretical and practical implications. This two-year difference in optimal rotation intervals within two major automotive companies raises questions about organizational dynamics, managerial effectiveness, and industry-specific requirements.

Future research should explore the underlying factors, contextual factors, and organizational imperatives that contribute to the contrasting perspectives on managerial rotation in the automotive sector, including organizational structures, market trends, strategic imperatives, and cultural factors.

These differences are not trivial, and they invite further investigation. Additional research is warranted to understand the complex factors influencing these divergent views on job rotation and timelines.

Figure 7 Management Questionnaire Results of Audi Hungary 2, n = 76



Source: Authors' figure based on survey

The six-year job rotation cycle favored by Audi management differs enough from the four-year cycle favored by Lamborgini management to pose many questions. Job rotation systems and timelines are inconsistently applied within and from one organization to the next. This lack of consistency may promote inefficiency.

Prolonged job rotation intervals can lead to burnout and increased employee attrition rates. Unstructured interviews reveal managers' skepticism about job rotation, adding complexity to the paradigm. Further research is needed to understand how job rotation is (and should be) implemented and how managers perceive it.

4. CONCLUSIONS

The paper steadfastly prioritizes empirical evidence, concentrating mainly on examining job rotation practices within luxury automotive brands, specifically Automobili Lamborghini and Audi Hungary. Within the framework of this research, we undertook an extensive literature review, revealing a noteworthy void in existing academic research. The extant literature emphasizes job rotation strategies for line workers, focusing mainly on measures to prevent burnout and maintain ergonomic health, leaving a conspicuous gap regarding the rotation of managerial positions. This study determinedly fills this academic void, underscoring the urgent need for a focused exploration of managerial job rotation, a sector conspicuously overlooked in prevailing studies, including those by notable scholars such as Ortega (2001) and Osterman (1994). This research categorically defines job rotation as a strategic organizational mechanism designed to enhance firms'

understanding and insights into diverse facets, including employee productivity, the profitability of various roles, and the associated costs and benefits. One of the significant outcomes of this research underlines the superiority of the firm learning theory.

This study investigates managerial job rotation practices in automotive companies, highlighting disparities across sectors, including compact, premium, sport, and luxury, highlighting the need for improved job rotation strategies throughout the industry.

The study reveals that managerial rotation is crucial for understanding workforce dynamics in the automotive industry. Intrafirm mobility, a common occurrence, can provide valuable insights and enhance job assignments. Despite skepticism from managers, research was conducted to examine and improve job rotation strategies. The study examines the experiences of Hungarian and Italian managers within the Audi Group, aiming to develop a strategic job rotation process applicable to all automotive sectors. While a single optimal rotation timeline has not been discovered, the researchers made findings that will guide future research in the right direction.

In the future, the researchers intend to extend their inquiry to the German managerial team within the Audi Group, aiming to bolster and enhance their empirical findings. This research aims to provide a comprehensive and empirically rich perspective on managerial job rotation in the automotive industry, bridging the gap in academic literature and offering practical insights for enhancing job rotation practices across various sectors and expanding managerial discourse on the topic.

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APPENDIX

SURVEY QUESTIONS

Date of Birth (Classification: Baby Boom, X, Y, Z Generation)
A. Baby Boomer (before 1965)
B. Generation X (between 1965 and 1979)
C. Generation Y (between 1980 and 1995)
D. Generation Z (after 1995)

How long have you been working at the company as a manager?
A. less than five years
B. between 5 and 10 years
C. between 10 and 15 years
D. more than 15 years

How many times have you been rotated as a manager?
A. None (0)
B. 1 or 2 times
C. 3 or 4 times
D. 5 times or more than five times

After how many years took place in your last rotation?
A. After less than three years
B. More than three years but less than 5
C. More than five years but less than seven years
D. More than seven years but less than 13 years

Do you think there is a generally defined time after which you should rotate?
A. Yes, there is.
B. No, there is no generally defined time.

If the answer to the above question is yes, it is . . .
A. 3 years
B. More than three years but less than five years
C. More than five years but less than seven years
D. More than seven years but less than ten years

Do you think there is an optimal rotation time?
A. Yes, there is.
B. No, there is no optimal rotation time.

If the answer to the above question is yes, it is . . .
A. After less than three years
B. More than three years but less than 5
C. More than five years but less than seven years
D. More than seven years but less than ten years

Do you think rotation is needed at all? (select all that apply)
A. Yes, because it is good for the employee (new impetus to achieve, possibilities, and learning opportunities).
B. Yes, because it is helpful for the company (helps departments, motivates employees, increases productivity).
C. Yes, because it is (other reason):_____.
D. No, because change causes stress for the manager.
E. No, because a long learning curve is a loss for the company.
F. No, because of lost know-how.
G. No, because (other reason): _____.

If the answer to the above question is yes, what degree of rotation is required at Automobili Lamborghini?
A. Within a given segment (e.g., Logistics, Production, Quality)
B. Between business areas (e.g., from Production to Finance, from Finance to HR)
C. Cross-border (international)
D. Person-dependent (from A, B, or C might apply)

In your experience so far, how has your rotation been helpful?
A. It was beneficial because it helped me to face new challenges.
B. It helped me get out of my comfort zone and gain new knowledge.
C. It was neither harmful nor beneficial.
D. It was a negative experience because _____

Who initiated the rotation? (select all that apply)
A. You
B. Your leader
C. Target area leader
D. The HR department
E. Company management
F. Territorial realignment

What was the driving force for your rotation? (select all that apply)
A. Opportunity to move forward
B. Challenge, development, learning
C. Get out of my comfort zone
D. Other reasons

What parts of your rotation were challenging? (select all that apply)
A. Mastering the jargon/ terminus technicus of the new field
B. Getting to know new employees, coordinating
C. Earning of respect, authority
D. Managing the stress of the challenge
E. Other reasons

What made the new role easier? (select all that apply)
A. The new task helped me recover from burnout.
B. New challenges helped me find new positive energy for success.
C. I gained new knowledge.
D. My working environment changed.
E. Other reasons.

How long did you need to integrate after relocation?
A. Between 0 and 3 months
B. Between 3 and 6 months
C. Between 6 and 9 months
D. Between 9 and 12 months
E. More than 12 months

Did your rotation place you in a higher position?
A. Yes
B. No

Have you rotated into a foreign manager's job (worked in a different country)?
A. Yes
B. No

If the answer to the above question is yes, please choose from the options below.
A. The foreign rotation was beneficial. I faced new challenges. I gained new knowledge.
B. The foreign rotation was beneficial. I got out of my comfort zone and gained new knowledge
C. The foreign rotation was neutral.
D. The foreign rotation was a negative experience because _____.

What difficulties did you experience in the foreign rotation? (select all that apply)
A. Misunderstandings arising from cultural differences, different values
B. Absence from my family
C. Learning the jargon of the field
D. Loss of specific skills
E. A decline in productivity
F. Stress and anxiety about whether I can perform well
G. Other reasons

What aspects of your foreign rotation were easier/less challenging? (select all that apply)
A. Preparatory intercultural training
B. Previous work experience with foreign partners
C. Supportive workplace culture
D. Learning stress management techniques
E. Other reasons