

**BUILD YOUR OWN**

## Nine-Box Talent Matrix



## Build Your Own Nine-Box Talent Matrix

A nine-box is a simple and powerful tool that can be used to support your organization's talent management and succession efforts.

- ✓ Compare the performance and potential of individual employees and departments
- ✓ Identify employees with the potential to move into new roles
- ✓ Quickly isolate employees who are in need of development
- ✓ Find performance trends that might be hidden
- ✓ Calibrate ratings & ensure consistent scoring across teams

## Sample Nine-Box Talent Matrix – where do your employees fall?



## Steps for Building Your Own Nine-Box:

### Step #1 – Building Blocks: Define 'Performance' and 'Potential'

The first thing to consider is employee performance and employee potential scores and what ranges to apply.

Historically, employee performance was the main driver in determining succession, rewards, and recognition; however, recent years have shed light on the importance of considering employee potential when creating development plans and performance strategies.

The difference between high-performers and high-potentials:

**High-performers** give immediate return on investment, with estimates averaging from more than 50% additional value, to as much as a 100% increase in productivity over average performers. <sup>i</sup>

**High-potentials** are typically defined as those demonstrating high-level contributions, organizational values, potential to move up to an identified position within a given timeframe, and potential to assume greater responsibility. <sup>i</sup> For example, some organizations operationally define high-potential employees as those who are able to assume greater responsibilities within the next two years and who exhibit a history of high-performance and leadership potentials; also may be defined as employees who are able to advance two leadership levels within 4-8 years and who score well on various assessment criteria. <sup>iv</sup>

Performance and potential data can be extracted from any of the following sources:



- ✓ 360° reviews
- ✓ self-assessments
- ✓ performance appraisals
- ✓ career planning surveys

<sup>i</sup> Corporate Leadership Council, Executive Summary, February 2005. William D. Koch, Directions: Closing the Gap Between the Best and the Rest, Development Dimensions International, 2007.

<sup>ii</sup> Corporate Leadership Council, Literature Key Findings, Washington: Corporate Executive Board, 2003.

<sup>iii</sup> Corporate Leadership Council, Guidelines for Using a Nine-Box Matrix, Washington: Corporate Executive Board, July 2005.

<sup>iv</sup> <http://www.performancesolutions.nc.gov/developmentInitiatives/LeadershipDevelopment/Models/docs/IdentifyingHigh-potentialEmployees.pdf>

Performance scores are easy to collect but **how do you gauge potential?**

Sample questions for gauging employee potential\*:

Potential can be difficult to measure; however, we find that by asking key questions related to an employee's character, capability, performance and motivation, an accurate 'potential' score can be defined. Whether you incorporate these into an appraisal form or use a separate survey to managers, here are some great questions to help gauge employee potential. Attach a score to each answer. Example: YES (1) No(0)

1. Could the employee perform at a higher level, in a different position or take on increased responsibilities within the next year (consider the person's ability only, not whether there is a position available to support this growth)?
2. Could the employee perform at a higher level, in a different position, or take on increased responsibilities within the next three years (consider the person's ability only, not whether there is a position available to support this growth)?
3. Can you envision this employee performing two levels above his or her current position in the next five to six years?
4. Is the organization likely to value growth of the skills and competencies of this employee over the next several years?
5. Could the employee learn the additional skills and competencies he or she needs to be able to perform at a higher or different level?
6. Could the employee learn the additional skills and competencies he or she needs to be able to perform at a higher or different level?
7. Does the employee demonstrate leadership ability—by showing initiative and vision, delivering on promised results, communicating effectively, and taking appropriate risks?
8. Does the employee demonstrate an ability to comfortably interact with people at a higher level or in different areas?
9. Does the employee demonstrate comfort with a broader company perspective than his or her job currently requires?
10. Does the employee demonstrate flexibility and motivation to move into a job that might be different than any that currently exist?
11. Does the employee welcome opportunities for learning and development?
12. When would this employee be ready for a promotion? Immediately (4) 6 months (3) 1 year (2) 2 years (1) never

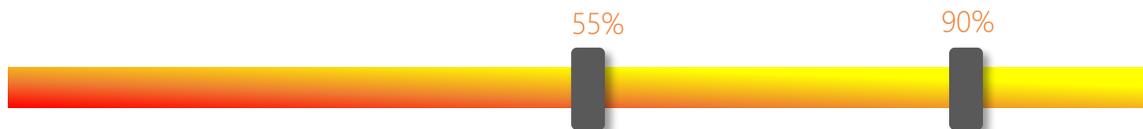
\*Potential questions sourced on the 'Great Leadership by Dan' blog: <http://www.greatleadershipbydan.com/2009/02/how-to-score-leadership-potential-when.html>

Create a list of all performance and potential scores. Example:

Employee Name	Performance Score	Performance %	Potential Score	Potential %
Dwayne Rice	4.3/5	86%	8/12	67%
Martin Powers	3.1/5	62%	10/12	83%
John Adams	2.3/5	46%	5/12	42%
Alison Nguyen	2.9/5	58%	11/12	92%
Jason Morton	1.5/5	30%	4/12	33%

Once you have the total scores for every employee, you'll need to set the thresholds for each segment of the **nine-box** i.e. what it means to be a 'high performer'. This might differ from company to company and even within roles or departments so ensure you remain flexible with these thresholds.

Performance:



Potential:

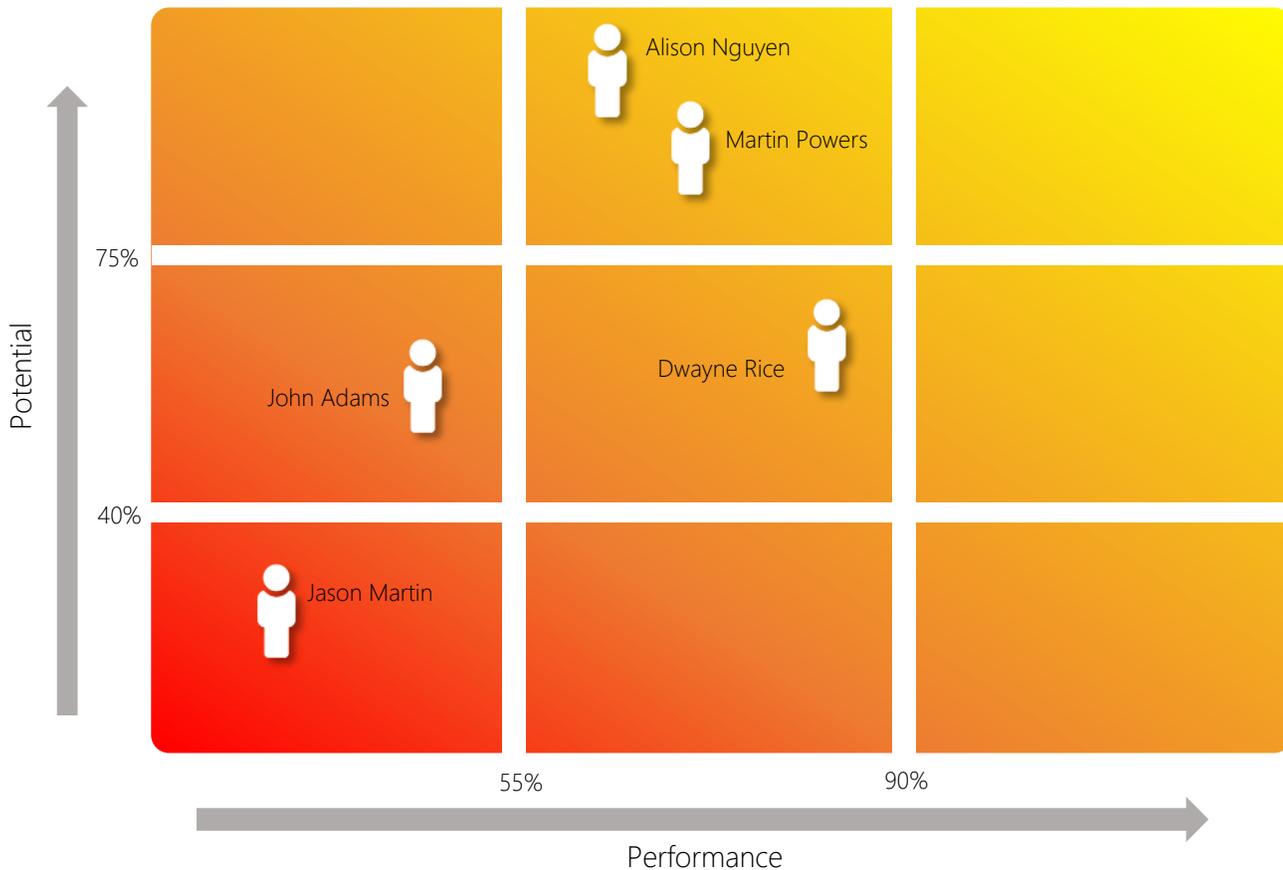


This means that employees who have a performance above 90% and potential score of above 75% will be classified as 'high' and those with a performance/potential score of below 55%/40% score will be low. The thresholds for your organization might be completely different and we encourage you to adjust the filters as needed – go ahead and experiment!



## Step #2 – Build: Plot the Results into Your Nine-Box

Once you have your building blocks (data), insert the results into the nine-box grid in order to plot a relative view of employees for each department and for the organization as a whole. For the sample data we used above, the results would look like this:



**And voila!** A view of your organization's talent pool is displayed. Once the information is plotted, we recommend gathering managers and/or company leaders to review the grid and assess if the data is correct. Even though potential and performance scores are black-and-white, there are often adjustments or 'calibrations' that need to be made once the employee data is visible from a higher level.



## Do's and Don'ts of Using the Nine-Box



DO include several years of performance data (if available) to help account for any inconsistencies.

DO incorporate scores from multiple sources (360° assessments) if available.

DO encourage managers to use the nine-box as a structured method of diagnosing development needs & planning for succession gaps.

DON'T attempt to interpret or share results without a group meeting. Managers who are unfamiliar with the nine-box and its meaning might not understand its uses. Many organizations find it useful to compile division/department nine-boxes and then consolidate into a company-view for revision and discussion with the entire management team.

DON'T ignore what managers have to say. If managers feel strongly that their direct report's position in the nine-box is grossly inaccurate, work with them to revise performance and/or potential scores so employees are represented accurately and given the attention they deserve.

### Other Ways to Use the Nine-Box:

Typically, a nine-box compares performance and potential to help organizations identify talent and make succession decisions; however, the flexibility of the nine-box means you can get creative and compare any performance dimension against another in order to identify missed opportunities.

**Compare Goals vs. Competencies:** By breaking down performance scores into its key elements like goal scores vs. competency scores, you can get a view of employees who might be technically skilled in their roles but are missing the mark when it comes to delivering on results.

**Compare Company Values vs. Goals and/or Competencies:** Many companies are choosing to incorporate company values as formal evaluation criteria in performance reviews. This is to ensure employees are clear what behaviors support the company's mission and vision and those employees are consistently being gauged for organizational fit. By plotting scores related to company values against other performance dimensions like goals or competencies, you can quickly identify employees who might be skilled in their roles but are not a great fit for the organization.

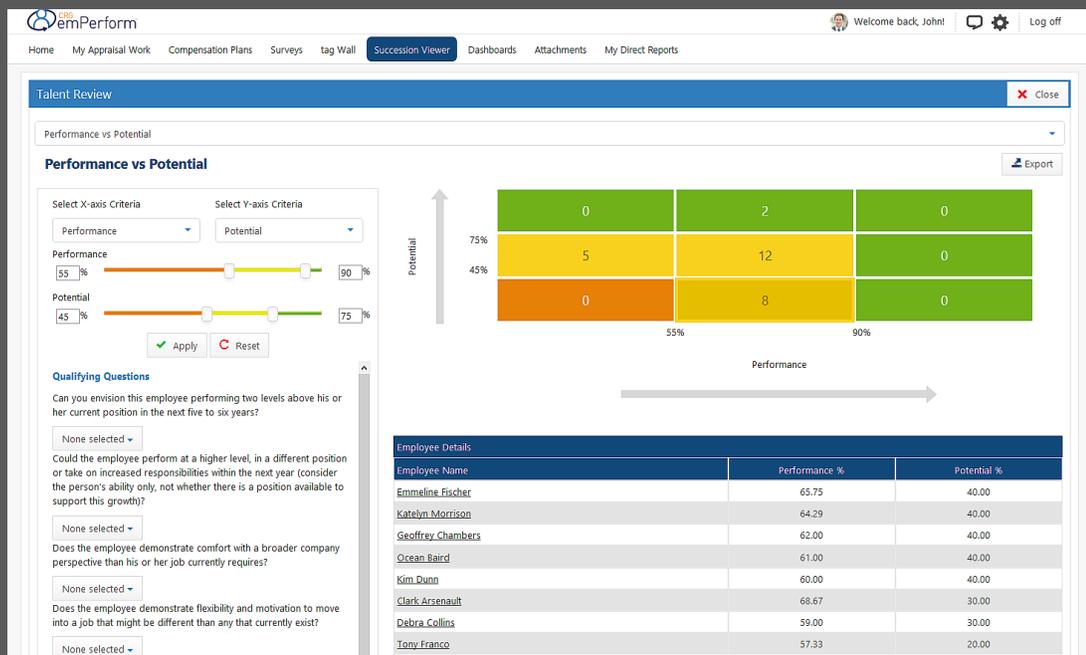


Overall, the nine-box is a simple and powerful tool that can be used to identify talent pools, diagnose development needs and make succession planning decisions. When used correctly with accurate data, the nine-box is highly effective and lends structure to your talent identification and succession efforts.

We hope that you will try creating your own nine-box talent matrix!

## Fully Automated Nine-Box Talent Matrix – included in emPerform

As part of emPerform's all-inclusive [performance management software](#) suite is a flexible and easy-to-use nine-box talent matrix that automatically plugs in data from performance appraisals, 360° reviews and surveys to produce a real-time view of your organization's talent. Try for free today!



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