

Is it time to retire the talent management “Nine box”?

Steven T. Hunt, Ph.D.

Click to follow my posts: www.linkedin.com/in/steventhunt

The “9 box” is one of the most popular assessment methods in talent management. I first encountered the 9 box in the 1990s when it was a key part of GE’s highly influential [Session C](#) performance management method. Since then I have seen 9 boxes used by many organizations with varying degrees of success. But recent innovations in human capital management (HCM) enabled by advances in cloud technology make me wonder if it is time to replace the 9 box with other more effective talent assessment methods.

The concept of the 9 box is fairly simple. Employees are placed in a three by three grid containing nine different boxes based on how they are assessed on two dimensions. Figure 1 shows the most common version of the 9 box. This version is used for succession management with employee placement based on ratings of current job performance and future job potential. Another common version of the 9 box used for performance management places employees based on goal accomplishment (what employees have achieved) and performance behavior (how they achieved it). 9 boxes are usually configured so the strongest employees are in the upper right box and the weakest are in the lower left.

Figure 1. Typical 9 Box Used for Succession Management

Performance	High	Professional Subject Expert	Agile High Performer	Star
	Medium	Solid Performer	Core Performer	Rising Star
	Low	Termination Risk	Inconsistent Performer	Potential Gem
		Low	Medium	High
		Managerial Potential		

The advantage of 9 boxes is they reinforce that employee value is a multidimensional concept. Success depends on different, independent characteristics. For example, a high performing engineer in a technical individual contributor role may not necessarily have the potential to be a great engineering manager. And a sales person who exceeds their sales targets is not a truly high performing employee if they mistreated their colleagues or misled customers to achieve their goals.

The disadvantage of 9 boxes is they often create confusion and resentment among managers and employees. People struggle to differentiate between the two dimensions used to place people on a 9 box. We can always come up with illustrative examples that show how “performance vs. potential” or “what vs. how” are different concepts. But these things tend to overlap in the actual world. Employees who exhibit extremely high performance and very low potential are rare in most jobs (sales and highly technical roles possibly being an exception). Similarly, there are few jobs where people can achieve all the right things if they are doing things all the wrong way.

Because performance tends to correlate with potential and what people achieve usually depends on how they achieve it, it is very rare to find employee who strongly fit the upper left or lower right corners of a 9 box. I'm not saying these types of employees don't exist. Bob Sutton's book "[The no asshole rule](#)" provides an excellent discussion of the dangers posed by people who achieve the right things the wrong way. But managers and employees rarely see people who clearly belong in the upper left or lower right corners. The 9 box exercise segments the workforce into categories that don't reflect the reality of the world as it is experienced by most people. This makes the 9 box process feel artificial and frustrating for many managers and employees.

Managers also struggle to communicate the meaning of 9 box assessments to employees. The issue with 9 boxes isn't that they rate people. [All companies rate employees in the sense that all companies categorize people based on their perceived value to the organization](#). A lot of research has shown that most employees will accept being rated provided they understand the rating process and believe it is fairly and consistently applied. The problem with 9 boxes is many of the ratings don't make sense to managers or employees. It is clear that being in the upper right of a 9 box is better than being in the middle, and being in the lower left is bad. But what does it mean to be in the boxes off the diagonal? Is the middle top box better than the middle right box? Managers already struggle to differentiate between "performance vs. potential" and "what vs. how" during the 9 box assessment process. They struggle even more when asked to explain 9 box results to employees who are concerned about what their placement in different boxes means for their careers.

Perhaps it is time to retire the 9 box. But before we send it out to pasture it is critical to keep a few things in mind. First, effective workforce management does require [rating employees using some method](#). If we don't use a 9 box, we still need to replace it with something. Second, employee value does depend on multiple dimensions. In fact, it depends on a lot more than the two dimensions incorporated by 9 boxes. What we need is some method to rate employees that captures the multi-dimensional nature of employee value but avoids the confusion and complexity of the 9 box. Fortunately, there is a better method that has actually been around a lot longer than 9 boxes. The psychological term for this method is "using effective group decision making methods to solve complex problems". In the HCM world this is about creating more effective calibration talent reviews.

I am increasingly seeing companies replace 9 boxes with new forms of group calibration talent reviews. These methods bring together managers and other stakeholders to discuss workforce management decisions that require assessing the relative value of different employees, taking into account the company's culture and business needs. This includes conversations about:

Impact: Which employees are having a disproportionate impact on the organization's success, and how should the company manage people differently based on the value they are providing?

Investment: How should the company invest limited financial resources such as compensation in a manner that will maximize future workforce productivity?

Development: How can the company most effectively support the career growth, retention and development of employees possessing the leadership potential and/or critical expertise needed to support future business goals?

Four elements are critical to making these calibration sessions work. First, they focus on very specific topics and are clear about what they are NOT addressing. For example, the discussion of impact only

focuses on performance in the current role. It does not address what compensation should be given to people nor does it rate people on potential for future roles. Second, they use simplified assessment models where employees are placed into 3 to 5 categories aligned on a single dimension (as opposed to the 9 category, two-dimensional model of a 9 box). Third, they provide adequate time and structure to enable effective conversation about why employees are being placed in different categories. This discussion is used to surface and address the multi-dimensional nature of employee value (e.g., “yes this employee achieved their personal goals, but he failed to support people in other groups who needed his assistance”). Fourth, they leverage integrated HCM technology to ensure relevant information about employee performance, skills and career interests is appropriately included in the discussion.

The 9 box was innovative talent management method in the 90s. There is nothing inherently wrong with the 9 box, and if it works well for an organization then there may be no compelling reason to get rid of it. On the other hand, it was developed for a much different labor market with much more limited HCM technology than exists today. When it was created emphasis was placed on driving assessment accuracy through process design and constraint. Now may be time to replace the 9 box and other complex talent ratings with assessment methods that achieve clarity and precision through [rich conversation and dialogue](#) instead of complex form design.