

Using Nine-Boxing to Guide Organizational Succession Planning

eBook



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Search Google images for "9 box matrix" and you will find, in addition to a large number of Keanu Reeves pictures (*The Matrix*), dozens of ways to use this simple management tool to improve how we understand and develop talent in organizations. Not only is Nine-Boxing ubiquitous, but it also appears to be unfettered by proprietary obligations. Anyone can use it and apply it to a variety of topics.

The blog series assembled in this eBook focuses on applying the most popular Nine-Box, the Performance-Potential matrix, to the process of succession planning in organizations. This book introduces the concept and application of Nine-Boxing, and provides a framework for conducting one's own Nine-Box analysis. It addresses the characteristics of individuals that populate each of the nine boxes and provides recommendations on what actions should be taken. The focus then is on addressing the developmental needs of one's talent pool toward building a base of successors ready to advance in the organization.

Following the introductory chapter, the succeeding ones proceed in a purposeful direction from those with the *least* promise to help your organization to those with *greatest* potential. Thus, the flow moves "northeasterly" in the Nine-Box from the bottom-left to the top-right. Chapter 2 addresses "Icebergs" that have the potential to wreak havoc on your efforts to steer your organization to safe waters. Chapter 3 looks at those "Up or Outs" who are veering off the desired path due to weaknesses in potential or sub-standard performance. Chapter 4 discusses those "Enigmas" who embody excellence on one dimension (performance or potential) while struggling on the other. These three chapters thus look at ways of steering your talent back on track in your succession plan.

Chapter 5 explains what should be done with talent that is on the right track; those "Future Stars" that need to be groomed and mentored to assume leadership roles in your organization. Chapter 6 concludes the series by taking a very practical approach to ensuring that your organization's "All Stars" are appropriately maintained, retained and deployed toward the improved performance of your organization.

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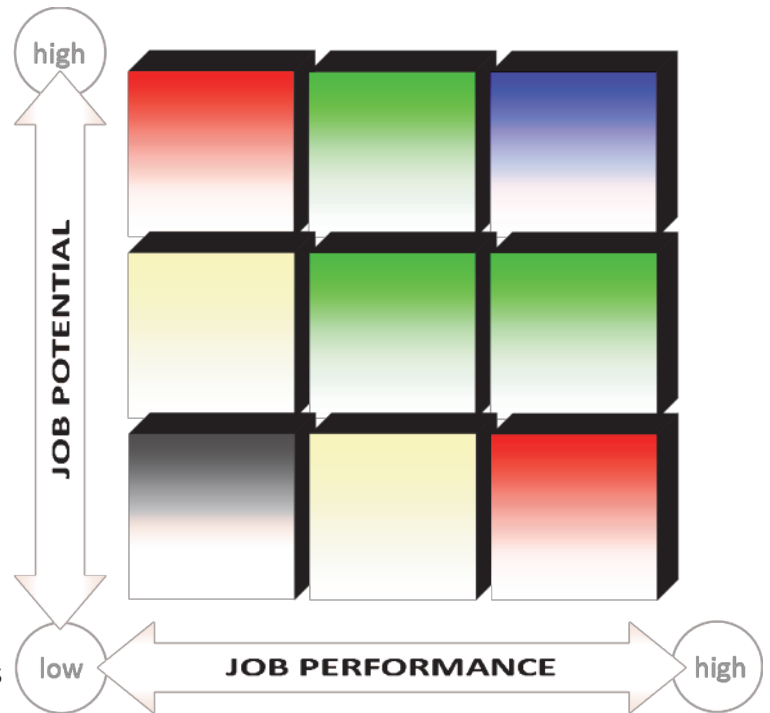
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Why I Love Nine-Boxing and Why You Should, Too

The origin of the management practice of Nine-Boxing, or for the more formal reader, The Performance-Potential Matrix, is shrouded in mystery. No one seems to know for sure who invented it. This wonderfully simplistic tool is the management science equivalent of free software. It's like Angry Birds for administrators; Fruit Ninja for the executive. Nine-Boxing is a method for assessing talent in your organization along two dimensions - past performance and future potential. Typically the talent pool consists of the individuals in your organization that might be considered for career progression - from individual contributors to executives. In essence, Nine-Boxing provides a simple yet effective tool for forming the foundations of succession planning.

In a nutshell, the process goes like this:

1. **Categorize Performance.** The organization's performance management process is used to classify the talent pool into three categories: ***outstanding performance, good performance and poor performance***. Managers and HR professionals in most organizations are able to accomplish this process with a great deal of accuracy and precision.
2. **Categorize Potential.** Far more challenging is the science of predicting potential. As with performance, organizational decision makers are tasked with classifying their talent pool along three dimensions: ***high potential (the so-called Hi-Po's), medium potential and low potential***. The task involves conducting some form of employee assessment on each member in the talent pool. High-performing organizations typically use high-value management tools like [executive assessments](#). The alternative to this approach is the use of subjective judgments as in a 360-Degree Feedback process where evaluations are used to predict potential. This essentially turns the science of assessment into more of a stylized art.
3. **Categorize the Talent Pool into Your Nine-Box.** Armed with one and two above, organizational decision makers now place each member of the talent pool into the nine box matrix according to their performance and potential categories as illustrated here.



Over the next several weeks, I'll discuss what to do with the talent in each of the boxes, the pitfalls and dangers to be avoided and the opportunities to be gained.

"So it's simple and free," you say. "Why else should I love Nine-Boxing?"

Standards. Nine-Boxing leads your organizational decision makers toward developing clear and consistent standards for defining performance and potential. Because ultimately, a great deal of your organization's success depends on how effectively you develop your talent, it will quickly become very important to ensure that the people in your talent pool are appropriately classified. And after all, a lot is riding on these decisions for your employees as well.

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Dialogue. Utilizing the process can form the basis for a dialogue in your organization about how talent is assessed, measured and developed. In fact, it can give birth to numerous dialogues. Where to put your developmental dollars? Whom to single out for challenging assignments? How to plan for future turnover and successions? What do we do to foster teamwork?

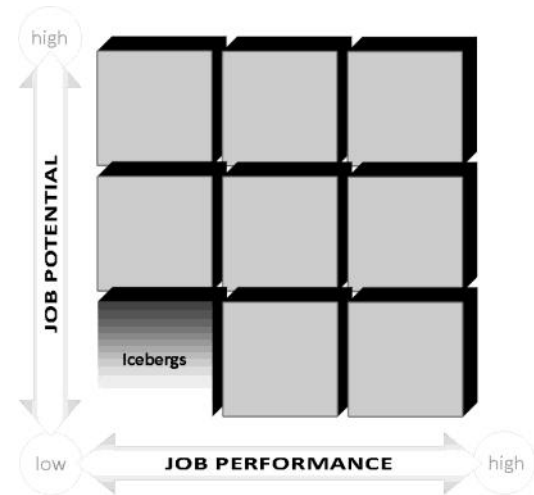
Structure. The tool helps provide a structured way to think about where your talent fits within the context of your organizational culture. The structure allows managers and other decision makers to be comfortable in pointing out the blind spots in the people who work for them. Often, and in particular with acceptable or outstanding performers, difficult conversations do not take place.

Culture. You can use Nine-Boxing as a way of reinforcing cultural values surrounding talent management, teamwork and collaboration. It can form the basis for how your organization's management team shares a collective responsibility for the organization's future success.

So, during your time normally devoted to Solitaire, Tetris or Angry Birds (depending on your generation), download the free Nine-Box app from your grey-matter computer to a notepad (or drink napkin) and start placing your people in the box where you think they belong. Share your thoughts with others and consider what your organization might do to nail down the science of assessing potential. You'll come to love Nine-Boxing like I do.

The Perils of Organizational Icebergs

Executives engaged in the process of Nine-Boxing frequently stumble when it comes to taking actions to address employees in the shallow end of the talent pool: those with little future potential and sub-standard performance. Employees in this dark corner of the performance-potential matrix are often said to be **Icebergs**, not because you can only see the tip of their potential, but because they are capable of sinking your organization. An often overlooked component of succession planning is the ability to recognize a failure of the system - people with no potential and below average performance who need to be moved rather quickly to another box, or be moved out of the organization. Regrettably, we all too often see the investment of **more** resources rather than fewer in dealing with **Icebergs**.



So what to do with your Icebergs, the people who are clearly in the wrong role or maybe even the wrong organization?

1. Action plan with the individual to find a more appropriate assignment for them. You may be able to facilitate placement of the person into more fitting roles with more suitable direction, purpose or opportunities. If you want to retain the person, consider taking a performance management approach instead of a developmental approach; an improvement action plan rather than a tailored developmental plan. Coaching and feedback should be remedial.
2. Some **Icebergs** may be "stuck" due to issues they perceive to be beyond their control. Anything ranging from personal (e.g., family crisis, life change) to professional (conflict with a co-worker, discomfort with a work practice). As such, you should counsel, build trust and try to understand the issues. Clear road blocks and set them on the path toward improved performance and (perhaps) improved potential.
3. In a few cases, your inquiry may reveal hidden potential toward a path different from the one proscribed by their current role. Uncovering these disconnects often leads to a new understanding of what role the employee should be in. The **Iceberg** in these cases is a misfit and needs to be reassigned.

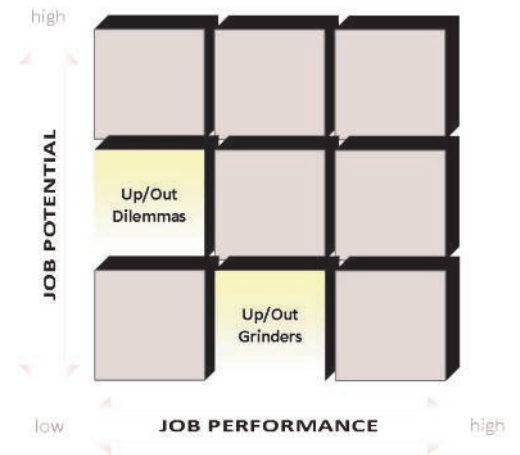
One last consideration for you: An often unforeseen consequence of not dealing with **Icebergs** is that they can form a sort of plaque in your organization, clogging the arteries of development and keeping others from realizing their full potential. Because of this, it is important to identify and **remove Icebergs that are blockers**, poor performers with a limited future who stand in the way of potential stars.

If you are unable to find an individual contributor role for the **Iceberg** and all performance management efforts have failed, assisting in an exit from the organization is probably the best option for all concerned. Do NOT spend any more money confirming what you already know by RE-assessing potential or RE-evaluating performance. If you have done the work to establish your Nine-Box and appropriately classify your talent pool, you should spend the least amount of developmental time and dollars in the dark corner of the Nine-Box. Focusing on **Icebergs** can lead to missed opportunities, or, worse still, losing more capable talent to the competition.

Recently, I had a conversation with an HR colleague of mine who works for an organization known for its skill in developing talent. I mentioned Nine-Boxing and what to do about people in the lower left-hand corner. She said, "Oh, you mean 'Low-Hanging Fruit?'" In her high-performing organization, those who aren't 'up-to-snuff' stick out, and the company has an established process for keeping this corner of the Nine-Box cleaned up. **THAT'S THE GOAL: identify and take action without pouring your valuable developmental dollars into a box that rarely yields results for your organization.**

Get Your "Up or Outs" Moving Up or Moving Out

In the previous chapter, I talked about the dark corner of your **Nine-Box**, where focusing time and effort on your **Icebergs** probably represents a waste of time and effort. As one moves from the black box **Icebergs** to the desired purple box of the performance-potential matrix, it becomes increasingly important to invest resources and make the right moves and decisions in developing your talent pool. So with this next category of talent, the focus lies in helping your people **upwards** (enhancing performance and potential) or **outwards** (to another role or another organization). These **Up or Outs** come in two forms and each must be dealt with in slightly different ways.



1. The **Grinders** in your organization are those who are performing acceptably, but possess limited future potential for growth. Some might suggest leaving your Grinders alone, saying, "They're not exceeding expectations, but it's nice to have people around who are steadily reliable." However, in a fully articulated succession plan, you should endeavor to leave no employee behind. Accordingly, Grinders should be pushed to formulate action plans that improve performance and/or enhance the limited potential they presently display. Put the ball in their court rather than invest development dollars in limited potential people.

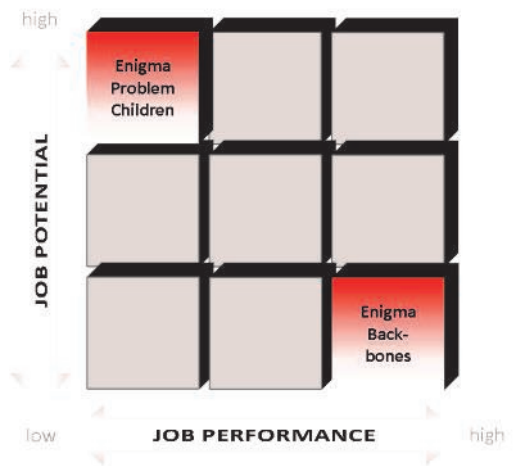
If, after working their action plan, the Grinder wants to move **Up**, then you've achieved success with a minimal outlay of resources. If the move is **Out**, then both employee and employer have laid the foundational groundwork in the action plan for why that is. Perhaps other roles exist in the organization where the Grinder can continue to perform, but do so with more potential for the future. Lastly, the Grinder may come to the realization that being "ok" in a role is not enough for them and will seek more promising opportunities elsewhere.

2. The second form of **Up or Outs** have some potential to be great in your organization, but for whatever reason, they are not performing. These **Dilemmas** pose unique challenges for your **succession plan**. If they are new to the organization, consider reviewing their on-boarding experience. Was something poorly communicated during orientation? Is there a misunderstanding about job expectations? Are there disconnects between recruitment expectations and the realities of the role? New members to an organization often find themselves in this particular box because something has gone wrong. Alternatively, you may have a Dilemma who is rudderless in your organization. Seek out root causes for the performance issues and encourage the employee to develop and own an action plan for remedying deficits. Often, Dilemmas benefit greatly from a **peer mentor** who can guide them through the predicament they are facing. Ultimately for both types of Dilemmas, assessing fit is key. If addressing performance barriers and action planning do not work to move them **Up** in the **Nine-Box**, then moving them **Out** to a different role or another organization is the only other option.

The **Up or Outs** in your organization form the heavily tactical portions of your **Nine-Box**; the impact and scope of these decisions tends to be smaller. Actions taken in the lower left three boxes should be focused on employee efforts to change and move up (or out). As you move to the upper right of the **Nine-Box**, actions become more strategic and far-reaching as the effects of your **succession plan** begin to have a more direct impact on the goals and success of your organization.

Succession Planning: Coping with Organizational Enigmas

As the model to the right illustrates, **succession planning** involves mobilizing your talent pool in a north-easterly direction; that is, from the bottom-left **Icebergs** to the ultimate goal in the top right box. In the process of developing a healthy succession plan in your organization, you may encounter some outliers to the normal progression. These **Enigmas** represent individuals that are exceeding expectations along one dimension and failing along the other. Enigmas come in two forms on opposite ends of your Nine-Box: the high-performing **Backbones** in your organization who possess limited potential, and the **Problem Children** who are high potentials ("hi-pos") that aren't performing up to standard. The two should be developed in very different ways.



Help Your Backbones Reach Their Potential

You are likely familiar with your **Backbones** - those high-value experts that are the go-to people when there are problems. They are, at present, performing perfectly in their role. The classic mistake in management practice has been to promote these individuals thereby achieving the oft-maligned "Peter Principle" - promoting a person into a role where they perform incompetently. Instead of risking this blunder by investing developmental dollars on an individual that you have already identified as limited in potential, consider taking the following two actions:

- 1. Encourage their retention as a key asset in their present role.** Watch for signs of boredom, lack of challenge and other retention risks. Provide recognition and rewards for their accomplishments. Look for ways to publicly acknowledge their efforts. Have them take the lead on presenting information or explaining processes to others (corporate presentations, participation at external conferences, etc.).
- 2. Provide them with opportunities to develop in places where they can grow a deeper and broader skill set and knowledge base.** Utilize their assets toward teaching or coaching others. Look for the hidden high potential in the talent base of your **Backbones**. Are there undiscovered passions or interest areas that they can branch out to that will help the organization grow? Can your **Backbones** grow to be stars in their own roles without the need to climb the ladder to do so?

Helping Your Problem Children Grow Up

In the other corner of the Nine-Box are a set of nuts much harder to crack. The **Problem Children** in your organization have all the potential for greatness, yet they have failed to meet expectations. They are the rookie sensation that flops in the big leagues; the brilliant young mind that can't make it in college; the disappointing Olympian that comes home with no medals. Several action steps should be taken to address these cases.

- 1. Find the root cause of the failures in performance and collaborate on a development plan to address identified deficiencies.** If the issue is more about poor fit than role failure, consider moving your **Problem Children** to different roles in the organization. After you have taken actions to address any issues, review the assessment you did on their potential. Are your Problem Children truly "hi-pos" in your organization?

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2. Make their developmental plan contingent on performance improvement. Come to an agreement with your **Problem Children** on ways to match tasks and responsibilities in a manner that results in better job performance. Try including efforts to give them the technical skills they need to perform at the required level. Ensure that any investment in development only occurs after measurable improvements are made. If these employees do not respond, consider moving them to another role or out of the organization.

3. Lastly, can you 'kill two birds with one stone' by asking a Backbone to mentor and coach your Problem Child? Explore the possibility of attaching these employees to higher performing members of your organization, and more the better if those mentors are also "hi-pos."

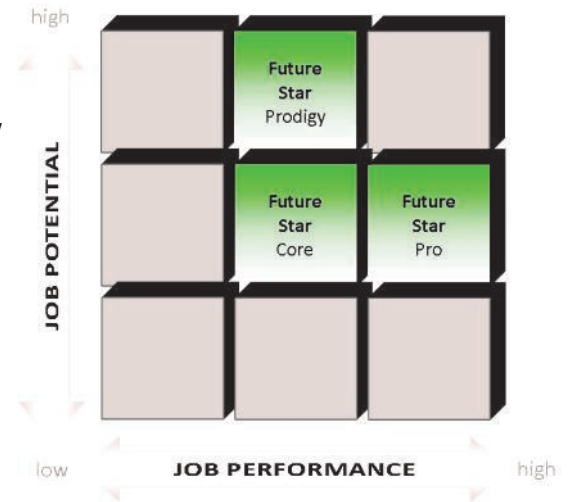
Investing development dollars in Enigmas should probably be more extensive than the outlay made for the Up or Outs discussed in the previous chapter. Both offer tremendous opportunities for your organization if they can be directed back toward the stream of your succession plan. When that happens, you can really start to focus your development dollars on the creation of the gifted talent that will move your organization to greatness.

Succession Planning: Pushing Your Future Stars to the Top

The previous three chapters suggest approaches for managing the more wayward talent in your Nine-Box Performance-Potential Matrix. How do you cope with the Enigmas in your organization that shine on one dimension but are dim bulbs on the other? How can you mobilize "Up or Outs" along the path of your Succession Plan? And, how does one avoid sinking the organizational ship with low-potential, low-performing Icebergs?

Individuals in these boxes haven't moved in the northeasterly direction in your Succession Plan like you've intended. Instead, they've proceeded in potential without progressing on performance or they've proven to be strong performers but haven't seemed to sparkle with potential in your organization.

The time has now come to focus on those individuals who are making your Succession Plan look good. These are your Future Stars: they make a difference right now and, with the right developmental support, they can transform your organization's future. Future Stars come in three varieties:



1. Developing Your Core

Talent in the center square of your Nine-Box are proceeding directly along the path of your succession plan. Assess where members of this **Core** group stand in their career-development pathway. Some may not be ready or interested in advancement yet. Recognize that your Core talent does not need to be pushed at this time. It's acceptable for them to stay where they are. Until they're ready for that next step, here are some other suggestions:

- Provide coaching and training that builds both technical expertise and leadership skill
- Give them short-term assignments or projects that expose them to the types of challenges they'll face at the next level; gauge their reaction to the experience
- Praise their accomplishments in the present role and build trust with them so they'll let you know when they're ready to make the next move
- Ensure that they know they are valued, listen to their ideas and monitor their behavior for signs of complacency or dissatisfaction

2. Coach Your Pros to Stardom

The **Pros** in your organization are the high performers who show some potential for having a greater impact. Often, it's a matter of readiness that prevents them from moving into those larger roles. Accordingly, the focus should be on development and preparation for longer term opportunities.

- Look to provide them with "stretch" assignments - projects that may require them to do things they don't already know how to do or necessitate skills and abilities that are beyond their current role
- Challenge them to be high performers in a higher profile role
- Find a mentor for them that is at least one level up on your organization chart
- Promote relationship building among other high performing talent in your Nine-Box
- Make short-term job rotations or job swaps readily available to them; give them a chance to operate in a completely new role - and assess reactions to those experiences

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3. Grow Your Prodigies to Greatness

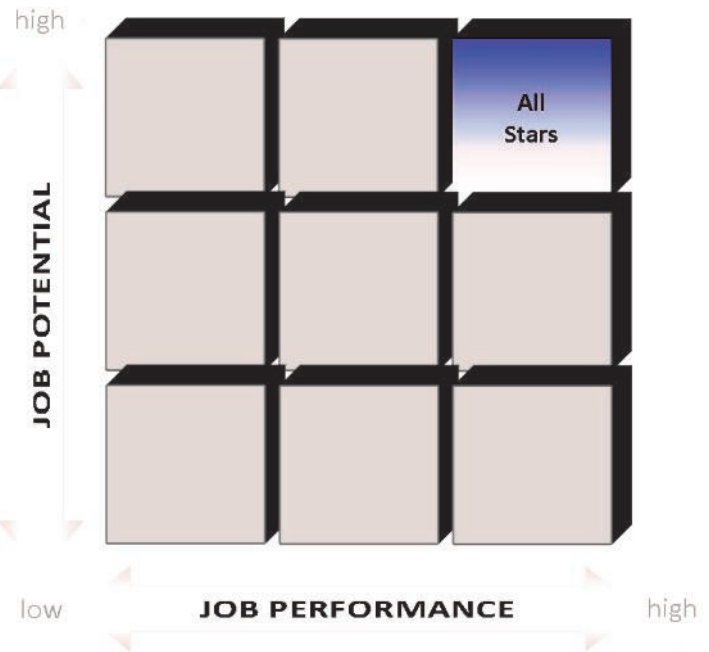
We typically use the term "prodigy" to describe someone with high potential that hasn't fully grown into that role (e.g., a child math prodigy). Similarly, those members of your talent pool that may not have achieved in performance what they reveal in potential are **Prodigies** in your Nine-Box. This is particularly true for the more junior participants in your **Succession Plan**. The key is to focus on competency gaps and remove performance barriers in an effort to shift the **Prodigy** from "good to great."

- Challenge them with a start-up assignment where they have responsibility for creating a new process or opening a new market; make it a high-profile activity that no one else has done
- Consider matching them to a higher performing mentor who can help them along the path
- For more junior members, provide assignments where they have a chance to step in and resolve conflicts or inefficiencies in a problem area or task them to do a "clean up" in an area of disrepair
- Make short-term job rotations or job swaps readily available to them; give them a chance to operate in a completely new role - and assess reactions to those experiences

Your **Future Stars** represent what's going right in your **Succession Plan**. Each of them should serve as a "Poster Child" for how career development works in your organization. Celebrate their successes with others and make sure that stumbles are revealing to them, and to you, on how to get it right the next time.

Proper Care and Maintenance of Organizational All-Stars

After discussing the movement of your talent upwards in performance and potential over the last four chapters, I now come to the culminating corner, the penultimate piece of your **succession plan**. The upper-right corner of the performance-potential matrix is where, in a perfect world, all of your staff would reside. The **All Stars** in your organization are those people who are realizing their full potential while at the same time performing at their peak. This is the dream team of organizational players. They are well-equipped to take on any assignment and poised to transform your organization into a better version of itself. But caution must be taken with these rarified **All Stars**; for they can easily become bored and thence, to your dismay, lured elsewhere. Accordingly, I offer a brief care manual for best practices in sustaining and cultivating the "top guns" in your succession plan.



Find ways to make them shine.

- Give them challenging, stretch assignments doing things nobody else has done. The top **All Stars** in your organization should be tasked with high stakes, high-profile assignments that show them off to others in your talent pool.
- Earmark them for start-ups or spin-offs where they will add even more tools to their arsenal while helping to take your organization in new directions.
- Lastly, identify parts of your organization that may need financial or operational turnaround and assign an **All Star** to make the repair.

Give them opportunities that nobody else gets.

- Grant them access to exclusive training opportunities, send them to national or international conferences, appoint them to high-profile committees in the organization.
- Consider the formation of a cross-functional association among **All Stars** that serves to build relationships and provide support to all of your key organizational players.
- Allow them elite access and exposure to the CEO, senior leaders and the governance structures in your organization. Provide them with shadowing opportunities where they can unhook from their present role and walk with another in a role they may hold in the future.
- Your organizational **All Stars** are also ideally suited to serve in a leadership capacity on civic boards and committees. They represent the best of your organization to the community while they learn about leadership from an external and public perspective.

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Customize a plan for their ascension as executives.

- Form a clear and mutually agreed upon developmental plan that tracks each **All Star** into the ranks of executive leadership.
- Pair them with a mentor in senior leadership that can guide them along that path and help you in watching for any signs of dissatisfaction or potential threats to retention.
- Seek out opportunities for them to serve as a role-model to others by asking them to mentor and coach the **Future Stars** discussed last week.
- Consider providing them with an external coach to help them enhance their potential and expand their skill set further.

Practice preventive/strategic retention.

- Ensure that they know how much you and the organization value them.
- Monitor each **All Star** closely for any signs of frustration with role-conflict, boredom from a lack of challenging work or burnout from being spread too thin.
- Review their compensation and benefits at least semi-annually, if not quarterly. Think of your **All Stars** as talent on steroids. They expand in capability and value to your organization at a rate exponentially faster than "normal" employees. Accordingly, you must be sensitive to the recognition and reward imbalances that can be created from that expansion.

The greatest investment of developmental dollars in your **succession plan** should go into retaining, engaging and advancing your organization's **All Stars**. This is where your business gets the greatest return on investment. These bright shining lights promote all that you have done right in growing your own leaders. You should broadcast this to your people, to others in the community and to the industry at large. Remember, your human capital is the only truly flexible asset and the only one that can vastly exceed your expectations.

Conclusion

Armed with this knowledge about classifying talent and the best practices for developing them, **what do you do now?** To begin with, you may wish to consider utilizing the process on an informal basis. When you assemble the team of individuals responsible for developing organizational talent, talk to them about talent development within the Nine-Box framework. The process can be an invaluable way to focus people on the important rather than the urgent. All too often, leaders have the tendency to let performance problems dominate their time and effort while those who are excelling in the organization are "left alone." Consider listing your talent pool, categorizing on performance using your latest evaluations and then classifying them by potential. Going through the exercise often leads to the identification of process improvements in how your talent development model works.

More formally, you may wish to assemble your succession plan around this framework. How is performance evaluated and quantified in your organization? Moreover, how do you assess potential? High-performing organizations typically use executive assessment to evaluate potential in their talent pool and then tie those results directly to the developmental efforts made in promoting executives. That is the essence of succession planning: The structured evaluation of how to leverage **performers with potential** to even greater levels of individual and organizational success.

One last consideration has to do with allocating resources for talent development. Ask yourself, **"If I had \$100 to spend on developing talent, how much would I put in each of the nine boxes?"** HR professionals often pride themselves on their efforts at developing talent, yet in practice spend hours in the disciplinary process and in coping with performance problems. Progressive proposals for leadership development thus get tabled or put off as "important, but not urgent." Consider sharing a blank Nine-Box with your HR brain-trust and ask them to realistically allocate \$100 into it. Then, compare that to the recommended amounts you see in the table. The table removes the labels but keeps the color scheme as a reminder about how to focus the flow of resources.

\$11	\$15	\$22
\$5	\$15	\$15
\$1	\$5	\$11

As this eBook suggests repeatedly, the focus should be on talent toward the top of your organization; put two of every three dollars into the "winning" four boxes in the upper right quadrants. Avoid pouring good money into bad investments and, by all means, avoid allocating resources to the black box at bottom-left. Research shows that it very rarely pays off.

Learn more about Executive Assessment [here](#).

Have questions? Contact Select International at (800) 786-8595 or email info@selectintl.com.

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