



RESEARCH

IS THE NINE BOX GRID ALL ABOUT
BEING IN THE TOP RIGHT?

Executive Summary

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With over 65 years' experience of leadership, organisational development, human resources and coaching, we provide executive education and research to many of the world's leading companies and organisations.

We offer tailored development programmes, qualifications accredited by the University of Sussex, management consultancy, coaching and training courses. Our research services provide a unique combination of research, consultancy and development expertise for organisations who are investigating ways of improving their effectiveness and intelligence.

Research at Roffey Park

Roffey Park funds its own research programme with the aim of meeting one of its charitable objectives: namely to conduct and publish research in support of the health and welfare of people at work. Our research improves the world of work and organisational performance by sharing knowledge of good practice in people management, leadership and organisational development.

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Executive Summary

The Nine Box Grid is now a widely used tool for identifying talent within an organisation, particularly in large organisations. The tool is used to assign employees to a box based on two dimensions; their current performance and their future potential. Typically the horizontal axis has three levels of performance and the vertical axis has three levels of potential. Managers make a judgement on where each employee is placed. Organisations often attribute different labels to each box, beyond the obvious “high potential/high performance”. Despite its widespread use by the HR community, anecdotally we have heard HR practitioners express frustration with the Nine Box. We also have heard quite diverse views about people’s experience of using the tool. Much of the research on the grid tends to look from the ‘outside in’ on the process. This research report takes a different view, looking from the ‘inside out’, exploring the experiences of employees using the grid to rate others and/or of being rated on the grid themselves.

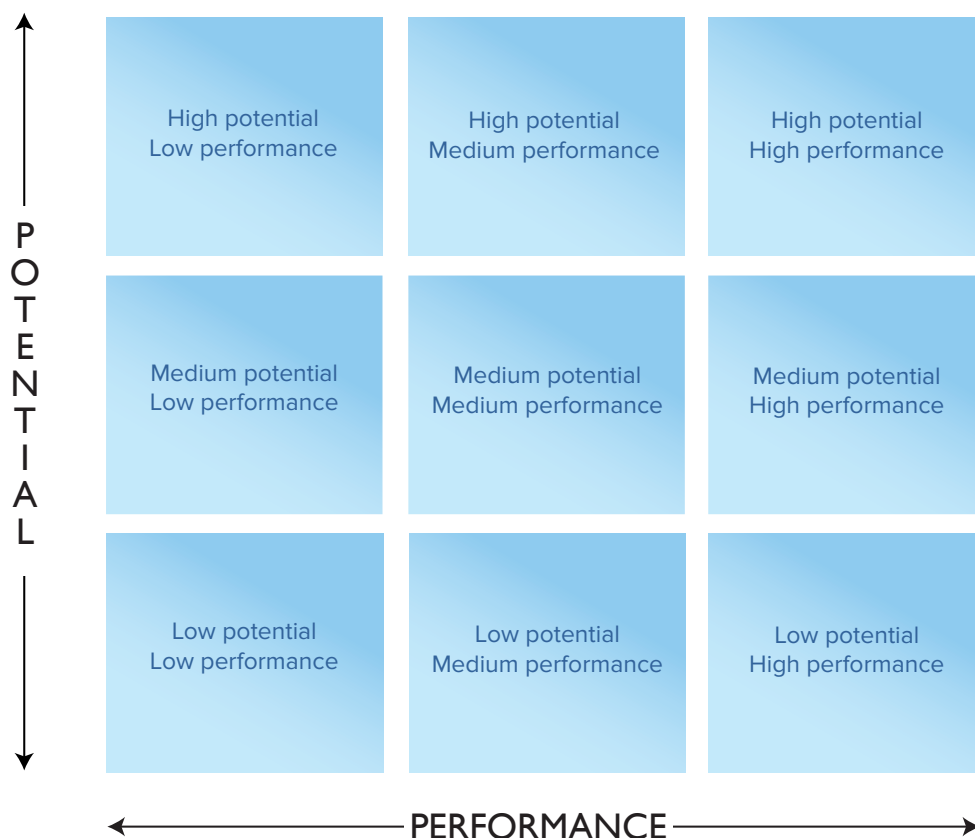
Driving our research were a number of questions:

- What is the impact of using the grid on employee engagement and motivation?
- How helpful is the grid in driving and supporting a culture of development?
- What is the experience of managers using the grid to rate employees?

The stated aims of the Nine Box Grid are usually threefold:

1. To provide a more robust assessment of an organisations’ talent and bench strength to aid future resource planning
2. To aid diagnosis of training and development needs, and provide greater focus to development efforts
3. To aid discussions on careers, help set expectations for development and to motivate and engage talent within the organisation.

This research report offers some interesting insights in relation to each of these stated aims from a line manager and employee perspective rather than a corporate standpoint.





What is the impact of using the grid on employee engagement and motivation?

We started out this research seeking to explore the impact of using the Nine Box Grid on employee engagement and motivation. Our results suggest that from the perspective of the ratee, the grid process is failing to engage a high percentage of employees.

For people rated in the five boxes with low performance or low potential, the experience is unsurprisingly demotivating as well as being seen as confusing and pointless. This begs the question of what organisations are really achieving by insisting on holding such conversations, or even formalising ratings for this group of employees.

Whilst the majority of the high performing, high potential employees are motivated by the experience, this is by no means unanimous, with one-third feeling the process didn't change anything and one in ten feeling less positive about their future career in the organisation. This was often a result of a lack of follow-on development opportunities.

Perhaps more worrying is the nearly two-fifths of employees with some potential who are 'switched off' by the Nine Box, feeling less positive about their career prospects in the organisation and possibly demotivated as a result. Movement from a higher rated box in one year to a lower rated box in the following year was particularly upsetting for employees and without exception reduced

their engagement levels.

Even where respondents are more positive about the rating experience, their commentary suggests that any motivational benefits are short-lived, particularly where there is a lack of follow up or developmental action shortly after the rating experience. The motivational benefits were primarily described as being about validating subjective perceptions of performance, giving some people a temporary feel-good factor.

It was surprisingly common to hear that employees had not been informed about their rating or were not aware of whether they had been rated or not (one in three had not been informed, and one in five didn't know if they had been rated or not). This, unsurprisingly, led to a sense of anxiety about conversations happening behind closed doors and of fates being determined without the opportunity to have one's say. This clearly had the potential to disengage.

How helpful is the grid in driving and supporting a culture of development?

Our research indicated that the conversation the employee has with their manager is the vital part of the process and the grid is just a vehicle for that conversation to take place. Where managers are seen as having good people skills and engender a culture of feedback in their teams, then the grid process becomes an almost unnecessary prompt to enable this conversation to take place. Where this is not the case, there is little evidence

to suggest that the grid is helpful in driving different conversations to take place without support being put in place to develop the capability of managers to hold effective, and often difficult, conversations.

Despite having nine boxes, the over-arching aim came across in the commentary as deciding on who should be placed in the top right hand box and ensuring that career progression and development opportunities were carefully managed at a cross-organisational level for this group. Where this process was managed well, it was seen by many as benefiting the organisation in enhancing its bench strength. However, beyond this top right box, the focus for development was more frequently left to the immediate manager to determine and there were few examples of managers taking a different approach to their existing style.

What is the experience of managers using the grid to rate others?

Overall, nearly two-thirds (60 per cent) of managers found it easy to assign a box rating to individuals. That said, there was a clear difference between those in and outside the HR community. Whilst roughly one in ten (14 per cent) of HR managers find the rating process difficult, this is dwarfed by the one third of operational managers feeling the same. Many concerns centre on the difficulties of assessing potential, and in particular concerns about how 'objective' such assessments are. It is relatively rare for an individual to be assessed as having high potential without also performing well or very well. One is left wondering how much performance rather than potential is driving assessments. Other concerns seem to stem from a dislike of boxing individuals and giving them a label. We heard from some how, despite the intention of box ratings being viewed as fluid, labels became self-fulfilling prophecies that stuck. The tendency for rating managers to use labels as shortcuts when discussing individual employees was felt by some to reinforce this.

Managers also expressed concern about the impact on the motivation and engagement of some of their key staff. The middle boxes of the grid were considered to be difficult to differentiate and the associated labels of 'solid performer' or 'core employee' unlikely to inspire.

Managers also report particular challenges relating to certain types of individual. Principal among these include the highly ambitious who may want to move faster than the manager deems appropriate, the underperformer for whom the grid rating process is often seen as of little value, and those deemed to be thinking of retirement or lacking desire for advancement. Another challenging group is that of the highly effective expert professional, who, if progression on the grid is linked exclusively to leadership potential, is rated as low potential. These individuals may be key to the organisation yet find themselves described as 'low potential'.

How valuable is the Nine Box Grid for managers?

Manager views of the perceived usefulness of the grid were influenced to a large extent by their position within the organisation and their wider involvement with how the grid is used. Junior managers tended to be more sceptical about the value and fairness of the process. For more senior raters, the value of the grid process was more evident in the conversations they had with their peers to cross validate box ratings. Here the grid appeared to provide a helpful framework for opening up dialogue about the broader potential of people within Departments and led to some useful discussions about how to find new or different ways of developing and nurturing talent. Where raters were not involved in these debates, they often struggled to think how best to provide development opportunities for their staff and the conversations were, at best, merely providing validation to the employee of their performance and potential.

What can be done to improve the operation of the Nine Box Grid for managers?

There was significant evidence of the process of using the grid improving over time. The involvement of HR Business Partners, robust peer review meetings, and support for managers in holding effective conversations were all associated with a more positive experience. There was a definite trend for suspicion about the process to reduce as the seniority of the rater increased, due to greater involvement in the ongoing talent strategy for their part of the business. Involving more middle and junior managers in the wider process may help reduce suspicion and reassure these managers about both the robustness and value of the Nine Box.

Managers appreciated detailed guidance around the grid and support from HR Business Partners in interpreting that guidance. Having a clear strategy behind the use of the grid, and available follow-on development opportunities was also key. Corporate support in accessing development options outside of the manager's sphere of influence was highly valued.

Implications for practice:

Our research highlights a fundamental question of whether the corporate value of identifying bench strength and focusing development resources is worth the potential disengagement of talent caused by implementing the Nine Box Grid. However, if we make the assumption here that it is, then what have our findings suggested that HR should consider when implementing the Nine Box? We have made a number of suggestions here to fine-tune the process.

- Raters clearly appreciate guidance around how to use the Nine Box Grid. That said, HR may need to consider whether they are focussing too much effort on fine-tuning the guidance at the expense of supporting raters with the different types of conversations they may face. Particular emphasis needs to be given to employees with high ambition and expectations for progression and how to keep this group engaged if they are not yet at the top right. Managers need support and skills practice in how best to hold the conversation for employees at different stages of their employment cycle and careful consideration may need to be given to whether there is a need to hold conversations with all employees rated outside of the top right quadrant of boxes. HR need to go beyond supporting the rating and give greater emphasis to supporting the skills required for the conversation to be effective.
- Engaging first line and middle managers in the process requires attention. It may be that different communication and guidance may be required for different levels of management. Or wider involvement in peer review meetings could be used to strengthen manager commitment to the process
- It was surprising, given guidance on best practice, to discover that significant numbers of employees hadn't been told their rating on the grid or simply didn't know whether they had been rated or not. Closed systems tend to generate anxiety, suspicion, and a sense of being disengaged from the process. HR should given careful consideration to this aspect of the process and be open in its communication about why secrecy is needed, if indeed it is.
- Careful consideration should be given to the use of labels. Whilst these can provide a handy shortcut, there is a danger that this removes the focus from a conversation based around detailed criteria. There is also a risk that labels undermine the fluidity of box ratings and become self-fulfilling prophecies driving how people perceive themselves and others.
- The use of quotas also needs careful consideration. Whilst this practice has its logic, encouraging managers to make hard rather than soft choices about who is really potential, the downside is that decisions on where people are placed can be viewed as less objective, a result of horse-trading rather than an assessment against set criteria.
- There is a question as to whether there is any value in holding conversations with all employees outside of the top right quadrant of boxes. The purpose of these conversations is sometimes not apparent to managers or those they manage, limiting their value.
- Companies may want to track the impact on engagement with the organisation resulting from grid conversations. In particular, attention needs to be given to people moving roles or managers, where the box rating could potentially go down from previous years.
- The follow up from the rating is crucial and companies need be explicit about the "deal" for each box at a corporate level and quickly follow up on promises. This needs to go beyond suggesting typical actions for each box.
- There is a danger that HR becomes so focussed on the technical aspects of talent that it loses sight, or is not aware of, the difficulties that managers face in having conversations with employees around the grid and its impact on engagement. For the Nine Box to really succeed, HR needs to equip managers with the requisite skills and ability if it is to have their commitment and for it to be seen as supporting managers in engaging their staff.

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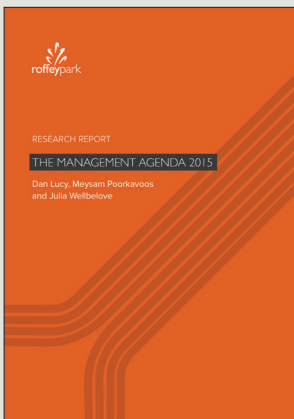
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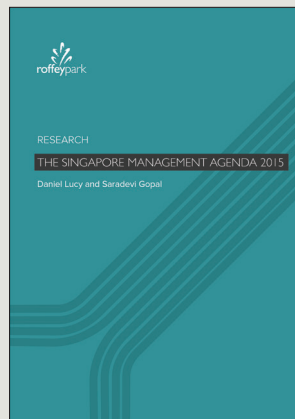
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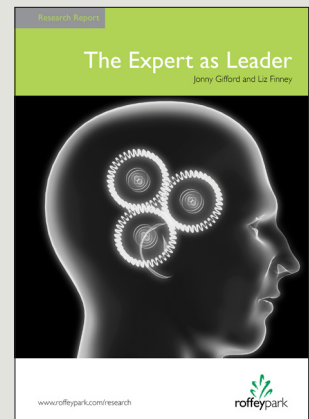
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