THE MERCER TALENT SIMULATION GAME
ENGAGING EXECUTIVES AND LINE MANAGERS IN STRATEGIC TALENT MANAGEMENT

BERLIN, 22 MAY 2015

Sue Filmer
Mercer
INTRODUCING THE MERCER TALENT GAME

- Context To The Mercer Talent Game
- Experiencing The Mercer Talent Game
- Deploying The Mercer Talent Game
CONTEXT TO THE MERCER TALENT GAME
“TALENTISM IS THE NEW CAPITALISM”

Klaus Schwab, Founder and Executive Chairman, The World Economic Forum

TALENT

SOURCE OF COMPETITIVE ADVANTAGE DRIVES GLOBAL ECONOMIC GROWTH REMAINS A CHALLENGE FOR EMPLOYERS
SITUATION: TALENT MANAGEMENT DECISIONS DRIVE GROWTH

What are the 3- to 5-year business initiatives designed to drive growth?

What are the key skills you will require?

Who is being prepared to take on these roles?

Are they on track? If not, why not?

This requires a data-driven, forward-thinking, system-focused approach to the way people managers make talent management decisions.
Examples of talent-related decisions:

• Who gets promoted? When should they be promoted?

• Who/when is the right person/time for a developmental activity?

• Who should take on a mission-critical assignment? Do we take a risk on an up-and-comer or give it to the “usual suspects”?

• When do we stretch someone? When do we back off and let someone get their legs under them?

• Who should get rewarded? For what should we reward them?

• When do we stop investing in someone’s development and “start over” with someone else?
In what areas are people managers trained to grow and develop key talent?

What are your aggregate 360°scores for talent development?

What is getting in the way of them doing a better talent management job?

If there is training, it is often focused on talent management process, rarely on how to make more strategic and effective talent decisions.
One way to improve Talent Decision Making…

… is to borrow from the decision approach we use with other assets that we manage more effectively.
In each case, there are two questions that asset managers ask:

**BUILDINGS**

- How well does this asset perform right now?
- How can we add to its value over time?
The Mercer Talent Game Programme

LEARNING TO MANAGE TALENT AS YOU WOULD ANY OTHER ASSET:

Part 1: Briefing
Gain an understanding of the potential consequences of talent decision making.

Part 2: Game Simulation
Make realistic choices relating to talent development looking at teams through an “asset lens” and consider strategic tradeoffs in the face of scarce resources.

Part 3: Application
Create a plan to enhance your real-life team’s value to the organisation and identify shifts in context to supports these new practices.
TYPICAL BUSINESS ASSETS MANAGED EFFECTIVELY

BUILDINGS
PATENTS
EQUIPMENT
BRANDS
What is the current capability level of your people managers for effectively managing talent?
EXPERIENCING THE MERCER TALENT GAME

HOW TO PLAY

MAKE TOMORROW, TODAY
Part 1 – Briefing

Barriers to Growth
Typical table group responses
- Insights
- Ideas
- Execution plans
- Capital
- Strong brands
- Alignment
- Others?

What limits an organization's ability to remove these types of barriers?

GROWTH
Base retention
Market growth
Share gain
Market adjacencies
New ventures

What is your experience? Please think back to the last three talent-related decisions you made (2 about internal people, not hires), and rank yourself against these criteria:

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Your Assessment Relative to Requirement (1 = Never, 2 = Sometimes, 3 = Most, 4 = Always)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Criteria</td>
<td>Clear criteria agreed upon in advance</td>
</tr>
<tr>
<td>Basis</td>
<td>Facts and logic</td>
</tr>
<tr>
<td>Scope</td>
<td>Made from a full system perspective</td>
</tr>
<tr>
<td>Alternatives</td>
<td>Exhaustive set of options developed</td>
</tr>
<tr>
<td>Closure</td>
<td>All key stakeholders consulted and on board</td>
</tr>
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</table>

Score =

The Head of Operations makes ST and LT decisions about a building they own

Asset Owner: Head of Operations
Asset: Building

<table>
<thead>
<tr>
<th>Current Output</th>
<th>Long-term Potential</th>
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<tr>
<td>How much rent or depreciation will accrue this year?</td>
<td>What is your plan for bettering the building?</td>
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<td></td>
<td>What will it cost?</td>
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<tr>
<td></td>
<td>By how much will the rent increase?</td>
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<td></td>
<td>What are the risks?</td>
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<tr>
<td>1 year</td>
<td>3 years</td>
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The “asset management” questions apply for a leader.

Asset Owner: Head of Operations, VP Marketing
Asset: Building, Marketing Director

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Market share
PART 2 – TALENT GAME SIMULATION

YOU WILL BE COMPETING WITH THE OTHER TABLE GROUPS TO SEE WHO CAN ADD THE MOST VALUE TO THEIR TALENT. WHAT WILL YOUR TEAM BE CALLED?

1 minute in total

Take a total of one minute as a group to name your table group team and write it at the top of your game board.
TALENT GAME
INTRODUCTION

• As a group, you will be responsible for managing a team of seven leaders
• The goal is to maximize the current output and long-term potential of the team through specific talent development actions/decisions
• The game takes place over 2 years in the life of the company. In each “year” you will
  – Develop your talent strategy
  – Determine what actions/decisions to make on which employees
  – The outcome of your actions will increase or decrease your team’s talent value
• At the end of two years, the company with the best talent wins
TALENT GAME
POTENTIAL

• Potential is defined as the maximum amount of output the leader is capable of delivering in the long-term
• The potential of each leader is represented by the height of the game piece

This leader’s potential is 10.
TALENT GAME
CURRENT OUTPUT

• Current output is defined as units of value the employee delivers to the team/organization this year
• The rings represent the employee’s current output or the units of value that the leader contributes this year.

Leader 1

This leader’s current output is 1.
TALENT GAME TRADE OFFS

• Now we add another leader.
• Tell me about Leader 2?

Leader 1

On a steep learning curve and not adding much value, but can develop a lot further.

Leader 2

Adding moderate value but almost at their potential.
TALENT GAME
CURRENT OUTPUT

• What if you could add one ring or unit of current output to a leader.
• Which person do you give the ring to?

Leader 1
It depends on their roles!

Leader 2
Adding moderate value but almost at their potential.

On a steep learning curve and not adding much value, but can develop a lot further.
TALENT GAME
CRITICAL ROLES

The colour of the leader’s position indicates whether it is a critical role for the business:

- Dark turquoise is very critical and has a weighting of x3
- Medium turquoise is somewhat critical and has a weighting of x2
- Light turquoise is not critical and has a weighting of x1

- Dark turquoise
  Very Critical
  Weighting x3

- Medium turquoise
  Somewhat Critical
  Weighting x2

- Light turquoise
  Non-Critical
  Weighting x1
TALENT GAME POTENTIAL

• The leader’s potential is impacted by the role.
• To calculate potential, multiply the height of the game piece by the critical role weighting; in the example below, the role is dark turquoise or very critical.

Leader 1

This leader’s game piece is 10 units high and has a critical role factor of x3. Potential is 30.
TALENT GAME
CRITICAL ROLES

ACTIVITY
Calculate the potential score for each leader on your team and write it down the right hand side of the score box. Height of Game Piece x Critical Role Weighting = Leader Potential

Dark turquoise
Very Critical
Weighting x3

Medium turquoise
Somewhat Critical
Weighting x2

Light turquoise
Non-Critical
Weighting x1
TALENT GAME
POTENTIAL

What did you get?
Talent Game

Current Output

- The leader’s current output is also impacted by the role.
- To calculate current output, multiply the number of rings by the critical role weighting; in the example below, the role is dark turquoise or very critical.

Leader 1

This leader has one ring and a critical role factor of x3. Current output is 3.
TALENT GAME
CURRENT OUTPUT

ACTIVITY
Calculate the potential score for each leader on your team and write it down the right hand side of the score box. Height of Game Piece x Critical Role Weighting = Leader Potential

- **Dark turquoise**
  - Very Critical
  - Weighting x3

- **Medium turquoise**
  - Somewhat Critical
  - Weighting x2

- **Light turquoise**
  - Non-Critical
  - Weighting x1
### Talent Game

**Current Output**

**What did you get?**

<table>
<thead>
<tr>
<th></th>
<th>Output</th>
<th>Potential</th>
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<tbody>
<tr>
<td>#</td>
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Total #

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**TALENT GAME**

**CURRENT OUTPUT**

*What did you get?*
• The talent value is expressed as [Current Output - Potential].
• The total talent value of your team is therefore 35-94.
TALENT GAME

OBJECTIVE

• The development actions you select as a team will impact current output, potential or both
• The goal is to increase long term potential and maximize current output without dropping below the starting point

Talent Value of the Team

35-94
ACTIVITY
LET’S UNDERSTAND YOUR TEAM

• As a team, discuss your talent pool:
  – Where do you have roles that you could be getting more value out of?
  – Where do you have people that you could be getting more value out of?
  – What should be the talent related priorities for this team?
TALENT GAME MATERIALS

Talent Development Action Cards

• During the game, you will select specific development actions to increase the current output and potential of your team: your Talent Value
• These are written on the cards.
• You may use a development action more than once, but only once on each leader
• Each card has
  – A description of the action
  – The cost of the action in chips
  – The outcomes of the action in terms of rings that get added/subtracted from the employee
    – **Current** rings get added/subtracted immediately and add/subtract from your current score
    – **Future** rings get added at the beginning of the next round (they do not “count” for the current round but will count in the next round)
As in real life, you will not be able to invest an unlimited amount of time, resources and money to develop your employees.

Your team has a limited number of chips.

Each development action requires an investment of chips reflecting the amount of time, resources and money a development action takes.

You and your team will need to discuss trade-offs in terms of which development actions you will choose relative to the number of chips you have available.
• However, development actions don’t always turn out as planned…..
• The success of your decision may be effected by external factors outside of your control.
• We represent this element of chance by using the spinner.
• The impact of your talent development decisions on current output will depend on whether you spin a high, medium or low.
• Each blue card includes the number of rings you may add – or in some cases take-away - based on what you spin.
TALENT GAME
LET’S WORK THROUGH AN EXAMPLE

• How might a coaching intervention impact current performance if it goes better than expected?
• How might it affect future performance?
• And if it doesn’t turn out as planned?

COACH
You can coach one team member to improve his or her performance.

Cost – 3 chips

Outcome Table:

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<tr>
<td>Current</td>
<td>+0 rings</td>
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<tr>
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• When your development actions is particularly impactful, you may achieve future output.
• These are rings you will set next to the leader game piece for “next year” or the next round.
Imagine you select Director A.
COACH
You can coach one team member to improve his or her performance.

Cost – 3 chips

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TALENT GAME
LET'S WORK THROUGH AN EXAMPLE

What is the new talent value of the team?

Talent Value of the Team
35-94

?–?
TALENT GAME
LET’S WORK THROUGH AN EXAMPLE

Talent Value
of the Team

35-94
38-94
TALENT GAME
INCREASING POTENTIAL

What types of development actions might impact potential?

Talent Value of the Team

38-94
EXCHANGE
You can exchange one current team member with someone from the pool.

Cost – 2 chips

Outcome: Depends on whom you draw from the pool of potential new leaders.
TALENT GAME
INCREASING POTENTIAL: TALENT POOL

• Increasing your potential score would occur as a result of changing one of your leaders or game pieces
• If you choose a development action that involves sourcing a new employee from your “talent pool”, please ask for a facilitator

• There is a pool of leaders in the market.
• Each card represents a new person’s potential (the size of the post) and their current output (number of rings).
• The person you select might have more or less output than the person you replaced. Or they can have more or less potential, or both.
• As in life, you try to hire the best, but you are never sure what you are getting.
EXPERIENCING THE MERCER TALENT GAME
PLAYING THE GAME – ROUND ONE

MAKE TOMORROW, TODAY
TALENT GAME - YOU ARE READY TO START
ROUND ONE – DEVELOP YOUR STRATEGY

TEAM DISCUSSION
Nominate a note taker to capture the thinking behind your strategy
Talent Game
Round One

- Review the four cards, each with a development action
- Once you have identified the leader and action(s) you wish to fund, pay your chips and spin the spinner to determine the outcome
- Recalculate the individual’s talent value and write it on the board beside them.
- When all development actions have been taken (i.e. the chips spent), recalculate the talent value for the team as a whole

Advice:

- Nominate a scorer to calculate each move as you do it
- The note taker should capture the thinking and decision-process behind each move to feed back to the group

You have 10 minutes ... GO!
TALENT GAME
ROUND ONE

GOOD LUCK!
I’m not feeling challenged in my current role so have decided to leave the organisation. Thx and good luck!

(If this applies to your Director B please come and trade them in for a new recruit from the Talent Pool)
Time is up!
EXPERIENCING THE MERCER TALENT GAME
PLAYING THE GAME – DEBRIEF AND ROUND 2

MAKE TOMORROW, TODAY
DEBRIEFING ROUND ONE

- What action(s) did you take and why? How did it work out?
- From your notes, what common themes can you identify in your strategic thinking and decision-making?
- How does this relate to real life?
  - How often do we have these issues
  - How often do we employ these development strategies?
  - Why or why not?
  - What leads to a positive outcome vs. a negative or neutral outcome?
Playing Round Two

- Determine starting value: add any future value rings to the respective leader(s)

- **NEWS FLASH - disengaged leaders on the market**

- Play Round 2
- Determine final value and winning team
Debriefing the Game

- How did your strategy in Round Two differ from Round One?

- How much time did you allocate to planning before Round Two, and during Round Two?

- Given how the game played out, what do you wish you had done differently, sooner, later?
Part 3: Application

1. Simulation Wrap-Up:
   What has the programme taught you about talent decision making?

2. Team Analysis:
   Draw your own team and consider your talent value. Who is ready for their next challenge?

3. Overall Reflection: What will you do differently as a result of today's session?
DEPLOYING THE MERCER TALENT GAME
EXAMPLES OF HOW WE WORK WITH OUR CLIENTS

Global FMCG organisation.

**Application:** HR

- Talent Game Programme used with regional HR teams
- Increased **awareness of the options available** within strategic talent management
- Later initiated global business leader programme involvement

“The Talent Game is a very **innovative, stimulating and fun** way to teach people managers about being strategic talent leaders”

Global communication services providers.

**Application:** People Managers

- Talent Game **incorporated into wider leadership development programme** to make talent management training more fun!

“This session gave me a new tool set to review my organisation which I am currently in the process of doing. I intend to **use what I’ve learned to ensure my decisions are strategic and long-term.**”
How could a programme like this help your organisation?