Passing the reins

A Q&A with Les Dakens, former CHRO at Maple Leaf Foods

By Sarah Dobson and Todd Humber

Les Dakens has had a prolific career in human resources. He was the North American HR director at Cadbury Schweppes in the 1980s, North American vice-president of HR at Heinz in the 1990s and topped it off by being CHRO at CN Rail from 2001 to 2008, when he retired.

Through the years, Dakens came to know the succession process well, which was particularly helpful when he was “pulled” out of retirement in 2011 to become CHRO at Maple Leaf Foods — and to help find a suitable successor.

Canadian HR Reporter (CHRR) sat down with Dakens to find out more about the intricacies of succession planning, and how to do it right.

CHRR: When you left Heinz to join CN, you’ve said you were disappointed you did not take the time to develop a successor. Why was that?

Dakens: It’s one of those scenarios where I was more wrapped up with growing for the top job and making an assumption that I would be able to fill it... I’d have influence over that when I left and went to CN, they actually went outside to hire my replacement. That was my mistake.

If you’re a small company, it’s very hard to promote from within in a small HR department, but in a large company, there’s absolutely no excuse, unless the place is so bad — in terms of the processes are bad, the people aren’t good — that you need to clear house. Well, fine, then bring in someone new and they’ll have to tear it apart anyway. But that wasn’t the case (at Heinz), it’s just that I didn’t do enough to prepare my (successor).

CHRR: How can an HR executive prepare potential candidates internally?

Dakens: First, you need to make sure you’ve got internal talent. And if you know you’re going to go in two or three years, or whatever the time frame, if you don’t have it internally, then go and hire people so you can then prepare them for the job so it’s easy to step into the role: ‘I know the landscape... and I know the people.’

So two or three years out, it’s more a question of identifying what their gaps are (and) agreeing with the CEO what the gaps are because the CEO will know these people somewhat, and so part of the issue is getting exposure for those candidates.

CHRR: How does the relationship with the CEO factor in?

Dakens: The biggest criteria that the CEO will use to select their HR person is ‘Do I trust them and do I get along well with them?’ It’s that relationship. The technical skills have to be decent but it’s ‘Do I trust them and will the team bond with them so that it’s a good relationship?’

Because that HR person is a bit like the glue in the team, they’re the ones that help the CEO make sure the players are playing right together, not just playing together.

So the CEO, at the end of the day, is going to say, ‘When I turn my back, can I rely on the person to do the right things for me?’ That’s a really tough call when you’ve got three people... It’s partly trust (but it’s also) Am I comfortable that they’re going to be coaching people properly and they’re going to be working the team in a way that I’m comfortable that the right things are being done?’

If the ultimate reason Joe got the job versus Sally was that the CEO felt they could connect better, in HR, you just have to accept that’s a given.

I learned that early enough on with (Heinz) where I had the biggest business and people were saying — and when you listen to other people, you get yourself into trouble — ‘You’re the man, you are going to be the next head of HR.’ Well, he picked his former head of HR because he trusted him, and I get that, totally get that. That’s why the internal people have a better shot at it, at getting that fit.

CHRR: Why is the board important when it comes to picking a successor?

Dakens: (At Maple Leaf) we had two board directors over the last 12 months come in and spend time with the three internal HR candidates. They spent a day with all three, sometimes together and other times individually.

They just got to know these people and at other times, at HR committee meetings, they’d present, so their comfort level got greater and greater. And a good board will say, ‘You’re doing your job if you’re giving me exposure to candidates who are going to be in the C-suite.’

When they go deep with that candidate, they’re going to go really deep because they know what ‘good’ looks like for the head of HR. And afterwards, they’ll come back and say, ‘There were gaps here... reassure me that they really know this stuff’ or ‘I’ve got some feelings about some of their judgments, their decision-making — that concerns me.’ So they’ll go deep for you and actually give you almost the road map (for development).

We gave the HR committee copies of the assessment reports of the three candidates, so they could read it and then say, ‘OK, now when I meet with them, I have a better feel for what their foundation is all about in terms of the skills they bring.’ So the more data you can put in front of people, the less resistance you have because people say, ‘You’ve done your homework.’

CHRR: Should candidates be told they’re being considered as successors?

Dakens: I’m not sure if I’d describe it as a best practice as much as a pragmatic thing to do. Because people aren’t stupid... if you don’t tell them, they’re going to speculate one or two things: ‘I’m in the race or because I’m not being told, I’m not in the race and I’d better start looking elsewhere.’ So why not be inclusive?

And it also makes it easier if you’re actually much more targeted in terms of (saying), ‘Here are the things I want you to do, this will help you for this job.’

CHRR: What’s the potential impact on internal candidates if they aren’t offered the job?

Dakens: People say you should do your best to keep those people engaged and try to keep them for the next three to five years, but if they’re actually ready for the top HR job, why are they going to hang around for three to five years? If they do and they’re happy and contributing, that’s a win-win but, in most cases, if they’re good, they’re going to get picked off... I predict at Maple Leaf, within a year or two at most, the other two candidates, if they have a burning desire to run their own shop, they’ll get picked off. And there’s nothing wrong with it.

CHRR: Can you find better people if you look externally?

Dakens: Probably, because you’re just adding more candidates. But are they so much better that you would not work with someone who knows the culture, knows the players? The learning curve for that new person is steep anyway.

The reality is unless the place really needs to be shook up, promoting talented people internally is a far better way.

You have no excuse in a large company, in my mind, assuming it’s a well-run HR department... not to be able to promote from within, unless it’s a disaster happening, and then you need to change the players at the top.

If you’ve got OK people in kind of senior jobs but they don’t have the vision or the strategic thinking capability or leadership skills — those are really hard to develop in a short period of time — you need to go outside.

If you have one internal candidate, that’s where I’d say, ‘You’ve got to go outside, you owe it to yourself to compare.’ But if you get two or three and they’re viable candidates and people are saying, ‘I could see that person working with me,’ then I don’t see the reason to go outside.