

Putting Heart and Soul into the Boardroom

Veteran human resources chief Les Dakens answers ICD's questions about talent management and ways to fill the most critical roles with the best people



Do organizations spend sufficient time acquiring and retaining talent?

In the last 10 years, most companies focused on streamlining, not on acquiring or developing talent. This focus is one of the reasons why graduates since 2008 have found it hard to get hired into jobs with a future career track. With the “boomer generation” retirement threat, companies face big talent gaps from the executive suite to front-line skilled workers. Many companies now need to develop workforce planning models to make sure their talent needs can be identified in a timely manner. They are finding that they cannot rely only on external

recruiting to meet their needs. They need to develop young talent internally to take on bigger roles.

As a former Chief Human Resources Officer and HR consultant, can you share examples of what some organizations did right and what could have been done better?

Developing talent requires collaboration between the CEO and the CHRO. When I worked at CN with [former CEO] Hunter Harrison, we developed a three-day training program called Hunter Camps. We invited 20 to 25 managers and supervisors and held 15 to 18 sessions each

year. We covered our company's strategy, our leadership model and how we could remove the major obstacles to executing our strategy. For participants, it was a unique development experience. For Hunter and I, it was an opportunity to see more than 1,500 CN leaders and assess internal talent. The process enabled more informed succession planning decisions for a wide variety of jobs.

What should the role of a CHRO be at the boardroom table?

The role of the CHRO is to advocate for the right talent for every critical role in the company, especially the C-suite. CHROs are the “people

expert” at the boardroom table. They know and manage the talent within the organization.

I was once in a board meeting where a heated discussion about potential internal successors for the CEO role took place. The directors were divided. One faction was solidly behind the two mainstream candidates, while another, more aggressive group argued for a dark horse candidate. This second group liked working with this candidate, felt he knew the business well and had great political connections within the government.

After letting the debate go on for some time, the veteran chair of the human resources committee turned to me and asked “Les, as the CHRO what is your opinion of him as a viable CEO successor?”

I was surprised he asked me, but I had an immediate response: “I would sell my stock.”

Clearly, this answer was not expected. When asked to elaborate, I drew on my knowledge of this candidate from an inside perspective of how he functioned day-to-day. “He is very bright and technically sound; there is no question about that side of his performance. However, he is a poor leader and his peers do not trust him.”

Putting both the question and the answer in a context that the board understood intimately was the key to ending the argument.

In reality, unfortunately, a lot of CHRO’s are just guest speakers in the boardroom. Sometimes, the CHRO is not assertive with his or her opinions. In other cases, the CEO may stifle the CHRO with the board.

What are the differences between serving as a CHRO and serving on a HR committee?

This question is timely, since I have just become the Chair of the HR committee for the Equitable Life of Canada Company. Obviously, you are not going to do the CHRO job for them. The CHRO needs direction from the HR committee but then needs the autonomy to get the job done. An advantage will be that as a former CHRO, I can deliver specific and efficient guidance to the CHRO. I can save the CHRO missteps by coaching him on how to deliver his work, and he can ask me very specific technical questions to clarify the intent of the HRC. It is similar to the CFO working with the audit committee chair who happens to be a former CFO. It is much easier for the CHRO to work with an HRC Chair who really understands the CHRO role.

Is it difficult to let go of the management mindset when you start serving on boards?

There is definitely a transition period to remove yourself from the “management mindset”. You have to strike the right balance. In regard to HR mechanics, it’s strength if this knowledge is used properly. You end up with far less “rework” and you can have much more focussed discussions with the external consultants used by the HRC. In other words, my experience as a CHRO is an asset that the other committee members can draw upon when needed.

Should boards look beyond fostering just CEO talent?

Absolutely! The CEO position is very critical but not the only position that the board needs to be focussed on for success in the business. The C-suite

team is charged with developing and executing the company’s strategy. All of these executives need to do their job to the fullest to maximize the effectiveness on the execution plan. The board needs to understand also the talent coming up in the organization. The talent gaps I referred to will become critical for the company to fix to execute the company’s strategy. Similar to my Hunter Camp story, if board members see this type of talent management in action, they will sleep better as directors.

What advice would you give to organizations and boards about managing talent and employee engagement?

The best advice I can give to organizations is for management and the board to treat talent development and employee engagement as the “heart and soul of the organization”. You need to have the right talented people who care and will work together to achieve the company’s vision and strategy.



Les Dakens is Chair of the HR Committee of Equitable Life of Canada and serves on the boards of Walden

House, the Alzheimer Society of Toronto, and Continuous Learning Group. Previously, he was Senior Vice-President and Chief Human Resources Office for Maple Leaf Foods Inc. His new book *The Real Deal on People: Straight Talk on How the CHRO Creates Business Value* was published in January, 2014.