

# A Time for Change: Surviving & Thriving Through a Pandemic

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## How Interim Leadership Can Help Pave the Way to Recovery

### Resilience, Recovery & Opportunity

As organizations consider how they are going to cope with the new reality that COVID-19 has forced upon them, they are inevitably looking for ways to keep themselves afloat and seize new opportunities that may present themselves. No doubt revenue streams, cost structures, service/product offerings, workforce alternatives, new markets, safety protocols and ways to become more effective and efficient will all be under intense scrutiny.



Organizations that synthesize relevant information quickly and adapt rapidly to the changed environment will be the ones that not only survive but thrive as a result of

the Corona shock wave that has hit. This is true of not-for-profit organizations experiencing increased demand for their services at the same time as their funding contracts, and for-profit businesses that have suffered a major unforeseen market disruption in a shrinking and uncertain economy. Organizations will be caused to consider whether:

- Their strategic direction needs to be revised and they need to pivot?
- Their service delivery or business processes continue to be appropriate?

- They have an organizational structure that is sustainable and how it might need to be re-evaluated for optimization?
- Their staff compliment (skill mix, size, compensation framework) is fit to meet the changed environment?
- New compliance requirements need to be incorporated into existing systems and operations?

### Leadership Needed

This kind of change requires strong leadership and management at the highest level of the organization. What an organization may need to navigate through this turbulent time may be very different than what it may need on a permanent go-forward basis. All organizations experience unexpected or transformative situations, requiring a re-examination of leadership roles and skills. Organizations pursuing the perceived right talent fit for a long-term role may inadvertently hire the wrong skillset before the organization's needs are fully understood in the new context. This condition may lead to expensive hiring mistakes or protracted vacancies that negatively impact growth, operations, and employee moral.

When an organization either loses or decides to replace a top leader (e.g. CEO, executive director, president) it can be an anxiety-producing situation even under the best circumstances. But these extraordinary times can make the difficult transition particularly agonizing. A board/owner may feel forced to begin an immediate search for a new executive without reflecting on how it might best fill the short-term gap to give it time to consider the organization's longer-term future. The current business environment demands agility.

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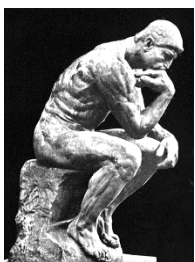
One solution lies in utilizing expert interim leadership to fill the talent gap while reducing risk, so that the organization can refine its long-term requirements and recruit the right resource. Interim leaders offer a viable alternative to entering recruitment mode immediately or to appointing a staff or a board member simply to “hold down the fort” while giving an organization more time to choose the best leader for the organization’s future.

### What is Interim Leadership?

Interim leadership is the temporary use of an outside expert in an internal role. The leader is onboarded with the clear expectation of fulfilling a short-term need for the organization. Interim leadership is usually a finite assignment to manage a period of transition, crisis or change within an organization. In these types of situations, filling the role permanently may be unnecessary, imprudent, or impossible to do on short notice. Typically, an interim leader is hired for a period of between three and twelve months to rapidly address the immediate challenges an organization is facing and/or see the organization through a transformation.

### When Should Interim Leadership be Considered?

The relationship is often most beneficial when an organization is ready to look critically at how it functions and is willing to make necessary changes. This allows the board, staff, and interim leader to apply their collective talents to preparing the organization for long-term leadership. It also is advisable that the interim leader does not have a stake in the organization and is not a candidate for the full-time position. This affords the interim leader a unique degree of objectivity to help the organization navigate any potential issues, such as internal political challenges, and to offer an honest assessment of



the organization and its potential to reach its short and long-term goals.

When determining whether interim leadership is the right approach organizations should consider the following:

- ▶ Is the organization engaged in a disruptive change process?
- ▶ Does the organization have available expertise in-house to address specific executive level change management issues?
- ▶ What is the extent and timing of the change required?
- ▶ How urgent is the situation? Is there time to complete a search before filling the position, or are there urgent issues to be addressed now?
- ▶ What are the consequences of delay or of proceeding with an executive who lacks the experience and expertise needed to expedite a solution?
- ▶ Are the position specifications currently well-defined, or are there significant transition issues that must be addressed before we can pursue a permanent solution?
- ▶ Is the organization dealing with a specific set of circumstances that require a level of expertise or experience that may not be required in the longer term once issues are identified and addressed?

### Why Not Hire a Transition Leader from Inside the Organization?

The first instinct is often to look in-house, either to senior staff or board members, for leadership during a transition. However, the board should be aware of the potential challenges of such a choice:

- ▶ Any senior staff person already has a demanding job. They cannot take on the role of the executive without letting go of some major part of their responsibilities or burdening another staff person with them. There may not be the requisite depth of skill within the organization to fill the voids that are created.
- ▶ If a board member takes the position, they run the risk of damaging the fine balance needed between the board and staff (governance and operations). After a permanent executive director is hired, the board member often finds it difficult to “step back” from the day-to-day management of the organization. Generally, a

board member is required to resign from the board before taking on such a roll, leaving a vacancy on the board.

- ▶ If the “inside” person is also a candidate for the job, they are “on trial” before they actually hold the position and full authority of a permanent executive. What they say and do may be flavored by their eagerness to attain the full-time position.
- ▶ Even if the internal temporary leader is not interested in the executive job, their appointment may give the impression that there is an “inside candidate”, possibly discouraging well-qualified applicants. The transition back into their previous role once a new leader is selected can also create a problematic dynamic both up and down the management hierarchy.

Most importantly, choosing internally deprives the organization of the insights of an experienced executive who brings deep leadership and management experience to the role, and who can share the unique insights gained by seeing an organization close up for the first time. Hiring an interim executive is an investment in a smooth transition, as well as an opportunity to build a stronger organization for the new leadership. Times requiring change and redefinition is not a good time to have a “leader in training” or one who is unable to make tough decisions for fear of how they will be perceived by their subordinates, peers and superiors after their leadership tenure is over.

### Benefits of Interim Leadership

Organizations that employ the strategy of bringing on an interim leader appreciate numerous potential benefits. While this person may not be with the organization for the long haul, a highly effective interim leader has the ability to implement influential changes and bring innovative solutions to old problems. Some benefits of hiring interim leaders include:

- ▶ **Job Ready Executive Experience:** Organizations often look for interim executives who bring specific expertise and/or a rich set of experiences from working with multiple organizations. With long executive careers behind them, such individuals are positioned to

effectively lead on Day 1 and start identifying and solving organizational challenges from the outset. An interim leader is well versed in executive level decision making in relation to operations, finance, human resources, risk management, fundraising, change management, as well as stakeholder and board relations.

The executive role is something they have done repeatedly, and they know the nuanced relationships required between the executive, the board, and the staff. They bring well-honed management skills, knowledge of best practices, and a breadth of experience regarding solutions that have yielded excellent results for other organizations. An experienced executive can focus on key priorities without requiring much supervision or direction.

- ▶ **Analytical Expertise & Independent Assessment:** Capable interim leaders perform an assessment of the organization—its strengths and the areas that need to be improved for optimal results. Because an interim is not “trying out” for the job and has experience with a variety of organizations, they can offer an objective assessment and range of recommendations. Interim executives do not typically have specialized knowledge or backgrounds related to the mission and work of the organization; for that, they depend on the expertise of permanent staff. Because they are less steeped in the work they can offer unique insights that lend depth to problem solving or planning.

They have the experience and skills to help assess the organization and take steps to build a stronger platform for the incoming executive. Professional interim executives do not have a stake in the organization and can assess it objectively, reassuring stakeholders that results will not be subject to internal or external political influences. Finally, interim leaders can assess the skills and capacity of existing staff objectively and free from any organizational politics.

- ▶ **Change Agent:** Experienced and trained interim leaders can invite needed changes or planned evolution and help turn the transition into an opportunity for growth. Often, it can be better to place a seasoned executive in the change

management role who has significant expertise while an executive search for a permanent hire is underway with a plan to have the new hire ready to start once the situation has been stabilized. Interim leaders are serious players in facilitating and leading organizational change with proven leadership skills, strong technical and strategic capability, and a focused mindset. The skills needed to drive change are different from those needed to run the operation on an ongoing basis.

While an interim leader may bring specific industry-related competencies to the table, a greater value is their experience in guiding and empowering organizations to manage and benefit from the transitional period. Hiring an interim leader to work through the initial, and often painful phases of a change management initiative, can liberate the permanent leader and accelerate strategic goals. By having an interim executive provide strategic change leadership through a major transformation, organizations can position the new permanent leader for success without that leader having to be tarnished by some of the negative impacts that change can bring. The new hire is also positioned for success because exposure to the interim leader fosters an expectation of change for existing employees.

- ▶ **Determination of On-going Leadership Needs:** Maintaining a vision through a leadership transition can be difficult. However, reflecting on what qualities an organization needs in a leader to help shape the future of their organization is important. Having an interim leader can give boards/owners breathing space because it eliminates the urgency of filling the position right away. It is a strategy that creates time to identify what type of leader the organization needs while stabilizing a dynamic, and often emotional, situation. When an organization hires an experienced competent interim executive, they remove the 'crisis' mentality of the leadership vacuum. The critical decisions and process around hiring new leadership can then happen in a measured, highly productive way with the organization focused on its long-term aspirations for filling the position rather than a sense of immediate urgency.

An interim leader can also be invaluable in providing useful guidance about the skills and qualities needed in the next executive, as well as suggest what the new CEO's priorities should be. A successful interim engagement can help inform the hiring process and help an organization differentiate between what is wanted from what is needed, to move the organization forward. Pausing long enough to answer these questions helps ensure that the new executive does not become an unintentional interim leader. The damage and inefficiency created by a false start for important transformative change is also avoided.

- ▶ **Fresh Perspective:** An interim executive brings invaluable new insights and a fresh look at what is really going on and providing solutions and options for moving forward. One of the greatest benefits of having an experienced interim leader join an organization is the opportunity to break out of unproductive or even counterproductive modes of thinking and operating and reenergizing the entire organization with a new, improved dynamic. When a new, motivated person is engaged, it energizes others. The interim leader is not married to the "sacred cows" of the organization, and while they can recognize and value important cultural norms within the organization, they are also able to see through things that are creating unnecessary barriers to success and the inertia of doing things the way they have always been done.
- ▶ **Calming Influence:** Regardless of circumstances, an executive's departure causes anxiety among staff members who suddenly find themselves forced to make sense of new ways of working, their new status, and what the future might hold for them. During the transition, staff members often jockey for position, burrow in, or disengage. There can be a loss of morale, discord, and organizational entropy. Employees may feel abandoned, disappointed, relieved, or angry. An interim executive can provide much-needed ballast during the transition and quell the organizational turbulence. The interim can bring a capable presence that reassures staff, board, and stakeholders that the organization can make it through a critical period.



- ▶ **New Leadership Style:** Every leader has a particular style that becomes woven into the fabric of an organization's culture, especially if the executive has had a long tenure. Over time, the board and staff become accustomed to the way the executive works. They create workarounds and may even offer excuses for an executive who is tardy, overly gregarious, conflict averse, disorganized, or prone to micromanagement. An interim executive can give the board and staff an opportunity to try on a new executive style before landing on a permanent solution. The break from the old leadership style also paves the way for the new leader to escape the shadow cast by their predecessor.
- ▶ **Search Assistance & Mentorship:** The interim executive can be instrumental in facilitating the search for a new leader. They have a unique perspective to add to the search because they're assessment of the skills, fit, and temperament of candidates is informed by having worked in the organization. Interim leaders may also have networks from which they can draw to enhance the pool of candidates. Finally, most interim leaders will have ample experience working with recruitment consultants and can assist in ensuring the process is efficient and effective. Once the hiring process is complete, the interim leader can effectively serve as a mentor for the incoming executive.

There are overarching benefits to leveraging interim leadership during periods of complexity and change, such as:

- ▶ **Stability:** In times of uncertainty and vulnerability, bringing in the right interim expertise can stabilize organizational performance.
- ▶ **Objectivity:** Without a career stake at play, interim leaders leverage unbiased outside perspectives, assessing and executing necessary decisions without pre-existing organizational biases or agendas.
- ▶ **Breathing Space:** Competent interim leaders ensure that current goals and objectives are met, providing the time and bandwidth necessary to determine the skillsets, experience, and characteristics necessary for the permanent

role. This approach will also reduce the risk of a failed, costly long-term hire.

- ▶ **Good Value:** An interim leader can bring a broad range of experience to the role from many organizations and across industries. Additionally, the leader may have already solved similar problems for other organizations, allowing the company to set the foundation for the role without incurring compensation cost that is unsustainable once the long-term needs are fully known and understood. Finally, an interim leader can represent outstanding value for the money: usually more experienced yet less expensive than consultants from large consulting firms.
- ▶ **Timely Execution:** The temporary nature of their tenure provides interim leaders with a "permit" to leverage their background expertise and cross-organizational experience to rapidly drive focus, decision-making, and execution. This mandate includes helping leadership teams reprioritize or reset goals to determine new routes to success.
- ▶ **Accessibility:** Highly qualified executives can be brought on board within days rather than months.
- ▶ **Flexibility:** During periods of change, when needs may not be well-articulated, interim leadership can be procured on a contract, as-needed basis.

## Conclusion

An interim leader serves as an expertise driven, short-term solution for crucial organizational needs. Companies can leverage these professionals to prepare themselves more effectively, and their organization for long-term, permanent hiring while minimizing short-term risk and capturing intermediate opportunities. Never has the need for this type of leadership been so great as organizations struggle to establish new ways of doing business in the post-pandemic era.

**About the Author:** [Suzanne Polkosnik](#) has provided support and advice to a number of organizations in the private, public and not-for-profit sectors as both a lawyer and as a business leader. She has over 15 years of senior executive experience and has served as the CEO of multiple organizations including having filled the role of interim CEO.

