

IN THE INTERIM: WHY TEMPORARY LEADERS SHOULD NOT BE PLACEHOLDERS

Jim Zaniello, *President of Vetted Solutions,*
Explains the Importance of Interim Leadership



Interim. The word alone triggers all sorts of connotations. Impermanent. Transitory. Placeholder. A period of uncertainty and disruption. But when it comes to leadership, “interim” can have a much different meaning. It can mean adjustment and adaptation. Stability and optimism. Maybe most of all, opportunity.

Top experts in talent management and leadership recruitment agree that filling an interim leadership position can be a significant opportunity for an organization – if approached with a mindset based on the principles reflected in the second definition of “interim.”

“Transitions are inevitable in any organization,” according to Robert Moran, the CEO of the Ancora Group and a respected consultant, speaker and author on interim leadership.

“Organizations are dynamic, not static. The only real question is how best to deal with it. More and more people are seeing the special value of using an interim leader to “pause” and skillfully manage that transition as a roadmap to the best possible future for their organization.”

Catherine Brown, vice president of Vetted Solutions, shares that assessment of the value of interim leadership. The interim leader’s job isn’t to serve as a placeholder, or to simply mark time, she observes. It’s to step in aggressively to analyze the situation, to build a collaborative effort to fix problems and avoid loss of organizational momentum. “The interim leader is an agent of change for the better, so the eventual new leader can step in quickly and effectively to take the organization forward in the best interests of all its stakeholders,” she notes.

When is Interim Leadership Needed?

The need for interim leadership can arise for any number of reasons, planned or unplanned. Sometimes an interim leader has the luxury of stepping into a planned or expected situation. A leader may be approaching retirement, or leaving for personal reasons. The organization’s succession planning process may have determined that no ideal candidate for the post currently exists, and more time is needed to develop and identify a specific level or type of management talent.

Directors or a CEO know that leadership change is coming, but they don’t want to feel rushed in making decisions on

such a critical element of organizational performance. They don’t want to lose momentum while the search for new leadership is underway. They want to make sure the stage is set for leadership success.

But other, less benign, situations also may come into play. The business model needs to change. The organization may face a difficult financial environment. The competitive landscape may be in turmoil. A particular crisis may suddenly pop up. In short, the organization may be in serious need of a fast, comprehensive look at the kind of leadership needed to thrive in dynamic times.

These worst-case scenarios have many common characteristics, according to Moran. There is poor communication, blaming, and inadequate sharing of information. Decision-making processes work poorly, or don’t exist. People skillfully seek to avoid taking responsibility and resist stepping up to define problems and present possible solutions.

An interim leader provides the luxury of comprehensive stage-setting. It is a mechanism for dealing with any potential leadership issues, and better defining the precise nature of the leadership needed moving forward.

B.K. Allen has served as an interim leader on multiple occasions. “Was I just a placeholder? I never had that experience,” she says. “I realized I was in a changemanagement position.”

The challenge is exciting, she adds. It’s never the same. And it’s always more than is presented on the surface. “If you go in thinking you are a caretaker, you had better ask ‘what am I not seeing,’” she says.

So What Makes a Good Interim Leader?

“Sean Conaton is founder of Strategy Compass, a management consulting firm based in the Washington,

D.C. metropolitan area. He has direct experience as an interim leader. In a very real sense, good interim leaders have to check their egos at the door, he observes. Interim leaders pave the way for the success of others – the eventual new leader, certainly, but also the organization and all its stakeholders.

“The first thing to remember about being an interim leader is, ‘this isn’t about me.’ It’s about the organization and the incoming executive,” he notes.

The interim leader is expected to be more than just a good general business manager. He or she also must function as an effective analyst and strategist, a team-builder and stabilizer, a problem-solver and change agent, a resource and support for the board or CEO – and more.

The interim leader puts the house in order, so the new leader can focus on moving forward rather than looking backward. “My job as an interim leader is to shorten the ramp-up time for the person who follows me,” he adds. The challenge is to put things in order without tying the future leader’s hands.

Mr. Conaton expands on this key point. “The interim leader has to look at the world through a different lens. Every day, the interim leader has to ask the question, ‘what am I going to do today to pave the way for the person who comes after me. What am I going to do to make the new leader – and the organization – successful? How do I get the house in order so that person hits the ground running?”

Moran and Brown also agree on the importance of building trust and establishing a team spirit in creating the path to effective leadership and superior organizational performance.

Interim leaders at the C-suite level must manage in three directions simultaneously, both note. They must interact with the CEO to support that person’s duties and responsibilities. They also must manage down, with a clear focus on all the people who make up the organization. And at the same time, interim leaders must interact laterally with “other functional managers. In short, interim leadership involves constructive, positive trust-based relationships with everyone who contributes to organizational performance and success.

“The interim leader must look at anything and everything that affects the ability of the leader to lead, and the organization to thrive. Nothing can be off-limits,” Mr. Conaton adds. “Revisit all the sacred cows and test the common assumptions and accepted cant. Look at everything and take nothing for granted. An interim leader from the outside brings a certain kind of objectivity and perspective that makes that easier to do,” he adds.

That means the interim leader must be more than just experienced and knowledgeable about the organization, and the purpose it serves. A good interim leader will be intellectually curious – willing to ask a lot of “why” and “why not” questions, Ms. Brown notes.

What makes interim leaders successful?

““You must have the trust of people around you. Not just the directors, or the CEO, but also your peers and subordinates, and all the stakeholders. They all need to have faith that you are acting in the best interests of the organization, and their best interests, too. Trust is absolutely critical,” she observes.

Moran especially emphasizes the critical role of trust in effective interim leadership. During his stints in six interim roles, he is asked the same thing: Can I trust you? “They listen to what you say, but they also watch what you do,” he notes.

Mr. Conaton suggests one important tool in earning trust is effective communication. To earn that trust, communication is key. Find the right way to connect with others, and keep people informed. Stand by what you say. Make the exchanges constructive rather than confrontational or challenging. As he puts it, “Find a way to say ‘yes, and...’ rather than ‘yes, but...’”

Robert Moran agrees. “This is a 360-degree exercise,” he says. Interim leaders need to reach out in all directions – to listen and learn, and to make people see that they are part of any change process that may be underway. Sometimes leaders simply fail to recognize the incredible knowledge that already exists within an organization, and its capacity to heal and improve. Interim leadership presents a special opportunity to tap into that – and build greater loyalty and engagement in the process.

Another key attribute cited by all: bravery. Good interim leaders are truth-seekers, and truth-tellers. “Sometimes the board or the CEO needs to hear things they may not like to hear but need to hear anyway,” notes Mr. Conaton. “It takes a certain degree of confidence – call it bravery – to do that. It’s a lot easier to be brave when you know you are there in an interim capacity, not as a candidate or as the permanent leader.”

Ms. Allen says the best interim leaders also are good psychologists. Recognize that this is a period of stress for everyone. There is great uncertainty. People are worried. They may be confused. They need to know that someone understands that and is addressing it.

Mr. Moran agrees with the importance of that empathetic quality. “People crave stability,” he notes. They resist change, consciously or unconsciously. Guiding growth and adaptation involves change to processes and procedures, perhaps even in the culture. “It can be a big, big challenge. An interim leader needs to recognize that and to have the courage and abilities

needed to drive that change for the better, tough as it may be,” he says.

“One of the magical elements of interim leadership is that people want to get better,” he observes. Tapping into that sense of shared commitment to improvement can be a powerful lever in shaping the organization’s ability to do great things.

Where Do We Find These Leaders?

Where do interim leaders come from? Anywhere, really, according to the experts.

A lot of the good ones to me seem to be baby boomers, observes Ms. Allen. “They tend to be people who have reached a stage in their lives where they feel free to follow their particular ambitions,” she says. They want to get out and apply what they’ve learned in a new and meaningful situation.”

Search firms tend to be expert at spotting those people – knowing where to find them, and how to identify those with the capacity to perform. Plus, search firms that are made up of people with real-world experience as leaders in organizations – especially associations and non-profits – really know what to look for.

“A good interim leader can bring so many different experiences and perspectives – and so many more options to the table,” Ms. Brown adds.

Ms. Allen also adds a point relevant to the rising awareness of leadership qualities and capabilities of women. “I don’t think it is a stretch to note that almost all the key qualities of effective interim leaders that we have talked about are strengths that women display every day in the workplace.”

So Why Does Any of This Matter?

There is no doubt of the growing awareness of interim leadership as a valuable tool for building organizations of sustained high performance.

Kevin Keller is chief executive officer of the CFP Board, the organization serving and advancing the interest of the certified financial planner community. He also brings direct experience with interim leadership – and the insight to recognize its value to his organization.

The interim CEO for CFP Board prior to Keller’s arrival made many of the tough decisions and took decisive actions that greatly enhanced his ability to step in quickly and focus on the future, he acknowledges. “These aren’t easy jobs. But they are critical,” he adds.

The experience led Keller to embrace interim leaders in other organizational positions. “It’s really a thinking partner for me – someone I can count on to be objective and to think hard

about the important things affecting our ability to serve our members,” he says. “It gives me time to test ideas and approaches to doing our jobs better.

Mr. Keller adds that CFP Board’s succession plan explicitly calls for use of interim leaders in the event of an unplanned chief executive departure.

Ms. Brown points to another extremely valuable practical benefit of interim leadership: better leadership recruiting. Effective interim leaders help organizations better define the precise type of leadership needed for sustained superior performance – the skills, attributes and qualities exactly right for the organization’s leadership roles. That increases the probability of success in the partnership with executive search firms in finding candidates most likely to step in quickly with meaningful contributions to the organization’s success. It helps search firms pinpoint exactly the right person for each position.

She and others also highlight the special nature of associations and non-profits, and the implications for interim leaders. Such groups tend to have a more diverse set of stakeholders than commercial organizations, and to be dependent upon members or individuals who share a common set of goals and ambitions. “There are lots of voices to be heard, and viewpoints to be considered,” as Mr. Keller puts it.

Mr. Moran expands on his point. “There’s a high degree of ownership in associations,” he notes. “You really have to listen. The job of reaching out and connecting with everyone is huge,” and demands exceptional communication – and diplomatic – skills, he adds.

‘Doing good’ is a powerful motivator, he notes. But sometimes it has to be tempered with practical organizational management. Finding that balance is a tough job sometimes – and interim leadership can be an effective tool for finding it, without burdening the incoming new leader with a difficult decision on a contentious organizational change.

Interim leadership is a fascinating and complex topic, Ms. Brown concludes. “Done correctly, interim leadership offers so much to almost any organization – certainly ones that are focused on finding and developing the best possible leadership, for today and tomorrow. There are a lot of talented people thinking very hard about interim leadership right now. I know all of us at Vetted Solutions certainly are.”

In Short...

‘Interim’ means more than ‘placeholder.’ Its real definition is ‘seizing opportunity’ – the chance to turn transition and change into the better leadership that drives better performance.

The only real question: are you ready to make interim leadership work for you?