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Why more companies are hiring interim CEOs

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THE RISE OF THE INTERIM EXECUTIVE

The interim C-Suiter is no longer just useful in crisis. The new-style box is becoming a more regular feature of corporate life. Story by **Helen Trinca**

Casual and contract work has long been the second-best option for many people, but now even the C-suite has begun embracing the notion of temporary gigs with the growth of the interim executive.

In a new book, two search firm partners — Jacinta Whelan and Caroline McAuliffe — argue that the pandemic has boosted dramatically the supply of, and the demand for, a very different style of senior leader. The book, *The Rise of the Interim Executive*, is designed as a handbook for leaders with about 25 years' experience in organisations, who have held the top jobs and want to work with more flexibility.

The duo's work at Watermark Executive Search is about matching this relatively new pool of talent with companies or non-profits that need short-term solutions to their executive teams.



The interim executives step in during a crisis — for example, when a chief executive or similar C-suiter is taken ill for an extended period — or for a special project, cost-cutting or growth. The interim option is also taken by companies that lose a leader at short notice but need several months to find a replacement.

Rather than rushing the hiring process, they can slot in an experienced executive to run the organisation and conduct a better search for the permanent candidate. Yet another time when interims are hired is when an organisation needs an extra leader in the team — in essence, another chief executive, chief operating officer or chief financial officer — to help handle a short-term extra workload.

McAuliffe and Whelan say the average tenure of their interim placements is around nine months: anything under three months is usually managed internally by juggling staff; anything more than nine months is handled by a search for a permanent placement.

McAuliffe says the market has changed during the 16 years she has been working in interim search: “The executives I was speaking to 16 years ago thought this was the end of their career. But it seemed to me that these people were at the zenith of their careers in terms of their value. I wanted to make it my mission to turn what they had to offer (to a plus).”

She says the 2008 global financial crisis caused a huge spike in executives on the job market who wanted a more flexible approach to their careers. “But we have had to educate our clients to move from thinking of an interim appointment as a caretaker/crisis role to an everyday, strategically placed role,” she says.

She argues that with the disruption to traditional business models in recent years, a more fluid approach to placement is needed. Even permanent chief executives might last only three years, so interim appointments work well for companies in some situations.

Whelan says the big change recently has been that those seeking work are really choosing the portfolio/interim approach: “People are saying they want control over the way they work. If you are not talking to this pool (of potential interim workers) and only looking to the people who want permanent work, you are missing half the market.”

Whelan and McAuliffe say the numbers on their books have grown dramatically because of the downsizing that accompanied COVID last year, but at the same time the remote work that developed around the pandemic is encouraging more people to decide to change to interim work. They might have thought about portfolio before but, with increased awareness that interim is a viable option, they are throwing their hat in the ring.

Some of the new people on their recruitment books are Australians who have returned from overseas because of the pandemic. Many have “cutting-edge skills” that can be deployed into companies within 48 hours. McAuliffe says about three or four of 10 recent shortlisted people have just returned from overseas.

The interim work is a gender-neutral zone according to the Watermark partners, who are proud that their shortlists are always 50-50 male and female.

What makes a good interim executive?

Says McAuliffe: “It’s a very different approach from a permanent job. You are no longer running the show and you have to park your ego. You go in and you are trusted and helped, but you are not the CEO or CFO. You go in as an independent. It’s about being empathetic and putting yourself in the team’s shoes and understanding what they have been through (if there’s been a crisis).

“There’s a big difference between a consultant and an interim executive.”

Whelan says: “It’s about the ability to build credibility quickly. The people who thrive in these jobs are those who love the fact that they can come in quickly and get up to speed. They get credibility too because they have held very senior jobs. They have done it.”

But is it a case of all care and no responsibility from a boss who knows the contract ends in a few months? No, say the duo, who argue that those taking these jobs are generally committed to the sector or industry and want to succeed. As well, given they have had big careers and “you are only as good as your last job” they are keen to do well.

Says McAuliffe: “Interim was once seen as a niche and a crisis management or transformational tool, but we are now getting feedback that it will be a bigger part of the mix ... in strategic terms. It will become more of an everyday resourcing solution as opposed to a crisis solution.”

The Rise of the Interim Executive is self-published. Inquiries to the authors at: www.theinterimexecutive.com.au

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