



PRACTICE PERSPECTIVE

Using Interim Leadership to Strengthen Organizational Agility

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Most organizations rightly view interim leadership as an effective way to manage a vacancy until a permanent solution is found. But another viable use of interims is to tackle a specific strategic project independent of a position opening. The rapidly evolving healthcare landscape has opened new opportunities for this option and strengthened its rationale. The time is right to take a fresh look at how interim leadership can bring much-needed management agility.

This Practice Perspective offers a brief consideration of the issues, success factors, and benefits surrounding this timely solution.

The Strategic Interim Leadership Model

Strategic Interim Leadership can be defined as when an experienced outside leader is contracted to execute a strategic project or lead a key initiative. As one recent study observed, the idea is to close a “temporary gap between role requirements and existing capabilities” without creating a permanent position.¹ The analysis identifies dual motivational sources: to tap expertise not found at the client organization or to augment limited short-term capacity to advance a project.

Strategic Interim Leadership is distinct from utilizing large strategic consulting firms or hiring the occasional freelancer. Strategic Interim Leadership blends on-the-ground executive skill with domain knowledge and consultative acumen.

The paradigm works. These leaders are able to leverage their “outsider status” into successful outcomes.² Healthcare can clearly benefit by adopting a more expansive view of interims’ talents and the varied roles they can play beyond filling an executive vacancy.

Growing Impetus

A combination of forces is propelling Strategic Interim Leadership. Workforce shortages have emerged in many clinical and administrative functions, adding to the workloads of existing staff. These gaps, coupled with an urgent mandate to manage financial pressures, have diverted management attention from many strategic initiatives. A recent CFO survey



1. T. Anderson and P. Capelli, “The Outsider Edge,” *MIT Sloan Management Review*, Fall 2021.

2. Ibid.

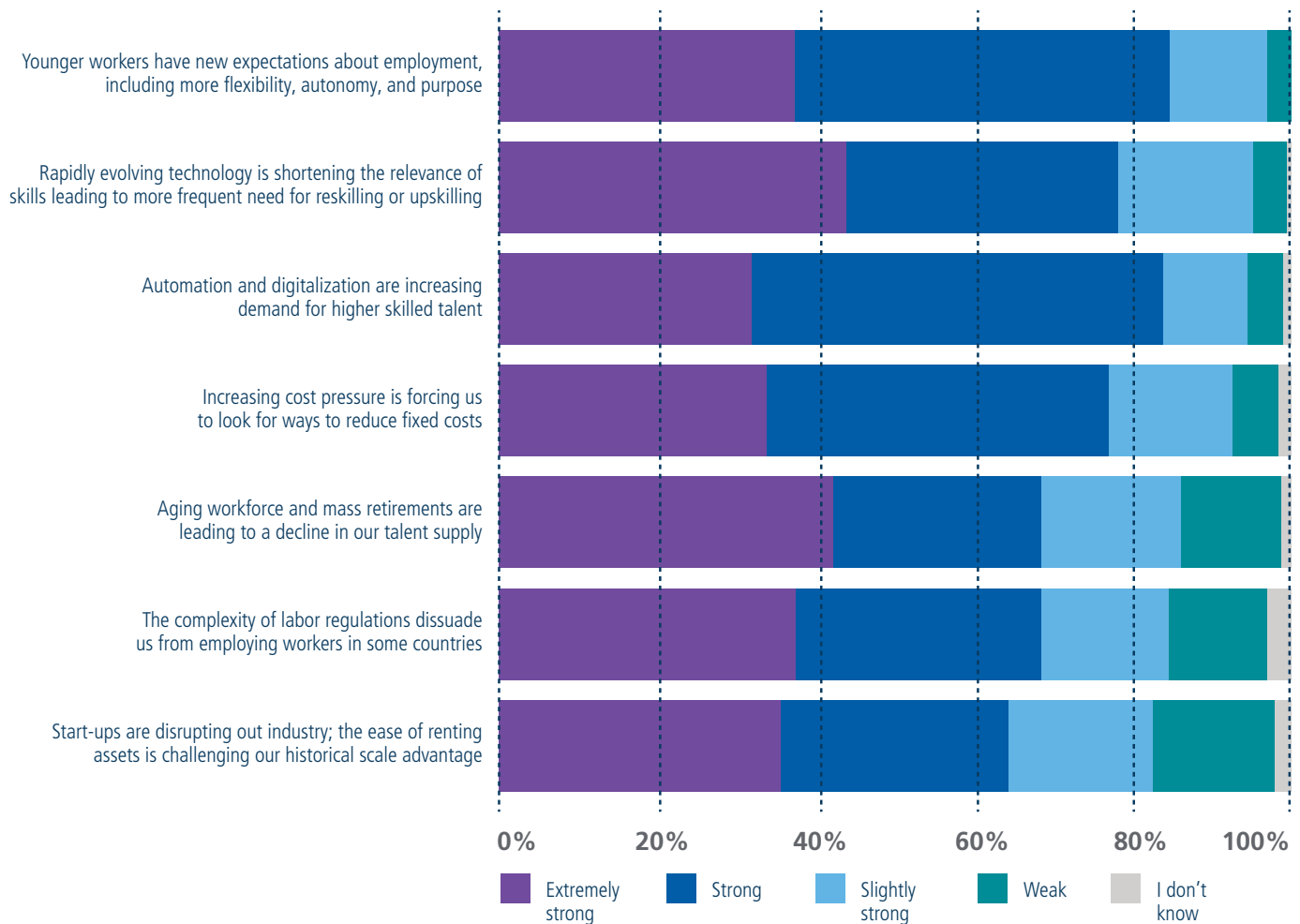
concluded that financial leadership focus during the pandemic has “shifted toward crisis management and away from longer-term responsibilities such as strategic leadership, organizational change, and finance capabilities.”³ Another analysis strongly asserted the the changing healthcare landscape has “significantly eroded” performance improvement efforts and urged hospitals to “risk giving up some control and find partners who can perform some of their functions more effectively and efficiently.”⁴

Powerful underlying trends affecting the future of work favor interim project leadership. A recent cross-industry survey highlighted dynamics such as demands for greater flexibility in work, technology driving need for staff upskilling and reskilling, new skilled staff required, and pressure to reduce costs.⁵ (Figure 1)

The net effect is a growing imperative to “embrace extreme flexibility” in human capital management.⁶ It is a stance that prioritizes agility and resilience in the face of pandemic challenges and a rapidly transforming healthcare industry.

FIGURE 1

FORCES RESHAPING FUTURE OF WORK



3. McKinsey & Company, *Mastering Change: The New CFO Mandate*, October 2021.

4. M. Hagland, “Kaufman Hall Report: Pandemic Continues to Rock Hospitals on All Levels,” *Healthcare Innovation*, October 19, 2021.

5. J. Fuller, M. Raman, A. Bailey, N. Vaduganathan, et. al., *Building the On-Demand Workforce*, published by Harvard Business School and BCG, November 2020.

6. Microsoft, *2021 Work Trend Index: Annual Report*, March 22, 2021.

Critical Success Factors

AMN Leadership Solutions' experience points to a few critical factors that promote success in deploying interim leaders for strategic projects:



SOURCE THE RIGHT TYPE OF TALENT

Partnering with a firm able to supply experienced healthcare executives whose skills match strategic needs eases and de-risks the process.



VIEW THE OPPORTUNITY THROUGH A WIDE LENS

Projects large and small and across many areas of focus can be appropriate. To cite a few examples, AMN Leadership Solutions has provided interims for a leading health system's marketing initiative, for a clinical operations improvement project, and for rapid scaling of nursing infrastructure during launch of a field hospital during the pandemic.



BREAK DOWN WORKSTREAMS

Experts suggest evaluating existing workflows to isolate high-value niche projects with clearly-defined scopes that may best be handled by an outside interim.



TAKE ADVANTAGE OF THE HYBRID WORK LANDSCAPE

Work flexibility has become the norm during the pandemic, and hybrid remote/onsite workforces appear to be taking hold in many healthcare organizations. This emerging environment both broadens access to interim talent and enhances ability to integrate the interim with internal staff.

Clear and Substantial Benefits

Multiple benefits accrue to this project-oriented approach to interims:

Saves cost relative to large-scale consulting projects

Addresses deficiencies in strategic expertise

Prevents key project delay and maintains indispensable strategic momentum

Fosters organizational agility and resilience

with a tool to modulate staffing as needs shift without adding fixed costs

Overcomes silos and expands talent networks

Studies suggest that remote work has tended to decrease the connection to wider people networks, a necessity for productivity and innovation.⁷ External interims bring the broader network into play

7. Microsoft, 2021 Work Trend Index

Toward Total Workforce Management

Strategic Interim Leadership can play a vital role in a total talent management program that brings an enterprise-level, strategically aligned perspective to planning, acquiring and engaging talent. (Figure 2) Leaders see this approach as increasingly necessary for future success.

FIGURE 2

TOTAL TALENT MANAGEMENT



Conclusion

Strategic Interim Leadership is a proven solution and timely contributor to management agility. It deserves a place in the strategic arsenal of every healthcare organization.

For more information visit www.besmith.com or contact us at leadershipsolutions@amnhealthcare.com.

