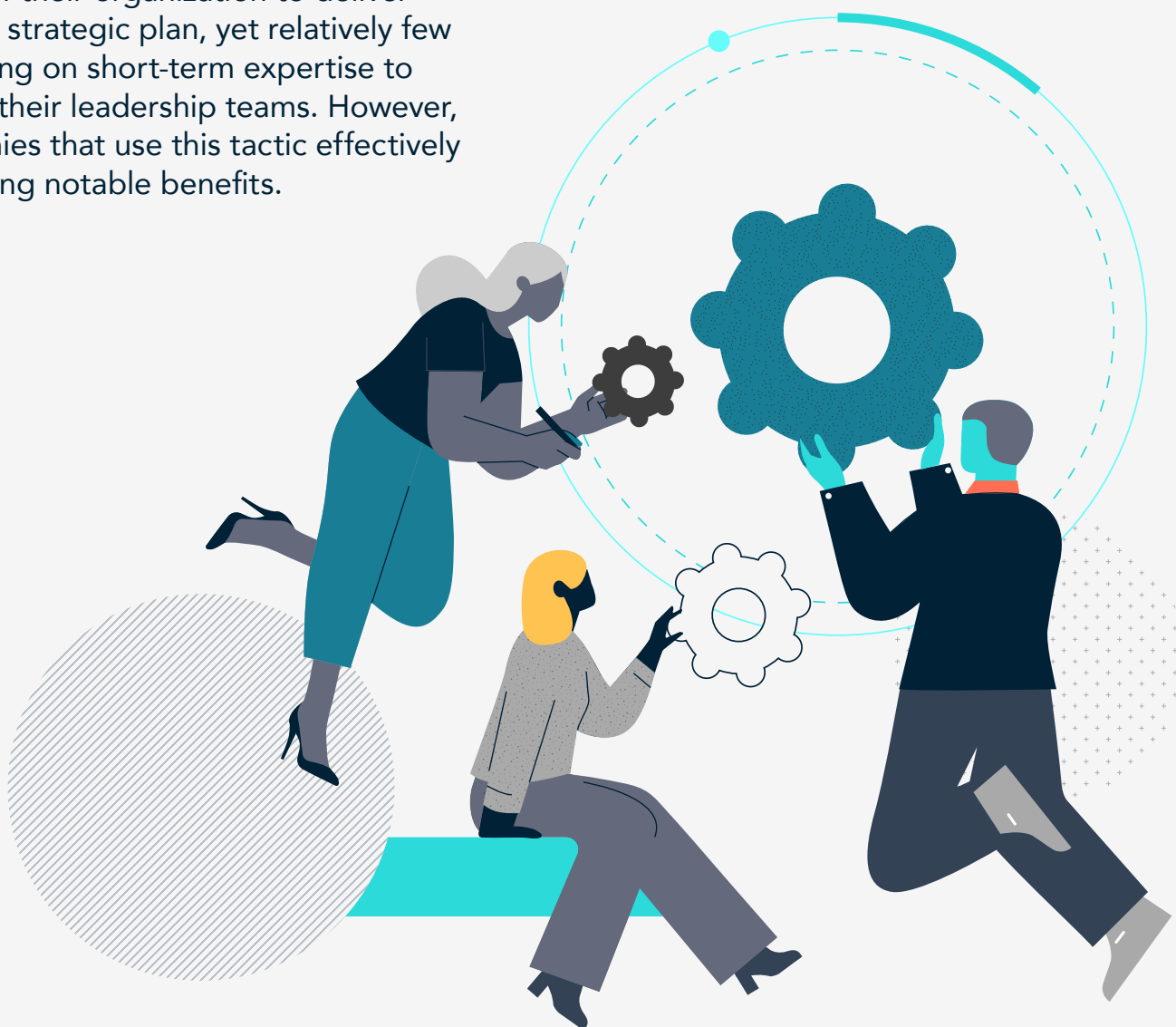


ARTICLE

Leadership assurance: The role of interim leaders in supporting companies through change and disruption

Corporate leaders are facing unprecedented uncertainty and volatility. Forty percent are not confident in the ability of their organization to deliver on their strategic plan, yet relatively few are calling on short-term expertise to bolster their leadership teams. However, companies that use this tactic effectively are seeing notable benefits.



Corporate leaders around the world are facing a never-before-seen confluence of challenges. Many companies are experiencing nearly unprecedented levels of geopolitical and economic volatility coinciding with digital innovation, new workforce expectations, generational change, and increasing stakeholder scrutiny. Many CEOs have configured, and reconfigured, their teams to try to cope, bringing in people with new areas of expertise (such as AI), encouraging functions to work together in new ways, experimenting with new leadership, and expanding external partnerships. Still, only 13% of CEOs and board members are entirely confident their organization will be able to deliver on its strategic plan this year—and 40% have little or no confidence. Looking further ahead, 46% have little or no confidence that their organization's executive attraction, development, and retention strategy is positioning the organization well for the future.¹

Leaders are taking long-term steps to build their confidence in their leadership pipeline, such as rethinking their pipeline management strategies and ensuring chief people officers have a role in shaping and implementing business strategy.² These are essential, but many are still struggling to find the leaders they need, in part because the very notion of a leadership pipeline implies a clear journey from one end to the other, with defined stages and requirements, which is no longer the reality of companies' leadership needs or of how executives want to manage their careers.

In response to these challenges, companies are turning to the market for interim executives and other project-based experts as part of their leadership planning work. Leading companies are finding that interim executives can do more than cover unexpected leadership gaps caused by a sudden departure or illness. Interim leaders are adding resilience to leadership teams, allowing companies to pivot more quickly to outpace competitors, and de-risking critical initiatives. They can do this without the disruption that adding or replacing a permanent leader often creates. However, most companies, in our experience, still see the strategic use of interim leaders as an unproven idea even though they have long relied on interim employees to manage lower-level workforce needs.

To bolster their overall confidence in their leadership options, companies can learn from peers that regularly deploy interim executives successfully. Doing so requires getting more comfortable with the idea of interim leaders, explicitly building agility into leadership planning, and, for many companies, revamping existing HR vendor management models.

How interim executives are bolstering leadership teams

This year alone, companies across sectors have called on interim executives for a range of reasons.

Handling the unexpected

Interim executives can help the executive team adjust quickly and handle more of the unexpected, whether good or bad. In addition to bringing expertise, interim leaders in this context ease pressure on the core leadership team, facilitate agility, and sometimes transfer knowledge to the organization.

For example, a leading consumer company in the process of a planned headquarters relocation, with a leadership team already on overload, was hit suddenly with tariff changes. The company needed a business leader with revenue growth management expertise to jump in immediately to help reshape pricing,

1 "CEO and board confidence monitor 2025: Persistent concerns, pockets of increased confidence," Heidrick & Struggles, February 5, 2025, heidrick.com.

2 For more on how companies are making these changes, see, "Treating your leadership pipeline as a strategic asset," Heidrick & Struggles, heidrick.com.

promotion, and product assortment plans. In response, they created a role for a temporary commercial leader who ensured the company had solid plans in these areas and was not distracted by other responsibilities.

In another case, a PE-backed fast-growth life sciences company moved very quickly to make an acquisition. However, the company's HR team did not have integration experience, so they called on an interim chief people officer to lead that work; their expectation is that the role will go away, and the company will return to its more typical HR function once integration is complete.

Maintaining momentum while waiting for clarity

An online luxury retailer had been searching for a new chief people officer. But, as the company began bracing for a significant performance downturn, it deliberately paused its search for a full-time executive and turned to an interim leader because the skills and capabilities the new leader would need were changing so rapidly. The interim CPO is keeping the function going, leading efforts to trim headcount, and helping the CEO plan for the ideal permanent hire.

Leading transitions and transformations

An industrial conglomerate undergoing a multi-year business model transformation created an interim chief transformation officer role halfway through. The company had been making good progress with the help of both an enterprise resource planning vendor and a management consultancy but, as the business environment got more volatile, the leadership team's time and attention were getting sapped, and their capacity focus was in decline. To avoid any loss of momentum, they brought in a fresh leader highly skilled in large-scale transformations to push the process to completion.

In another example, a global medical diagnostics company was simultaneously experiencing rapid growth and rapid shrinking across its business lines and initiatives. One divisional CEO needed to freeze hiring in one area and to accelerate it in another, and the necessary expertise was not transferrable from one area to the other. Interim executives allowed the CEO to immediately add leadership expertise in digital and technology insights where it was needed without complicating the enterprise-level efforts.

Why more companies aren't yet calling on interim leaders

Given these kinds of benefits, it's not surprising that there has been a 310% increase in the number of interim executive placements since 2020 in the United States alone.³ Even given that this growth started from a relatively low base, it suggests the degree to which demands on leaders can outpace the capabilities of even the most effective leadership teams. But the majority of business leaders, our data shows,⁴ are still not yet in the habit of considering interim leaders strategically, as part of their overall leadership pipeline management.

3 [2025 High-End Independent Talent Report](#), Business Talent Group (BTG), a Heidrick & Struggles company, April 15, 2025, resources.businesstalentgroup.com.

4 Internal analysis of proprietary BTG data.

We see two major barriers:

1. Outdated perspectives

Quality: Most leaders working in traditional companies are not particularly aware of how the independent talent market has evolved over the past 10–15 years. While once it may have been true that many potential interim executives were retired executives looking for a little work or hired only because they knew someone at the company, that is no longer the case. People’s considerations about their careers and preferences for work-life balance continue to evolve, and the permanent viability of remote work is opening up new opportunities. The number of people who work independently more than 15 hours per week grew by nearly 2 million to 27.7 million between 2023 and 2024—making them 16.7% of the US workforce.⁵

Cost: Companies are accustomed to thinking about executive compensation on an annual basis and don’t necessarily take into account in their planning other costs related to full-time employees such as benefits and recruiting costs. So the “all in” daily or monthly rate for an interim leader may look relatively high, but, taking all costs into account, they are typically only modestly more expensive. Further, the company has no long-term commitment to those costs.

Practical and regulatory: Leaders rightly worry both about the effort it would take to get short-term executives up to speed and managing the various confidentiality, labor compliance, and other matters related to a different employment structure. However, companies leading the way in making more strategic use of interim executives have been able to develop streamlined, fast-track processes to anticipate their use of interim executives, enabling them to have people in place in as little as two weeks.

2. Traditional HR processes

Executive roles are generally designed for full-time leaders and the processes to find executives are typically geared toward long-term permanent hiring; very little infrastructure has been built to enable more flexible resourcing at the leadership level (as opposed to at lower organizational levels, where temporary hires are common). In that context, hiring managers and HR business partners tend to think more about long-term needs and potential than about the leadership skills and expertise needed to meet an immediate challenge.

As HR functions are continually being asked to do more with less, many are rationalizing their vendors, which tends to lead to cutting spending on all types of consultants and sources of short-term staffing at all levels; this can inadvertently discourage vendor-led innovation.

Budgets and budgeting: Funding for interim roles often has to be cobbled together: it can come from a mix of budgets including full-time headcount or recruiting budgets, consulting budgets, and project budgets. This added complexity can cause leaders to question whether the benefits are worth managing the complexity.

⁵ MBO Partners, *2024 State of Independence in America Report*, 2024, mbopartners.com.

Jumping the barriers

The experience of companies leading the way in making strategic use of interim executives offers some suggestions for other companies seeking the same benefits.

First, many companies are starting with special initiatives or swat teams being developed to address volatility or foundational change—tariffs, carveouts, restructurings. Doing so solely with in-house resources and leaders can leave other work uncovered, or can be hampered by a lack of specific subject matter or problem-solving expertise, such as rapid-fire pricing strategy responses to tariffs. Adding interim expertise to teams like these is an easily understandable way to begin to explore the strategic benefits and understand that the barriers are lower than they may have seemed.

Second, most companies are working to evolve their HR functions in response to the current environment, from a traditional operational focus to a more strategic role central to decision-making.⁶ In this context, companies are working to make their executive attraction, retention, development, and succession planning efforts holistic and enterprise-wide. Some are finding that explicitly including interim options is increasing their overall confidence that they will have the leaders they need for the short and long term. This means ensuring that HR and business leaders are clear on both short- and long-term needs. It also means, for some companies, rethinking the goals and functions of traditional talent strategy or acquisition functions to ensure they pay attention to interim options. And it takes finding consistent ways to address the budgeting complexity; some companies are making interim executive costs a standard line item in their resource and talent planning budgets.






Third, companies are adapting their vendor management processes to reflect the specific considerations related to executive-level interim talent acquisition. This includes collaborating with firms that help find interim leaders to shape strategic interim executive roles specific to their needs, realizing that they will benefit most when they don't approach these hires as just "filling a gap." It also includes understanding that these firms will need to be able to manage different contractual, confidentiality, and insurance requirements better than vendors that help find lower-level interim hires, and qualifying firms on that basis. Finally, advising on optimizing the onboarding, oversight, and off-ramping of interim leaders, which are generally more individualized and complex than the processes for other interim hires, should also be part of companies' expectations for these vendors.

⁶ For more, see Emma Burrows, Sandra Pinnavaia, Sharon Sands, Brad Warga, Jennifer Wilson, Darren Ashby, "[Chief people officer of 2030: Building a tool kit to get from here to there](#)," Heidrick & Struggles, February 2025, [heidrick.com](#); and Emma Burrows, Sharon Sands, Brad Warga, and Jennifer Wilson, "[Chief people officers in focus: What new HR leaders need to know](#)," Heidrick & Struggles, October 2024, [heidrick.com](#).

The idea of a “leadership pipeline” calls up the concept of solid metal piping from point A to point B, feeding continually upward to executive and then CEO roles. It’s an essential conduit, but one that companies have not often managed very well, and which is harder to manage now more than ever—leading to the current lack of confidence in executive pipeline processes.

In any pipeline, there are points of friction and of leakage. In leadership pipelines, interim executives can address those points, which are becoming more common in the current business environment. Leading companies are aware of this and are increasingly calling on interim leadership talent to complement the permanent leadership team.

When companies are considering the leaders they need right now, they will benefit from asking the following questions:

-  Do we have the expertise to grapple with a specific new crisis or opportunity? If we’re calling on current leaders to add this new responsibility, do they need extra support?
-  If we could add expertise to our leadership team for a few months, what efforts could we make less risky, or to accelerate? Could we take some strategic steps forward without committing to a full-time hire?
-  Is there someone on the team who needs to develop new skills—and could bringing in someone with that experience help them do so rapidly?
-  Do we want to invest in full-time hiring right now, whether to fill a vacant role or bring in new expertise? Do we know what new expertise we might need in the long term, or do we need to experiment with potential new roles?
-  Would an external perspective help us drive change more effectively?

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