



The Pitfalls of Internal Interim Executives: Why Hiring Externally Yields Better Results

During leadership transitions, organizations often turn to internal candidates to fill the void, but is that the best choice? In the article, [Christian Buhagiar](#) reveals the hidden risks of promoting from within when an executive leaves. From internal bias and team resistance to a lack of critical skills—learn why external options might be better equipped to handle critical transitions, drive results, and position your organization for long-term success.

In today's fast-paced business environment, leadership transitions are inevitable, due to sudden vacancies, strategic shifts, or organizational restructuring. While promoting an internal candidate to an interim executive position may seem convenient and cost-effective, this approach can present significant challenges and pitfalls.

This article explores these challenges and makes a compelling case for hiring an external interim executive to achieve better outcomes.

The Risks of Internal Interim Executives

1. **Lack of Objectivity:** Internal candidates often carry biases and preconceived notions based on their familiarity with the organization's culture and politics, hindering their ability to make impartial decisions. In contrast, external interim executives bring a fresh perspective, enabling them to identify issues and opportunities that internal candidates might overlook.
2. **Lack of Change Management Skills:** Many internal candidates may lack the requisite change management skills necessary to lead during transitional periods. Successful transitions require a structured approach,

including creating urgency, building coalitions, and communicating effectively. External interim executives can be chosen for their proven track record in change management, enabling them to guide organizations through transformation more effectively.

3. **Resistance from Team Members:** Promoting an internal candidate can lead to resistance or tension among colleagues who may feel overlooked or undervalued. This resistance can undermine the interim executive's authority and complicate efforts to implement necessary changes. External interim executives generally command greater respect through their extensive "outside" experience, facilitating smoother transitions and greater acceptance from the team.
4. **Limited Skill Sets and Experience:** While internal candidates may have a deep understanding of the organization's operations, they might lack the strategic vision or diverse experience needed to drive significant change. External interim executives bring a breadth of experience from various industries, equipping them with the experiences necessary to implement innovative strategies and navigate complex challenges effectively.
5. **Potential for Conflict of Interest:** Internal interim executives may face conflicts of interest that compromise their effectiveness. They may prioritize the interests of their peers or be influenced by personal goals, such as vying for a permanent position. This can lead to decisions that favor certain groups or departments rather than aligning with the broader goals of the company. External interim executives, focused solely on the tasks at hand and free from internal ambitions, are better positioned to make objective decisions that drive results.
6. **Difficulty in Returning to Original Role:** Internal candidates who are promoted to interim roles may find it challenging to return to their original positions if they are not offered the permanent promotion. This situation can lead to dissatisfaction and may result in the individual leaving the company. Organizations often see internal interim executives depart if their expectations for permanent advancement are not met.

The Case for Hiring External Interim Executives

Given the pitfalls associated with internal interim executives, organizations should consider the benefits of hiring external candidates:

1. **Fresh Perspectives:** External interim executives bring new ideas and approaches that can help organizations innovate and adapt to changing market conditions.
2. **Broad Experience:** With a diverse background, external executives can apply best practices from various industries, enriching the execution of the organization's strategic initiatives.
3. **Proven Change Management Expertise:** Experienced interim executives are often well-versed in change management methodologies, enabling smoother transitions and more successful outcomes.

4. **Objective Decision-Making:** An external interim executive can make impartial decisions free from internal biases and personal career ambitions, leading to more effective problem-solving.
5. **Enhanced Authority:** External interim executives are often viewed as neutral parties, which can foster greater acceptance and collaboration among team members.
6. **Results-Driven Focus:** External interim executives are typically results-driven, focusing on achieving specific objectives within their tenure, ensuring that critical initiatives are completed efficiently and effectively.
7. **Talent Development:** An external interim executive can provide mentorship and development opportunities for internal team members, helping to groom future leaders and enhance the overall talent pool within the organization.

Conclusion

While appointing an internal interim executive may seem like a convenient solution during times of leadership transition, the potential pitfalls can outweigh the benefits. Challenges such as lack of objectivity, team resistance, limited skill sets, conflicts of interest, difficulty in returning to original roles, and insufficient change management experience can hinder the organization's progress.

By opting to hire an external interim executive, organizations can leverage fresh perspectives, access diverse experiences, and inject proven change management skills to navigate challenges effectively. In an increasingly complex and competitive landscape, embracing external talent for interim leadership roles can position organizations for sustainable success and growth. As the business environment continues to evolve, the role of external interim executives will become increasingly vital, offering the flexibility and adaptability needed to thrive in the future.

At GlassRatner, we specialize in connecting organizations across Canada and the U.S. with seasoned external interim executives who can drive meaningful change and enhance organizational performance. Our tailored search services ensure you find the right talent to meet your unique leadership needs. [Contact us today](#) to learn how we can partner with you to harness the power of external interim leadership and propel your organization forward.

Discover More

Explore the other articles in our *Dynamic Leadership: Interim & Fractional Insights* series:

- [Embracing Flexible Leadership: Navigating the Future of Executive Talent](#)
- [Demystifying Interim and Fractional Executives: Embracing Change for Strategic Advantage](#)
- [The Pitfalls of Internal Interim Executives: Why Hiring Externally Yields Better Results](#)
- [Elevating Business Success: Why Interim and Fractional Executives Are Your Optimal Solution Over Hiring Traditional Consultants](#)

Our Contributors

Charlene Bergman is the Managing Director & Partner of the Executive Search & Interim Management practice at GlassRatner. Her expertise lies in building long-term relationships by supporting clients to meet their corporate and strategic business goals and candidates by impacting their careers and realizing their aspirations. Charlene can be reached at cbergman@glassratner.com or at 437.294.4609

Christian Buhagiar is a Principal in GlassRatner's Executive Search & Interim Management practice. He co-leads the interim management practice with a focus on interim and fractional executive roles across all major industries and functions, including the private equity (PE) space. Christian can be reached at cbuhagiar@glassratner.com or at 437.294.4681

Steve Rosen is a Partner in the Executive Search & Interim Management practice at GlassRatner. He brings a depth of experience from a long career in finance and accounting that began with a 15+ year career with a Fortune 50 CPG firm, followed by leadership roles in the education, transportation, and market research industries. Steve can be reached at srosen@glassratner.com or at 437.294.4653
