Understanding interim management

David Goss, University of Portsmouth Business School
Joanna Bridson, Independent Consultant

Despite the attention given to flexible and atypical working over the past two decades, academic researchers have largely ignored the extension of alternative staffing methods to managerial labour. In the practitioner community, however, one form of managerial flexibility – interim management – has been attracting increasing attention. According to Overell (1996), for example, ‘interim management is the business phenomenon of the 1990s’. An interim manager is ‘simply a manager who is hired, usually via an intermediary company, on a temporary and short-term basis’ (Redman and Snape, 1993). However, as we will argue below, the use of the term ‘simply’ risks overlooking the heterogeneous nature of interim management and the implications that flow from this.

The literature on interim management is predominantly found in the practitioner press (for an exception, see Redman and Snape, 1993) and often consists of little more than recycled extracts from consultancy reports and interviews with leading proponents – usually partners of consultancies specialising in placing interim managers. Many of these contributions are more marketing exercise than serious analysis and offer interim management as a product to be sold rather than a complex HR process (Altman, 1996; Coles, 1996; Donkin, 1994; Forbes, 1993; Hogg, 1989; Johnson, 1996; McKinney, 1992; Oates, 1990; Oliver, 1994; Russam, 1991; Trapp, 1993). Such articles try to convince the reader that a) interim management must not be confused with mere ‘temping’ and its pejorative associations; b) those who act as interim managers are high calibre managers; and c) using interim management confers competitive advantage, hence its continuing growth (by implication those not using it will suffer competitively). Each of these claims is open to challenge and the following sections highlight and develop some of the more important tensions apparent in these claims.

According to a report by the GMS consultancy group – which provides one of the few sources of data relating specifically to interim management – the UK market is now worth £400m, having grown from £100m since 1990 (GMS, 1997). Defining interim management as the engagement by an organisation of an independent executive within the middle to senior management band for a limited and usually fixed period of time, they estimate that up to 5,000 senior managers are operating as interim managers through intermediary suppliers – usually specialist agencies or divisions of management consultancies – with possibly another 5,000 working as independents. Within this market they identify the largest specialisms as general management (25 per cent), finance (20 per cent), sales/marketing (15 per cent) and production/engineering.

The rise of this activity, both in the US and Europe, has been associated with the corporate shake-outs of the 1980s and 1990s and treated as the application of flexible working practices to managerial jobs – nearly 40 per cent of interim managers in the GMS survey had entered the field as the result of redundancy. From this position interim management is an instrumental means by which organisations can limit senior staff costs in much the same way that numerical flexibility has been applied to lower grades of employee.
(Blyton and Morris, 1992; Blyton, 1992; Pollert, 1991; Atkinson, 1984; Emmott and Hutchinson, 1998). The objective is to reduce fixed employment costs by limiting personnel administration and fringe benefits, while maximising control over labour deployment – the ability to hire and fire at will. Thus, organisations may either hire managers as temps from an intermediary supplier or agency, or utilise them as independent consultants on temporary contracts, including fee arrangements.

However, as regimes of flexible working have matured, there has emerged an equally important transformational rationale for interim management. This suggests that, used properly, it is not merely a mechanism for gaining numerical and financial flexibility but offers significant competitive advantages to users. In particular, it gives an organisation access to skills, expertise and experience it could not generate internally and, in addition, provides a positive managerial role model for permanent staff with a blinkered outlook. Here, interim management is more than a mechanism to make an existing structure more cost-effective: it is a vehicle for thoroughgoing change and redirection (Sherman, 1992; Redman and Snape, 1993; Kellaway, 1993; Golzen, 1993).

These two approaches embody very different assumptions about the nature and uses of interim management – differences that extend to its integration within HR strategy and organisational culture. As such, we should treat with caution the sorts of general definitions frequently encountered in the literature, examples of which opened this section. While capturing the essence of interim management, they also include sufficient ambiguity to lead to confusion. Consequently, we propose a typological rather than a generic approach. In the following section we use the available literature to identify diversity and complexity within the field and to rework this into a tentative model of interim management within the context of wider organisational processes.

One commonly encounters the term ‘stopgap resourcing’ in definitions of interim management (see Bridson, 1996), but its exact meaning shows little consistency in practice. It varies from filling in for an employee who is temporarily absent (eg on maternity/paternity leave) to running a company through a period of major strategic change. Thus, at its most basic, stopgap resourcing is just that: filling an established vacancy on a temporary basis or keeping a seat warm for an absent employee. Such interim managers are not expected to do anything other than to fill the gap that has arisen and to maintain the status quo (Altman, 1996; McKinney, 1992; Oates, 1990). We call this type of resourcing ‘instrumental’.

A more sophisticated variation on this theme – functional resourcing – involves organisations hiring an interim manager on an outsourcing basis to fill a skill gap they cannot meet from within. Here, they will probably employ the interim manager to undertake a very specific and predefined task, usually with discretion over how, but not what, is done, eg installing IT systems or re-engineering business processes. We can think of this type of interim management as applied consultancy, ie providing expert advice but also being involved, with permanent staff, in its implementation.

As already stated, one reason for the expansion of interim management is almost certainly the increasing number of redundant managers in the labour market – victims of recent phases of corporate downsizing and delaying. For many in this position, undertaking an interim management assignment may be less of a free choice than a forced option (a means of filling time while seeking permanent employment or gaining a foot in the door of a potential permanent employer), but being abandoned when practically possible. This situation is most likely to apply to less experienced managers or those unable to trade sustainably on their managerial reputation (Overell, 1996; James, 1997). Those in this position are most likely to find themselves offered, or drawn towards, stopgap opportunities.
of an instrumental kind. Some of those for whom interim management is a forced choice, however, find it an amenable form of working and continue with it until a better employment opportunity arises (GMS, 1997: 34). Here, interim managers are likely to have a high level of functional specialism and to be operating in a market environment where these skills are in demand, i.e. where organisations need functional stopgap resources.

Both patterns differ from the motivation of those undertaking interim management as a positive career choice, whose expertise secures them levels of reward and occupational autonomy superior to those available in conventional employment (James, 1997). Many commentators on this type of interim management emphasise the significance of executive experience and entrepreneurial track record, especially the ability to provide creative solutions to new business problems (Altman, 1997). This notion of interim management as the management of change entails understanding stopgap resourcing as transitional – managing a period of change between different stages of organisational transformation. For instance, where a delayed or downsized organisation has previously contracted, an interim manager may be necessary means of solving problems in the absence of 'corporate memory' (Altman, 1997). In contrast, rapid expansion, especially into new markets or countries, may create a need for an interim manager to provide a bridgehead, establishing new operations while the organisation trains or recruits permanent staff, maintaining market momentum that would otherwise be lost (Lewis, 1993; Coles, 1996; Redman and Snape, 1993).

Here, the interim manager may also be filling a gap that is cultural. Where an organisation has failed or undergone a change of ownership, it may be deemed desirable to replace a senior executive(s) with an interim manager to establish a new cultural tone, unencumbered by the historical and political baggage of the previous regime (Oliver, 1994). Classic instances of this are Michael Edwards at BL and Ian McGregor at British Coal. Less dramatically, interim management may be used to lever in new ideas and methods to an organisation undergoing change, providing role models and inspiration for permanent managers and challenging taken-for-granted working methods (Overell, 1996; Redman and Snape, 1993; Altman, 1997; Sugden, 1997).

Unsurprisingly, the managerial role associated with transitional resourcing involves tasks of a more strategic and business-level nature. Wood (cited in Oliver, 1994: 56) for instance, uses this aspect of seniority as a core component of his interim management definition: a 'high quality executive resource useful in filling board-level and senior management positions for temporary periods of change and crisis in private and public sectors' (see also Altman, 1996; Overell, 1996; Hogg, 1989; Sherman, 1992). Lewis (1993) actually makes a distinction between a 'high-level temp' who, by inference, carries out a functional job where change is not required – functional resourcing – and an interim manager who the organisation expects to be a change agent. The seniority dimension is also implicit in some characterisations of the ideal interim manager: generally overqualified for the position in which they are placed, with years of hands-on experience at a senior level enabling them to make an immediate contribution to the business without having to go through a learning curve (Donaldson, 1993a, 1993b; Oates, 1990; Cole, 1992; Golzen, 1993).

A related twist to this theme concerns the debate surrounding the putative distinction between interim management and consultancy. Waagenaar (cited in Hogg, 1989: 136) puts it thus:

Management consultancy provides a client with alternatives. An interim manager has to take decisions even if the alternatives are not all known...

Consulting requires objectives; an interim manager requires commitment.

However, the substance of this debate hinges on how we understand the consultancy role. Taking a wide definition of consultancy as offering knowledge for profit will clearly...
encompass features of interim management (Williams, 1994: 3). Yet, according to Hook (cited in Russam, 1996: 13), we can differentiate interim management from consultancy:

... [The Institute of Management Consultants] sees many members operating as interim managers but fewer the other way round... our members are required to have a functional specialisation, management knowledge and management consultancy skills – and interim managers often miss out on the last count.

On this view, while many consultants can probably function as interim managers, not all interim managers have the skills to act as consultants. This implies a seniority/experience differential that parallels the distinctions between instrumental, functional and transitional stopgap resourcing introduced above; the greater the dynamism of the role, the more interim management will involve elements of consultancy and the more this consultancy element will take a strategic rather than a functional/operational form.

While on the subject of consultancy, we can also suggest that the differences between interim management and conventional consultancy lie not only in the skills required but also in the relationship between the organisation and the interim manager/consultant. Waagenaar’s view frames a consultant’s commitment to an organisation within the context of a specific and tightly-defined contract, whereas for the interim manager there is an expectation of open-ended commitment to organisational objectives in a general sense. In effect, therefore, a consultant remains an outsider working within an organisation, whereas an interim manager is expected to act as an insider. This dual status may have implications for the interim manager role within certain types of organisation culture, an issue to which we will return below.

In summary, then, by pulling together the various elements of this review, we can envisage interim management as a continuum ranging from a ‘simple’ form – associated with instrumental resourcing and a managerial role similar to conventional forms of temping – through a ‘formal’ mode – coupled to a functional resource need and a technical specialist role – to a ‘sophisticated’ variant, associated with transitional stopgap needs and a managerial role that is transformational: the ability to get beyond the problems of holding an organisation together, to set it on a new course (Burns, 1978).

The key determinants of each type comprise supply-side and demand-side factors. On the former are motivation and capability, both of which are attributes of the individual interim manager. Motivation relates to the reasons that make an individual take up interim management and can range from negative (no choice) through ambivalent (best option right now) to positive (preferred career choice). It is to be expected that this will correlate closely, but not exactly, with capability since, other things being equal, those with the highest levels of capability can probably make a more rewarding and secure career from interim management. Capability in this context refers to the managerial experience of the interim manager, varying from middle management to senior executive. On the demand side are organisational need and the resultant managerial role. Clearly the effectiveness of an interim management assignment will depend on the sophistication and validity of the need assessment process and, as we discuss below, this could create an important role for HR departments. In Table 1 we use the broad categories of instrumental, functional and transitional resourcing introduced above to categorise these needs. The managerial role associated with interim management varies in relation to the need and supply-side factors. This may vary from very limited discretion – filling an already well-defined job description for a temporary period – through the exercise of independent expertise (applied consultancy) to the executive role of a transformational leader.
TABLE 1 Interim management (IM) typology

<table>
<thead>
<tr>
<th>Type of IM</th>
<th>Motive</th>
<th>Capability</th>
<th>POTENTIAL MISMATCH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Simple</td>
<td>Route to permanent job</td>
<td>Operational and supervisory competencies</td>
<td>Instrumental stopgap</td>
</tr>
<tr>
<td>Formal</td>
<td>Best present option</td>
<td>High level functional specialism</td>
<td>Functional stopgap</td>
</tr>
<tr>
<td>Sophisticated</td>
<td>Commitment to interim management career</td>
<td>Strategic, entrepreneurial competencies and executive experience</td>
<td>Transitional stopgap</td>
</tr>
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We represent these differences as the anchor positions of this continuum in Table 1. Although this highly-schematic typology suggests a theoretical correlation between the elements of motivation, competence, need and role for each type of interim management, we must recognise that, in practice, this is unlikely to be perfect, with much scope for mismatch.

For example, an organisation may fail to diagnose its need correctly and recruit an interim manager with formal motives and capabilities who is unable or unwilling to act in the transitional role that is really required; alternatively, it may expect a sophisticated interim manager to operate in a functional environment, leading to disillusionment and, possibly, premature cancellation of the assignment. From the supply side, aspirant interim managers – or the intermediary suppliers representing them – may overstate their experience and qualifications, either through ignorance or design, resulting in an inability to perform in the role needed. The fact that there are now training courses dedicated to equipping potential interim managers with the skills needed to master a business culture and market at short notice suggests these potential difficulties (Overell, 1996: 16).

Thus, given the diverse nature of the interim management phenomenon, its adoption and ultimate success will depend heavily on a complex decision-making process. In particular, taking account of the interactions that may take place between the various elements of the typology and the potential of these to cause a mismatch of supply-side and demand-side expectations will be necessary. Figure 1 represents these interactions. Although, ultimately, these will need to be the subject of empirical investigation in specific situations, it is possible to propose some general issues that frame the management decisions surrounding the use of interim management. Two processes in particular will be crucial in mediating and structuring these interactions: HR policies and organisational culture.

FIGURE 1 Interim management model
MANAGEMENT IMPLICATIONS

1. HR policy

Four key sets of HR practices bear directly on the interim management process: need assessment, selection, induction and termination.

Need assessment will be influenced by the strategic orientation of an organisation’s HR policy – in particular, who decides to use interim management and based on what consultation and information. A key dimension of this process is the extent to which those with responsibility for strategic HRM are involved. Practitioner reports suggest that such involvement is hardly the norm. According to Russam (1996), only a small proportion of appointments seem to be made by heads of human resources. It is mostly the managing director who decides. Russam also suggests that HR directors are not always favourably disposed to interim management, and often have concerns over the motivation and performance of interim managers. Such distrust can result from the lack of involvement in the interim management decision which, if taken by senior managers unfamiliar with the substantive detail of the HR strategy, may result in conflicts that the HR section subsequently has to resolve, with all the attendant difficulties.

To ensure that the use of interim management is compatible with an organisation’s HR strategy, the involvement of HR specialists should, from the outset, be active rather than reactive (Greble, 1997). For instance, bringing interim management into a set of HR policies emphasising promotion and development from within, or linking pay to performance – rather than the a priori market-rate fee of the interim manager – is likely to cause difficulties with other managerial employees unless carefully communicated in advance. More substantively, the question of how effectively the capabilities needed from the interim manager have been specified is crucial. Are those who take the decision to use interim management capable of undertaking this type of needs assessment and on what basis has the necessary information been collected and validated? Greble (1997: 1), for instance, makes a distinctly partisan case based on US experience:

Only HR professionals have the unique perspective and qualifications to evaluate a company’s overall staffing needs, develop a comprehensive staffing strategy and, with senior management’s approval, administer that strategy. Too often, purchasing agents or cost accountants who take on this task focus on the unit cost of employees, while giving short shrift to critical human factors such as morale, training and development, and building team spirit.

Selection Following from the integration of interim management within extant or emerging HR strategies is the recognition that it is a process rather than a discrete event and, as such, needs managing in its own right. Selection issues will depend on whether an organisation recruits the interim manager directly, as an independent, or through an intermediary supplier. Regarding the former, issues of comparability with other management selection processes apply. Should the selection of an interim manager be subject to different criteria to those applied to a permanent position and, if so, on what basis? In line with the notion of needs assessment, the key is to be able to specify in detail the competencies required and, from this, the selection methods necessary to identify these (see Cooper and Robertson, 1995). The temptation is to be seduced by an impressive CV and/or second-hand accounts of reputation without asking whether the candidate really meets the actual, as opposed to the perceived, needs of the organisation. Even where past reputation is well established, this, of itself, is not a guarantee that the individual is either motivated or able to perform
similarly in a new organisation (GMS, 1997: 68ff). In short, track record, while important, should not be a substitute for other disciplines of selection. This, of course, becomes more problematic the more senior the post; many senior executives are not prepared to submit to normal selection methods. Even so, this may be a case for innovation rather than abandonment of systematic selection (Jaques and Clement, 1994).

Similar points apply to the use of intermediary suppliers. Where a needs-assessment service is provided, it is questionable whether the receiving organisation should accept this without some level of validation for, although doubtless uncommon, it has been known for the sellers of a service, consciously or unconsciously, to construct needs in a way that persuades a potential customer to buy. There is also merit in examining clearly how the supplier has gained its information about the interim managers on its books: how are they selected for an assignment, how are their skills and experience validated, etc? Although it is arguable that the whole point of using an intermediary supplier is to avoid undertaking such investigations, this does seem a somewhat cavalier approach to such a significant HR investment.

**Induction** At first sight, the association of induction with interim management is similarly paradoxical if a principal reason for using an interim is to find a manager who can hit the ground running. Induction in this context, however, should be defined broadly to cover not only the way in which the interim manager is introduced to the organisation, but also how relevant organisation members are introduced. This process of introduction should include setting ground rules, familiarisation with existing organisation culture – to change the culture, it is necessary to know from where one is starting – and the associated processes of communication. If, for instance, the organisation has a policy of employee involvement and open communication, the exclusion of an interim management decision from this, because it is a temporary issue, is likely to undermine the credibility of management communication and fuel potentially destructive rumour. The way in which an interim manager is introduced to staff will also affect the leadership role to be assumed. While this may be relatively unimportant in the cases of managerial temping and applied consultancy, transformational leadership will hinge on this process (Burns, 1978; see also the discussion of culture below).

As a general principle Simon has pointed out that, cognitively:

To be effective a mission statement or description of the organisation’s comparative advantage must become part of the mind-set of every member of the organisation who is responsible for making or helping to make decisions of any consequence... A new member has not been assimilated successfully until he or she has acquired the concept of what the organisation is seeking to accomplish and how it proposes to go about it... The shared picture of the organisation must be reinforced continually.

*Simon, 1993: 139 – our emphasis*

**Termination** is usually considered only in terms of the consequences for the interim manager whose assignment is at an end. From a processual perspective, however, this is only one side of the equation. Many important termination issues involve those employees left behind once the interim manager has gone (Ebadan and Winstanley, 1997). The salience of such issues will be tied to the role assumed by the interim manager on the one hand, and to the openness of communication on the other. The use of an interim manager may suggest a new role that can best be serviced by permanent staffing; alternatively, an assignment’s termination can generate expectations among other managers that such a new opportunity will arise. In both events, this may precipitate a crisis of succession planning and career progression.

The option of replacing one interim manager with another on a cyclical basis may have a limited lifespan before change fatigue unsettles other staff. Similarly, the issues of stress and
overwork associated with downsizing should not be neglected in this context. The termination of an interim management assignment may result in additional responsibilities and/or workload for other staff. Policy integration also becomes significant here, as the duration and termination of an interim management assignment will need to be coupled to HR development initiatives to prepare inheritors to (re)assume control. In contrast, the end of a business turnaround project is likely to demand planned action to sustain momentum in the interim manager’s absence and prevent organisation members slipping back into old patterns of behaviour and performance (see Stiles et al., 1997 on problems of maintaining change momentum).

2. Cultures of discontinuity

The strategic success of interim management is likely to demand that organisations come to terms with cultures of discontinuity (CoD). This somewhat oxymoronic term does not imply a culture that is fragmented or unstable in a pathological sense but, rather, one that is reflexive, capable of continually monitoring its own nature and changing/developing in the light of this (Alvesson, 1993; Giddens, 1991; Beck et al., 1994). The notion of cultures of discontinuity is implicit in many approaches to flexible or alternative staffing, although the level of reflexivity seems variable. In this respect, ranking such cultures in terms of their maturity and sophistication is possible. Three broad cultural stereotypes will illustrate this proposition: the flexible firm, the learning organisation and the network organisation. These are presented as extreme or ideal-types developed to elucidate analytical distinctions rather than represent actual empirical cases.

Flexible firm  We use the flexible firm label to denote an organisation that prioritises numerical flexibility as a primary means of gaining competitive or budgetary advantage via the limitation of labour costs. This represents something of a one-sided caricature of Atkinson’s (1984) formulation and its subsequent critiques (Pollert, 1988; Legge, 1998) but reflects what are now widely perceived as the key components of the flexible firm concept. This involves a division of employees, from management to shop/office floor, into core and periphery groupings, the latter being subject to atypical terms of employment, eg temporary, part-time, sub-contract and outsourced (Leighton and Syrett, 1989). The culture of the flexible firm places a low emphasis on mutuality (Walton, 1991), at least for non-core staff, being more concerned to generate an environment where clearly-specified standards, linked to rewards, are the norm. This type of culture works on principles of economic rather than social exchange, gesellschaft rather than gemeinschaft (Blau, 1964; Tonnies, 1957). Under economic exchange the obligations of buyers and sellers of labour – in terms of time, money and actions – are clearly specified in advance, subject to strict contractual regulation, and do not extend beyond this. Social exchange, in contrast, involves more nebulous obligations that are premised on the unwritten trust of one party not to abuse the other. Contractual obligations, if there are any, are broad and open ended (Fox, 1974; Pheysey, 1993: 22ff).

Within such a framework organisations are likely to use interim management in its simple and/or formal states as a mechanism for reducing managerial headcount and management costs, or in its sophisticated mode as a vehicle for planning and implementing nasty corporate shake-outs (Overell, 1996). Such usages define the parameters of the four elements in our model and the policy instruments used to manage the interim management process. For instance, with a sophisticated application, it would be inappropriate to engage an interim manager lacking the motivation or capability to take hard decisions, probably of a difficult and emotionally-taxing nature (Rieple and Vyakarnam, 1996). In such cases the managerial role shifts from transformational leadership towards a transactional mode, placing the emphasis on negotiation, bargaining and securing compliance.
Within the context of the learning organisation, however, a CoD will be differently conceived. The idea of the learning organisation is rooted in the vision of and the search for a strategy to promote individual self-development within a continuously self-transforming organisation (Starkey, 1996: 2; Herriot and Pemberton, 1995). Discontinuity thus represents a learning opportunity – a way of drawing in, and on, different experiences from which the organisation and its members can benefit in the future. The use of interim management serves not merely as a means to an end – better performance – but, in part, as an end in itself: organisation members learn through the process of interim management. There is a stronger emphasis on mutuality and commitment (Prahalad and Bettis, 1996; Hurst et al, 1996) and even simple interim management is likely to be given a humanistic slant (Goss, 1997). The manager, even if fulfilling an instrumental need, is expected to contribute positively to the collective enterprise of learning. This requires the organisation not only to operate effective needs assessment and role definition policies but also to provide a standard of treatment that incorporates rather than excludes non-permanent members. Pickard (1995: 30), for instance, reports the case of the catering company, Beeton Rumford, that claims to value the contribution of its temporary workers as much as its permanent staff:

Whether they are a cook, a bottle washer, a manager or a student seeking two week's work... they will undergo an ongoing, structured training programme which includes recognition of individual achievements... [The MD] is so determined that part-time and temporary workers should be valued as much as full-timers that he has even banned the term 'casual'.

An organisation committed to complex learning cannot tolerate members – whether permanent or temporary, junior or senior – who regard their contribution solely in narrow, instrumental terms. Bringing interim managers into such an environment requires effective selection and induction policies to identify and support those who can work in this way on a short-term basis. Sophisticated variants of interim management within the learning organisation culture will load heavily on the role of transformational leader – a role requiring very different motives and skills from the hired gun of the flexible firm.

The logic of the network organisation extends this broad view of discontinuity as a learning opportunity (Goffee and Scase, 1995: 159 ff). According to one exponent (Hastings, 1993: 6-7) this new form of organisation:

No longer can we rely on the false comfort of the neat and tidy relationships between functional and hierarchical roles displayed on the conventional organisational chart, because this has shown itself to be too rigid, too slow and insufficiently innovative. When we start instead seeing an organisation as a constantly changing kaleidoscope of relationships between people, we begin to get a better flavour of what might be involved.

Discontinuity provides not only a stimulus to learning and diversity but, simultaneously, establishes a set of 'network gateways' that contribute to the structural necessity of a relationship-rich organisational form. All variants of interim management will thus operate in a manner similar to that within learning organisation culture, but with a stronger emphasis on the temporal implications of the role. By this we mean keeping a relationship alive, even after the individual has left the organisation as a basis for future collaboration or information gathering. In addition to these elements of soft-networking, advances in hard-network technologies – ie the internet and intranets – open further possibilities for interim management by removing the requirement for physical presence and, simultaneously, expanding channels of communication between the organisation and its environment. For such 'virtual' companies (Barnatt, 1996; Hale and Whitlam, 1997), notions of insiders and
outsiders become more blurred and flexible than in the conventional organisation and subject to routine change and redefinition. Membership becomes dependent on information exchange rather than contractual status.

Perhaps the most radical role for interim management, however, lies in the form of organisation that Stacey (1993) calls self organisation – a notion derived from chaos theory (Stacey, 1991). In a turbulent business environment, managers need to maintain organisations in a state of bounded instability – ie avoiding stable equilibrium – which leads to stagnation and decline, but stops short of unstable equilibrium where the organisation is outside managerial control. This means utilising the notion of self organisation: learning not to depend on experience as an infallible guide to the future and accepting that the future is inherently unknowable and cannot be planned in the conventional forecasting sense. Rather: ‘Self organisation is a process in which the components of a system in effect spontaneously communicate with each other and abruptly cooperate in coordinated and concerted common behaviour’ (Stacey, 1993: 240).

According to Evans and Doz (1989), for example, this means developing a sensitivity to ‘duality’, ie the balancing of opposing pressures – between planned and unplanned, competitive and cooperative, global and local – and it is within this context that the potential of interim management develops. It should provide a source of new ideas and new bases for self organisation, the interim manager acting as a conduit through which groups, previously differentiated by traditional structural boundaries and internal politics, can be brought together. In this context the interim management role itself is dualistic, simultaneously embodying the knowledge and commitment of an insider with the novel perspective and political distance of an outsider. In the language of chaos theory, interim management is about the orchestration of bounded instability, managing the play of positive and negative feedback. It is precisely the interstitial nature of the role that makes it more effective than if undertaken by permanent staff or a detached outsider such as a consultant. This, therefore, may be the future for interim management but it is, one suspects, not to be arrived at easily or painlessly. Both learning organisation and network cultures are heavily dependent for their success on high levels of trust between members and partners (Cravens et al., 1996; Jones and Hendry, 1994). Making this compatible with what, for many, remains the insecurity of temporary employment is a major challenge for those seeking to maximise business benefits of interim management.

CONCLUSION

The foregoing discussion suggests a number of areas for further research to clarify the nature of interim management and to understand its full potential within HR strategy. As our model stands, we can derive three linked propositions as a guide to investigation.

Proposition 1 Interim management is a diverse practice, variations of which will be shaped by the interaction of demand and supply-side variables within specific organisational contexts. Our account has used the existing literature to demonstrate and categorise this diversity in terms of supply (motive and capability) and to link this to differing organisational role expectations and needs, as summarised in Table 1.

Proposition 2 The way in which an organisation utilises interim management will be a function of its understanding of change, ie its culture of discontinuity. Our discussion of cultures of discontinuity suggests that different understandings of change will set different limits on the ways in which interim managers are deployed, ranging from the narrowly instrumental to the innovative. In particular, cultures that understand change as an oppor-
tunity are more likely to develop innovative forms of interim management than those that view it solely as a threat.

**Proposition 3** HR policymakers will have an important role in mediating how this understanding of discontinuity is translated into practical policy for managing the interim management process. If propositions 1 and 2 are accepted, then HR managers, whose task it is to define the implications of cultural assumptions in terms of human consequences, will need to approach the development of interim management policy in a way that makes explicit both the economic and ethical implications of this form of flexibility.

However, as our models are tentative and provisional, the formal testing of these propositions demands further exploratory work to clarify the detailed content of the models and their overall empirical robustness. In particular, we can identify three areas, linked to the propositions above, where further questions need to be asked 1) the nature of the interim management role; 2) the strategic utilisation of interim management; and 3) the critical success and failure factors associated with such use.

**Nature of role**

This concerns the supply side of the interim management equation. Two issues raised by our model demand further investigation: temporality and the experience of being an interim manager. Temporality concerns the quantitative and qualitative issues associated with the duration of an assignment. In quantitative terms we need to address the variable time-periods that can be defined as ‘temporary’ or ‘stopgap’ and how these are overlaid by qualitative issues deriving from the legal status of contracts and levels of psychosocial attachment to the job or organisation. For instance, to what extent is the interim management label used to justify the imposition of a series of temporary contracts on managers over long periods, to avoid the legal responsibilities and costs of permanent status? If this is the case, the duration of a single temporary assignment may conceal what is, in effect, a casualisation of management roles. In contrast, more sophisticated forms of interim management may be more comparable to a long-term partnership, akin to a conventional customer-supplier relationship where both sides stand to benefit from the prospect of repeat business, unlike the imbalance of power and opportunity implicit in the casualisation process. Clearly these different temporalities need to be clarified, as they imply different experiences and opportunities for interim managers.

This is the second issue for further investigation: how do individuals experience interim management and what opportunities does it offer? The more casualised forms might be expected to offer limited prospects for career development and access to (re)training; similarly, a constant succession of temporary assignments may be a cause of stress and economic insecurity. However, there is also the possibility that the emerging interim management sector will construct its own career development opportunities. We need to examine the career mobility that takes place between different types of interim management assignment. Are there, for instance, opportunities for growth and development, or is the interim management sector characterised more by in-flows and out-flows rather than internal movement? Finally, are movements into and between different forms of interim management influenced by social inequalities in terms of, say, gender, race, age or disability? Divisions based on gender and age are apparent in other forms of temporary working (Legge, 1998) and may be repeated for managerial employees. In particular, we need ethnographic data on the experiences of interim managers. Most current material is based either on relatively crude quantitative measures or on opinion, conjecture and vested interest. There is a clear requirement for more rigorous qualitative data, preferably of a longitudinal nature, that maps the processes of interim management in terms of biography, interaction and structural constraint. This takes us into our second area for further research: the utilisation of interim management.
Utilisation

The interim manager role not only has implications for individuals and their attempts to maintain identity and livelihood in late modern society, but also for the organisations employing them. If, as we have suggested, interim management usage is linked to different cultures, then we will need to explore the extent to which this is the product of deliberate strategy and the role that an HR voice plays in this decision (see below). This will re-engage us with some of the debates introduced above: are these decisions driven by efficiency arguments or by longer-term value-adding potential? The former is compatible with the rationale of so-called defensive flexibility, where efficiency is equivalent to cost-cutting (Emmott and Hutchinson, 1998). The latter has more in common with notions of the value-added partnership, with the search for added value through the acquisition of scarce competencies (Flood et al, 1996; Sparrow and Marchington, 1998). This difference means that the search for explanatory variables and relationships within the interim management field is not a simple matter. The need, therefore, is to clarify the reasons for using interim managers – which are not always explicitly articulated – and their associated indicators. These will include conventional economic resourcing factors but will also cover the ethical dimensions of flexible working (see below). Finally, we must explore further the role of so-called intermediaries in shaping interim management use. As stated at the beginning of this article, consultancies and agencies play an important role in marketing the idea of interim management to practitioners. It is necessary to ask how such intermediaries influence both interim managers themselves and the organisations for whom services are provided, and how they construct an influential discourse of flexible advantage, often based on market insecurity. A further consideration here is the role of HR specialists in initiating relationships with external consultants. Where an intermediary is part of a larger general management consultancy, the marketing of interim management may be instigated through contacts with senior managers – chief executives, executive vice presidents etc – with little or no specialist HR responsibility. It is quite possible that the introduction of interim management through existing consultancy links at senior levels may by-pass, or marginalise, any HR input into the decision, at least in the early stages.

Success and failure

Our final questions concern the ways in which interim management interventions can, and should, be evaluated. At one level this requires the specification of objectives against which performance can be assessed. However, as discussed above, such objectives will vary according to a given organisation’s strategy, which itself will be conditioned by environmental factors. A key interest, therefore, is to identify both the objectives and the underlying variables shaping decisions to utilise interim management – possible contenders will include management fads and fashions, competitive pressures, labour market dynamics, organisation culture and changes in managerial skill/competence requirements. Simply comparing performance against stated objectives, however, is a limited and potentially superficial view of success and failure. Crucial objectives may be unstated – eg if interim management is part of an organisational power-play or a mechanism for reducing labour costs – or merely post hoc rationalisations. Equally importantly it will be necessary to determine whose interests are reflected in a given performance-objective relationship. As stated above, the interests and experiences of the individual interim manager can easily be overlooked, as can those of other permanent employees who have to adjust to working within a culture of discontinuity. This returns us to the ethics of flexibility: is interim management no more than the gift-wrapping of labour degradation in the realms of management, or does it provide new and exciting opportunities (Legge, 1998)? This is a crucial issue that must be at the centre of future investigations of interim management.
Our account of interim management suggests a process that is internally diverse and shaped by the interaction of a range of demand-side and supply-side factors. The models we propose are tentative, provisional and in need of further development. Nevertheless, we are confident that, whatever changes have to be made to the dimensions of the models, the case for treating interim management as a complex and diverse process with contingent outcomes is both strong and pressing, given the escalating hyperbole that continues to surround it.

REFERENCES


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