

The knowledge gap of interim management

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Due to the highly dynamic business environment, organizations need to constantly change and adapt to be able to survive and succeed. The management of change has therefore become a high frequently discussed topic. This research will examine the role of interim managers as the managers of change while they are engaged in strategic change processes. An empirical research method will be conducted with a literature review to draw a conclusion how interim managers deal with the knowledge gap about the focal firm, while they are engaged in making radical strategic changes.

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Keywords

Key concepts: *interim management, strategy implementation, strategy process, organizational history, change management, change agent, knowledge*

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1. Problem statement

The complexity of political, regulatory, and technological changes confronting most organizations has made radical organizational change and adaptation a central research issue (Greenwood & Hinings, 1996). Fenton (2007) explains that today, the successful management of change is crucial for any organization to survive and succeed in the business environment. Many researchers have already studied the way changes in organizations should be managed (Todd, 1999; Greenwood & Hinings, 1996; Nadler, 1981; Smid et al. 2007; Todnem By, 2005). Some researchers explain the management of change as something that should be managed from within the organization. They have defined this with the aid of leadership and management styles (Goleman et al., 2001; Covey, 1989; Sosik et al., 2000, Ahn et al., 2004, Graetz, 2000). Other researchers examine the role of third parties, such as consultancies and interim management, on making strategic changes (Fincham, 1999; Goss & Bridson, 1998; Smid et al, 2007; Sadler, 2001; Reijniers, 2000; Russam, 2005). Sadler (2001) states that while nowadays the rate of change increases, the demand for third parties to assist the organization in making changes increases heavily too. This research will zoom in on the role of interim managers, which are becoming highly popular, when they are engaged in making strategic changes for organizations. Smid et al. (2007) explain that interim managers take a pioneering role in the professionalization of all the persons that are involved in the organisational change. This means that the interim manager might be seen as a leader who will be followed by all persons involved in the organisational change. Multiple definitions of interim managers are circulating. For instance, Russam (2005) defines interim management as *'the engagement by an organization of a senior independent executive for a limited contractual period in a line management, staff or project role'* (p. 157). Goss & Bridson (1998) state in their article that *'interim management can be considered 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 specialists 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'* (p. 40). The 'simple', or instrumental resourcing form, can easily be explained by only 'keeping a seat warm for an absent employee'. The type of 'functional' resourcing involves hiring an interim manager with special capabilities that the organization cannot meet from within. An important component of the definition of interim management, as described in current literature, is that interim managers can also be seen as change agents. Goss & Bridson (1998) cite several definitions of other research, for example the work of Wood (cited in Oliver, 1994), that state that a component of the interim management definition is 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'* (p. 39). They also mentioned the definition of Lewis (1993), who makes a distinction between a 'high-level temp', where change is not required, and an interim manager who the organisation expects to be a change agent. Also, Todd (1999) and Smid et al. (2006) mention in their definition of

interim management the aspect of change projects, and interim managers as change agents. To conclude, in this research the interim manager is expected to be a change agent in making strategic changes for the organization.

To be able to define interim management as a distinct third party, which can influence the organization and assist to make change happen, it is important to distinguish between interim management and consultancy. Goss & Bridson (1998) explain the most important difference with the aid of the statement of Waagenaar (cited in Hogg, 1989: 136) which explains clearly the differences. The statement of Waagenaar states that a consultancy provides a client with alternatives of decisions that the organization can make. In contrast, an interim manager takes the decisions itself, and on top of that, he has to make these decision even if the alternatives are not all known. In addition, the author states that an important aspect of the interim manager is the fact that he or she is required to have commitment to that specific organization for which he is hired. In addition, an important difference that reflects the view of Waagenaar, especially if we take into account the 'functional resourcing' type of interim manager, is the differences between the skills required. Other researchers that have defined the interim manager are Bruns & Kabst (2005) who state that: *'interim-management is the temporary transfer of external leadership personnel into an enterprise with the objective to perform selected managerial tasks. Interim-managers will be equipped with the necessary competence and authority to give instructions for task performance'* (p. 514). In this definition, it becomes apparent that one of the characteristics in which an interim manager differs itself, is the level of necessary and specific competence, and the authority that he needs to obtain. This might be quite difficult because of the fact that the interim manager can be considered as an outsider or newcomer of the organization. A detailed explanation about the differences between an interim manager and management consultants and employed leadership personnel can be found in the appendix.

Although current literature exists about interim managers, and the problems that will come across, there is not much known about the knowledge that interim managers are missing, because of the fact that they come from outside the organization. This is particularly critical in strategy making or severe organizational change which reforms where contextual knowledge is considered as of key importance. This is mainly the case during so-called strategic episodes in which actors deliberate on formulations and implement strategy (Hendry & Seidle, 2003). Therefore, in this paper, I will examine how interim managers, involved in strategy making processes, deal with the lack of knowledge. It can be said that interim management can be an important source to make strategic changes, but it should be taken into account that, although they might have a more objective view, interim managers lack the knowledge of the focal firm while comparing it with an internal change manager. As a consequence, this lack of historical knowledge might lead to decisions that have a negative impact on the firm and on its performance. Therefore, this paper aims to answer the question:

'How do interim managers deal with the problem that they lack the knowledge about the focal firm, when they are engaged in strategy making processes?'

This research will begin with a literature review which will discuss the aspects of interim management that have already been researched. The methodology on the empirical research will be explained and the obtained data will be coded. The coded data will be discussed and will aim to answer the research question.

Research Goal: The goal of this research is to answer the question how interim managers deal with the problem that they lack the knowledge of the focal firm, when they are engaged in strategy making processes.

Research question: How do interim managers deal with the problem that they lack the knowledge of the focal firm, when they are engaged in strategic change processes?

Theoretical Framework: Current literature focuses mainly on strategic consultancies and how these external, or third parties, have an influence on the organization. This research will zoom in on one type of external/third parties, and will therefore focus on interim managers. In addition, current literature about interim management addresses several problems, but does not take into account the level of knowledge, when compared to internal managers. It is important, while reading this article, to take in mind that the level of knowledge of interim managers is compared with the level of knowledge of internal managers about the focal firm.

Academic framework: This empirical research will contribute to existing literature about the work of interim managers, while at the same time it will describe the way how interim managers deal with the problem of lacking the knowledge about the focal firm.

Practical relevance: This research might provide existing interim managers will theoretical information how to improve the way in which they obtain their knowledge about the firm. Secondly, it might be able to provide firms with information about the knowledge gap that interim managers have about the focal firm.

First ideas on the empirical part: The empirical part of this research will be a qualitative interview, where several interim managers will be the respondents. The interview will consist of a few open ended questions to get as much insight information as possible. This will be an unstructured, in-depth, free flowing interview. At the beginning of each interview, the interim manager will get an explanation about the subject.

Outline of the thesis: This research will start with an introduction of the research problem and the research question, based on academic literature, and will describe the gap of current literature about the subject. Several interim managers will be interviewed. The answers of the interview will be coded, following the research of Colbin & Strauss (1990) Based on the answers of the respondents, the conclusion will be drawn and will aim to answer the research question.

1. Literature review

Goss and Bridson (1998) argue that hiring an interim manager 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. In addition, Reijniers (2000) states that an interim managers provides the organization with additional knowledge and experience, and a large amount of energy to make radical changes possible in a responsible way. Interim management is concerned with a leadership role, and after he being hired, the organization might have undergone some strategic and radical changes and might even have a different attitude towards organizational changes. As Reijniers (2000) explains in his book, interim management is not only to guarantee daily continuity, but the interim manager will be hired to make structural strategic changes only within a short period of time. It can be concluded that interim management can be a very important source to assist organizations in times of distress and crisis, and to manage strategic changes within the organization. But, as Todd (1999) states: *'interim management may well provide an individual with experience of the new market environment, but there are some significant problems associated with its use'* (p. 242). Current literature examines several of these problems. For example, in order for an interim manager to be effective, the individual must have the co-operation of people who are colleagues (Todd, 1999). The interim manager needs to have a high level of commitment to the organization, but also to the employees. We can therefore also confirm that the way in which an interim manager is introduced to colleagues will also affect the effectiveness of the leadership. Goss & Bridson (1998) state that 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'* (p. 43). The interim manager might be familiar with the organizational culture, depending on his experience. But when lacking this experience, it can be stated that already from the introduction of interim management in the organization, many problems might arise. One of the most important aspects that are considered by the interim manager is that the management of the organization needs to draw some clear lines about the authorization and mandate that the interim manager will be given. The interim manager will not be able to make decisions if he does not have a broad mandate. Another problem that can arise is the difficulty of assessing the real level of competence that the interim manager has as a change manager or as an expert in the new behaviours. This should also not be underestimated (Todd, 1999). Todd (1999) explains that this often happens when the organization has no experience of either managing major change or an understanding of the new behaviours. The organization might in this case be, to some extent, resistant to make strategic changes. Again, the interim manager needs to have clear and objective knowledge about the authorization within the organization. The executives of the firm might not agree with several decisions that are made by the interim manager, even when the interim manager has the knowledge about his own competences and about the task environment for the organizations for which he is hired. In general, interim managers are hired within a specific industry and will have experience about this task environment. The interim manager might be aware that there are elements from

which he is lacking knowledge about the focal firm, but it should also be taken be considered that he might not be aware of the fact that he does not have the knowledge about several aspects. Briefly, he might be conscious or unconscious lacking knowledge that he needs to have when he is engaged in strategic change processes. A new member that has been introduced in the firm has not yet acquired the concept of what the organization is seeking to accomplish and how it is planning to achieve this. This picture of the organization must be reinforced continually (Burns, 2005). This research will consider the interim manager as a new and temporary member of the organization, and therefore has not acquired the full knowledge of what the organisation is seeking to accomplish and how it proposes to go about it. This becomes especially noticeable when this is compared with the knowledge of the internal managers and executives. For this research we stress that that the level of analysis are interim managers that are engaged in strategic change processes. This means that we only consider interim managers that assist organizations in solving problems and to get the organization out of a crisis. We do not take into account interim managers that are hired to 'take a seat warm' for a missing manager. In short, it means that this research considers interim managers that are engaged in crisis-management and change-management, as introduced by Reijnders (2000)

The knowledge that the interim manager is lacking might be relevant when he is engaged in strategic change processes. The formulation of strategy and the strategic processes for an organization are intrinsically linked with the emerging drivers of change and therefore the strategic foresights should also be taken into account. Knowledge about the strategic foresights can help managers against uncertainty and the risks that are involved with it. Vecchiato and Roveda (2010) explain the term 'foresight' as *'the wide range of approaches and activities which aim at helping managers to handle uncertainty'* (p. 1528). For this research, the approaches and activities help the managers to scan their business environment in order to detect the drivers of change.

Bruns and Kabst (2005) state that interim managers can be found in all different departments within the company, but most of them we will find in the controlling, sales and strategy department. The authors also explain that the main interim-management tasks consist of organizational restructuring, individual management bottlenecks and the implementation of new structures or systems. It is stated that most of the interim managers, 11.8%, are hired for organizational restructuring (Bruns and Kabst, 2005). Because the largest part of interim managers are concerned with the task of restructuring the organization, it is important that they are aware of the 'effect' uncertainty and the 'response' uncertainty, as explained by Vecchiato and Roveda (2010). The reason of this is that, while restructuring the organization and establishing radical changes, managers should be aware of the effects on the organization and on its environment. As mentioned in the article of Vecchiato and Roveda (2010), business managers should be able to handle the 'effect' uncertainty and the 'response' uncertainty. As they explain, *'the 'state' uncertainty is about the likely evolution of a driver of change and the 'effect' uncertainty about its impact play a key role for determining what kind of response (strategic posture) a firm should adopt for coping with this driver'* (Vecchiato and Roveda, 2010, p.

1537). An interim manager is missing the knowledge of the responses and effects of their actions when they make strategic changes, or even restructure the firm. The question arises how interim managers deal with this lack of knowledge about the firm. Therefore, we re-emphasize the important question that this research aims to answer: 'How do interim managers deal with the problem of lacking the knowledge of the focal firm, while they are engaged in strategic change processes?'

2. Methodology

This research is based on conducting an empirical research where qualitative data is obtained by the field with the use of interviews. The methodology of this research will be based on the article of Corbin & Strauss (1990), the grounded theory. This grounded theory involves the construction of theory through the analysis of data, and will be further explained in the section 'Data Analysis'. The interim managers will be interviewed with the use of unstructured, free-flowing, in-depth interviews. The primary aim for the in-depth interviewing is to collect data which give insights into the interim managers' experience. The respondents are encouraged to 'tell their story', because that story might not have been told, or told in this particular way (Crouch & McKenzie, 2006). The positive aspect of the unstructured interview is the fact that we are able to react creatively to possibilities of the context in which the interim managers try to answer the question.

2.1 Data collection

To understand how interim managers deal with the problem that they do not have the knowledge of the focal firm, qualitative data will be collected with the use of interviews. This research question will be explored using a small sample size (3) while using an unstructured, free-flowing in-depth interview scheme (see appendix). The justification for the use of a small sample size will be explained as follows. As Crouch & Mckenzie (2006) state in their article, in the case of unstructured in-depth interviews, the notion of 'sample' is not appropriate here since in this research, the interim managers are not drawn (i.e. sampled) from a target population. *'This is because a particular shared experience or life-situation is hardly a sufficient basis on which to establish boundaries that define such a 'group' of respondents (as a fraction of the hypothetical larger group to which they may in some sense belong'*, cited from Crouch & McKenzie (2006, p. 492) The interim managers interviewed can be considered as 'cases', rather than just individuals designated as properties. To re-emphasize, in this research it is especially important that we get a clear insight into the interim managers' experiences while collecting the data.

An important aspect of the interim managers that will be interviewed, is that they all have in comment that they assist the organizations when making changes, as we already explained in the first section of this paper. We will briefly explain the backgrounds of the interim managers (we used pseudonyms for their names to assure confidentiality):

The first interim manager has been involved as an interim managers in several public organizations. He started with the study mechanical engineering and followed this by the study General Management Program at the European Business

School in Oestrich-Winkel. At the start of his career, he began in the waste-water-treatment. In 2006 he became the general director for a large public organization. In 2010, he started as an interim manager, change manager and a crisis manager. The public organizations in which he has been involved as an interim manager are operating especially in the waste and environment industry.

The second interim manager has been hired for a diversity of large organizations. He has started off with his study Law & Dutch Language at the Ministry of Justice, and has obtained his lead auditor ISO 9000 certificate. In addition, he has several certifications concerning Six Sigma and Lean Management. The most important aspects of his work is to realize the practical use of Lean Management in the organizations. Other aspects that he works with are Six Sigma, Process Management, Quality Management, Operational Management and Performance Management. He has been mostly hired for insurance companies, but also for centralized and decentralized government departments.

The third interim manager that is interviewed has been involved in organizations which sell mainly consumer electronics. He finished his study Economics about 25 years ago, and graduated also for the study Accountant Administration Consultancy. He has most experience with small to medium sized companies, and therefore also his interim projects have taken place in small to medium size organizations. An important aspect about the organizations for which he is hired is the fact that the managers are similar to the shareholders, which does not lead to a separation of ownership.

2.2 Data analysis

Already introduced in the methodology section of this article, the research is based on the grounded theory as explained in Corbin & Strauss (1990). This section will explain how the data obtained from the interview will be analysed.

Some canons as described by Corbin and Strauss (1990) will be emphasized, it needs to be taken into consideration that not all the canons of Corbin & Strauss will be used since these are not applicable to this research:

1. *Data Collection and Analysis are Interrelated Processes:*

As soon as the first bit of data is collected from the first interview with the interim manager, the analysis will begin. This analysis will be used to direct the next interview with the second interim manager. The positive aspect of doing this is the fact that this 'enables the research process to capture all potentially relevant aspects of the topic as soon as they are perceived' (Corbin & Strauss, 1990).

2. *Concepts Are the Basic Units of Analysis:*

In the interviews, it is important to pay attention to certain incidents that might be directly or indirectly explained by the interim managers. For this research, the word 'incidents' might be explained by certain conditions that the interim manager will mention to, while aiming to answer the question how he solves the problem of not having the knowledge of the focal firm, while engaged in strategy making processes. If the interim managers mention some of these

'conditions', these should be compared to accumulate basic units for the theory.

3. *Sampling in Grounded Theory Proceeds on Theoretical Grounds:*

In this research it is important to observe the events how interim managers deal with the problem of not having the knowledge of the focal firm. In addition, certain conditions need to be coded in order to determine what has an impact on the phenomenon in question. As explained by Corbin & Strauss (1990), in grounded theory, representativeness of concepts is crucial.

4. *Analysis Makes Use of Constant Comparisons:*

The results of every interview have to be compared for similarities, but also for differences. These resulting concepts will be coded and discussed in order to draw a conclusion. The important aspect of making constant comparisons is that it assists the researcher in guarding against bias, explained by Corbin & Strauss (1990)

5. *Patterns and Variations Must Be Accounted For:*

The data of the interviews must be examined for regularity. This means that, for example, the interim managers find it not important to have that certain level of knowledge in general for certain reasons. Therefore they might not take any specific action to obtain that knowledge. But when these interim managers are hired for an organization that operates in a specific niche sector, they will take certain action to obtain a high level of knowledge about the focal firm. If such events occur, we might be able to find a pattern.

6. *Process Must Be Built Into the Theory:*

In grounded theory, process has several meanings. Processes can be broken down to a phenomenon and also into stages, phases, or steps. Process may also denote purposeful action and/or interaction that are not necessarily progressive, but changes in response to prevailing conditions. (Corbin & Strauss, 1990)

7. *Broader Structural Conditions Must Be Analyzed, However Microscopic the Research.*

Broader conditions that might affect the answer to the research question should be taken into account as well. These conditions should not be referred to on the background, simply to create a 'better understanding' of the topic. Rather, if the conditions are there, we need to draw a linkage with the actual research question. Broader conditions might include economic or political factors that might influence how interim managers think about the level of knowledge that they should have.

We will briefly explain the process of analyzing. The grounded theory can be explained as a process of constructing a theory. For this research, the process can be explained as follows: firstly, after each interview, data will be reviewed and coded. Based on the obtained data, constant comparisons will be made where differences and similarities will be mentioned. Details on the coding method will be explained in the next section.

2.2.1 Coding method

As earlier mentioned, the qualitative data obtained by the interviews will be coded. This will be done both during and after collection of the data. As Saldaña (2013) mentions, coding is the initial step towards the interpretation for the report. It is not just labeling the data, but it should form the linkage between the data and the idea, and from the idea to all the pertaining to that idea. Saldaña (2013) also states that *'coding is a method that enables you to organize and group similarly coded data into categories or 'families' because they share some characteristics – the beginning of a pattern'*(p. 9). For this particular research, it means that if the data obtained shows some similarities, we might be able to come up with a pattern that determines how interim managers deal with the lack the knowledge of the focal firm. For this reason, it is important that we pay attention to concepts that might be mentioned by every interim manager. The intuitive senses of the researcher will be used to determine which data will be grouped together, and which will be categorized. Figure 1 provides a conceptualization of the codes-to-theory method that will be used for.

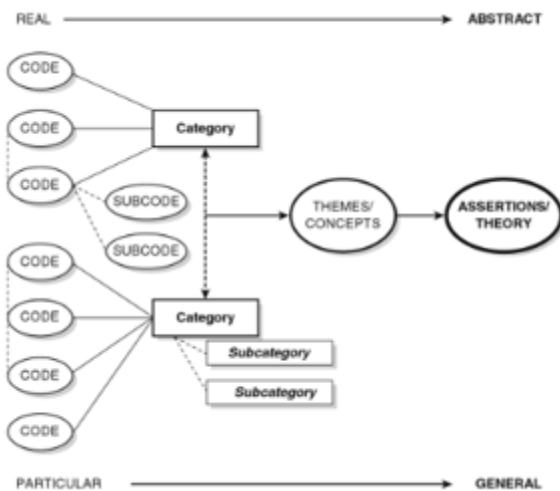


Figure 1. A streamlined codes-to-theory model for qualitative inquiry (Saldaña (2013))

In practice, this means that concepts that are repeatedly mentioned by the interim managers form the codes. If these concepts are mentioned by all three interim managers, this might form a category on which we might be able to draw a conclusion. It needs to be emphasized that for this research we do not aim to develop a theory. The goal of this research is to draw an assertion about how interim managers deal with the lack of knowledge.

Corbin & Strauss (1990) mention three basic types of coding, which are: open, axial and selective. This research will make use of the Open Coding technique which means that the data obtained at the interviews will be broken down. The purpose is to obtain new insights, and as Corbin & Strauss (1990) also explain is that by using this technique the researcher can obtain new insights by breaking through standard ways of thinking about or interpreting phenomena reflected in the data. An important aspects in open coding is to compare events, conditions and experiences of the interim managers for similarities and differences. As earlier mentioned, for this

research it means that data obtained from the internet will be coded by similar and different concepts.

3 General summary of the interviews

In this section, a brief overview of each interview will be given, including citations and explanations of the interim managers. The most important highlights of the obtained data per interview will be mentioned. The next session will discuss the answers after they have been coded and will be interpreted for the context of this research.

3.2 interview 1

The first question that arises for this interim manager is which knowledge is missing, and which knowledge is needed to lead an organization or to manage the organization. The most important aspects, he states, when you want to manage an organization is to let the employees collaborate and to take away constraints for the employees when they are not able to collaborate in such a way. This is the main task of interim management.

This first interim manager states that the time that he has to prepare always differs. When he has time, he will study the annual reports and general information about the organization. In contrast, there have been interim projects for which he is hired that only made the announcement a few days before he started. He mentions that at the start of each project, employees will be interviewed to find out what they do, why they do their job, and how they feel about it. The employees that are interviewed by this interim manager are from all different levels of the organization to get a complete picture of the problem that needs to be solved. The first requisite for an interim project is to have lots of communication with the employees and its closest stakeholders. An important factor that he considers is to develop a sense of urgency for all the employees, so not just the board and executives. Next to the interviews with which he begins to know the organization, he also attends meetings from the supervisory board and analyses the way how the board communicates with one and other and how problems are currently handled.

This interim manager does have the knowledge of the industry for most of the organizations for which he is hired, because of his working experiences in this industries. He states that when he would not have this knowledge, the employees within the organization would be more resistant to the changes that the interim manager wants to establish, and this will delay the process to establish the changes for the organization. He states that knowledge about the industry is useful if changes need to be implemented quickly, but this knowledge is definitely not a requisite.

He states that he finds it is not important to have knowledge from the specific industry or specific information about the focal firm. Since every organization has some general lines and structures, and in case an interim manager is hired, this lines will need to be restructured. He also explains that the processes within an organization are a mainly focus for the interim manager. As an interim manager, it is important to have knowledge and insights towards this lines, structures, and processes. An interim managers should have some specific competencies to find the relationships and levels of trust between the employees. An interim manager should have

knowledge about the structure of the organization, he mentions, and this is based on personal experiences. This basic structure and processes can be observed in every organization. For every sector, interim management is about the trust relationships between the employees to some extent. Although, he states that almost every interim manager will have its strong competencies within a specific industry, he emphasizes that the knowledge about that industry is not needed. He states that interim management is about the connections and relationships within the organization, and this can be observed in every organization.

He also mentions that, if a problem needs to be solved, you should not be part of the problem. The internal manager of the organization will also have the knowledge about its structure, but because he is 'part of the problem', he will not be able to give a clear vision on the problem solving and decision making.

3.2 Interview 2

The second interim manager that has been interviewed states that for him it is important to collect a few people around him that know the ins- and outs of the organization. These people can then provide him with the information that he needs or that he is missing. As a consequence, he mentions that one of the most important things to obtain knowledge about the focal firm is to have a large network with lots of connections. He mentions that there would be in almost all cases someone that he knows that can tell him something about the organization for which he will be hired. Therefore, it is also an important part of his preparation, next to reading the annual reports and general information about the organization. When the question was asked how this interim manager thinks about lacking an level of knowledge about the firm, he mentioned that he doubted if the internal manager knows something about for example the 'response' uncertainty. He said that, *'those organizations for which interim managers are hired are in times of a crisis, the question might arise if the internal manager has a higher level of knowledge about the firm and its 'response uncertainty'*. The internal management might have taken the wrong decisions, and this might have caused that the organization is in a crisis.

He mentions that the most relevant competences that an interim manager should have are to be flexible and to be honest about the doubts he is having. Next to this, the interim manager should have good communication skills and it should be clear at the beginning which mandate the interim manager has. On top of that, it is very important for an interim manager to have the final responsibility to be able to make decisions for the organization to radical changes happen. In addition, he states that a good interim manager needs to 'be naïve in a professional way'. With this, he explained that he meant that interim managers should not let themselves governed by limits and boundaries, they should not be driven by fear.

To minimize the knowledge gap of interim manager, this interim managers collect people around him that have the knowledge about the industry and about the firm. These people are then considered to be his advisors, and might come from within the company or from outside the company. Although he thinks it is important to have knowledge about the organization, the most important thing is to be honest about the things he does not know. He mentioned that a high level of knowledge is not a requisite because a large part of the work of interim managers

consists of coaching current management. With coaching current management he means that he teaches them how to direct and control the firm. An interim manager will only be hired temporarily and this makes a clear difference, he states. The permanent staff of the organization will be able to provide the knowledge that he needs. Because he is hired on a temporarily basis, he needs to be able to let the employees collaborate so that, after the interim manager has left, they will be able to manage and let the organization grow by themselves.

3.3 Interview 3

For the preparation, first this interim manager checks the annual reports and all the financial information, including the balances. This interim manager has originally been an accountant and uses his experience to get more inside information about the organization, and especially about the problem that needs to be solved to get the organization out of a crisis. When this interim manager has started in the company, he begins with conversations with the employees and management. He mentions that at these conversations, it is very important to pay attention to the informal structure. With informal structure, he means the relationships between the employees and management. The knowledge about the informal relationships among the employees is the first basis that the interim manager needs to have. Interim management is top down management which means that you need to be honest, clear and hard in decision making. He states that separation of duties and function is one of the most important aspects to start with because the organization structure needs to be clear.

For the specific interim project he described, he had experience within the branch, which is the consumer electronic products. But, he mentions that when the interim manager is hired for crisis management, this knowledge about the specific branch in which the organization is operating, is not needed at all. The knowledge about the branch is abundantly present within the company itself and is therefore not needed. In many cases, the technical knowledge about the branch and its products is present, but knowledge about the financial situation and the organizational structure is missing. This is often, he tells, why a firm is in a crisis period.

This interim manager states that when you have knowledge about the employees, an interim manager will be more friendly towards them. An interim manager is there because the organization needs to continue and grow again and as a consequence radical strategic changes need to be implemented. Therefore, decisions need to be made that are not always beneficial for the employees. In this case it is better, not to know the employees because you will have a tendency to take into account their feelings and emotions, he states. The most important conclusion how this interim manager deals with the missing knowledge about the focal firm is that he is honest about the knowledge that he misses, and also that everything he does not know he will ask. Communication is really important for interim management, he tells. Competences that an interim manager should have explains he as follows: being critical, asking questions, changes when needed and making use of personal experiences. Normally, the problems that need to be solved are the classical mistakes of organizations. These can be observed in almost every organization. The competences that an interim manager needs to have is to be able to recognize the structure of the

	Interim manager 1	Interim manager 2	Interim manager 3
Preparation before starting for the organization	<ul style="list-style-type: none"> - Not always enough time to prepare - Reading annual reports and general information about the organization 	<ul style="list-style-type: none"> - Search in the network for connections of the interim manager for people who have experience with or within the organization - Reading annual reports and general information about the organization 	<ul style="list-style-type: none"> - Reading annual reports and general information about the organization - Reading and studying the financial reports because of the accounting background of this interim manager. According to this interim manager, the financial status and balances might give a lot of information about the current crisis the organization is in.
Getting knowledge when already started for the organization	<ul style="list-style-type: none"> - Interviewing employees from all different levels of the organizations - Attending meetings of the supervisory board. It is mentioned that these meetings should be only observed. The interim manager should not communicate while being present at this meetings. 	<ul style="list-style-type: none"> - Talking with employees and supervisory board to get the first knowledge about the problem and the communication structure in the organization 	<ul style="list-style-type: none"> - Talking with employees and management - Communicating in depth with top management. Interim management is a top down decision making process. - Focusing on the informal structure while having the conversations with the employees and management
Reasons why the interim manager is hired for the organization	<ul style="list-style-type: none"> - Taking away constraints for the employees when they are not able to collaborate - Focusing on processes within the organization that need to be restructured or improved. 	<ul style="list-style-type: none"> - Focus on the internal organization structure and processes that needs to be restructured or improved - Organization might be in a crisis because the internal management has made the wrong decisions, therefore the main focus is on management coaching - Manage the employees so that they will be able to work together and collaborate with one another 	<ul style="list-style-type: none"> - Problems where the interim manager is hired for are in most of the cases classical problems - The internal structure between/ within the employee, stakeholders and management needs to be restructured or improved

Figure 2. Data categories

organization quickly. Therefore an interim manager needs a lot of management experience.

Figure 2 summarizes the most important categories. The next session will discuss and compare the obtained data.

4 Discussion

The following section will compare the data obtained from the three interviews and will discuss the similarities and differences.

Based on this data, it can be stated that all the three interim managers are hired for organizations which operate in the industry in which the interim managers have experience. In contrast, it is mentioned that the knowledge about that specific industry is not a requisite for a good interim manager to be able to solve the problem for which he is hired. They state that the knowledge is just to overcome the problem that the employees are resistant to change because they might have the feeling that

the interim manager does not have enough knowledge about the focal firm and his task environment to make strategic changes happen.

Although the three interim managers mention all that the knowledge about the organization is not a requisite, they do to some extent prepare for the interim project. If we compare the results from figure 2, it can be observed that all the three interim managers read the annual reports and some general information about the organization, like for example the website. Moreover, two of the three respondents does something in addition to obtain more information and knowledge. For the second respondent this means to contact the connections in his network to get insight information about the organization. For the third respondent this means studying the financial balances to be able to get more insight information about the problem that needs to be solved. We might say that this level of preparation might be in contrast with the statement of the interim managers, namely that an interim manager should not have the knowledge of the

organization. In addition, all interim managers mention that, after they have entered the organization for which they are hired, the communication with the employees and management is important to get the knowledge about the organization and about the problem. They all need to be able to analyze the organization, to some extent, to be able to begin with solving the problem to get the organization out of a period of crisis. Based on this information, they need some kind of knowledge about the firm to be able to analyze and start. As can be observed in the table, the way in which they are obtaining the knowledge when they started for the organization is different. The first interim manager starts with interviewing the employees and management and attending meeting of the supervisory board. The second interim manager starts conversations to be able to get more informal and insight information, whereas the third respondent also focuses on these informal structures between and within the employees and management. Again, all the three interim managers take some action to obtain the knowledge about the firm.

Next to this, the interim managers answer differently to the question why they think that they should not have the knowledge of the organization. These answers are in relation to the answers from the question why in general, they think, interim managers are hired for an organization. Although the answers are different in explanations and words used, they all mention, and are therefore similar coded, that interim management is about restructuring the internal organization structure and let the employees collaborate better towards an overall goal. All the three interim managers mention that the concept 'processes' in the organization are important to solve problems, they do not need knowledge about its task environment for this. The first two interim managers have interim experience in large organizations with a separation of ownership and control. They explain that in some interim projects the trust between the shareholders and the management is the problem. They describe the problems that come across when the organizations has a separation of ownership and control, which is by other researchers referred to as the Agency Problem I. The third interim manager has experience in small to medium size organizations where the owners are also the management team. He explained that sometimes problems arise between the interests of the employees and extended stakeholders and management. Though, he states that the biggest part of the problem is due to the missing knowledge of the internal manager about the financial information about the organization. To solve this problem, this interim manager will need to some extent the knowledge of the firm. Based on this information, it might be the case that the size of the organization for which the interim manager affects the level of knowledge that is needed for an interim manager.

5 Conclusion

This research aimed to answer the following question: how do interim managers deal with the problem that they lack the knowledge of the firm, while they are engaged in strategic change processes?

The term strategic change processes in this research was described as the interim managers that are engaged in crisis- and change management. Based on the obtained data, it can be concluded that interim managers do try to obtain some knowledge about the focal firm, already starting at the

preparation. Even though, they mention that they do not want to have this knowledge because of certain reasons, which have been discussed. In addition, communication with employees and management is an important source how interim managers obtain their knowledge. In addition, it becomes apparent that interim managers are for a large part hired for the organizations that operate in an industry in which they have experience, although interim managers state that knowledge about this industry is not a requisite.

Although interim managers want to obtain some knowledge which they obtain with their preparation, it can be concluded that interim managers are successful because they do not have too much in-depth knowledge about the company and its stakeholders. Interim managers have to make sometimes rational decisions and therefore their gap of knowledge will have a positive impact on their work. The outcome of the empirical research states that interim managers work with some kind of distance towards the organization, because of their difficult decision making processes which might not be beneficial for some employees or managers. In addition, it can be concluded that the main focus of interim management is about the organization structure, and not about its specific operations. Therefore, an interim manager should have the competences to be able to recognize the internal structures quickly, but does not need the knowledge about the task environment in which this organization operates and technical specialized knowledge about the operations of the organizations. Some general first-sight information is needed to analyze the organization and its problem that needs to be solved, but the basis for solving the problem for interim management can be found in every organization and are therefore not organization-specific.

6. Limitations & Future Research Recommendations

One of the limitations is the number of respondents used for this research. Therefore, for future research it is recommended to increase the number of interim managers interviewed, to make the findings more generalizable and reliable. In addition, this research does not take into account the differences between interim managers that are hired for an large organization or for a small organization. As already mentioned in the discussion session, we might draw a different conclusions depending on the size of the organizations for which the interim manager is hired. This is due to the Agency Problem I.

Also, future researchers could study how important it is that interim managers have experience in the industry for which they are hired, even though these interim managers mention that this is not important. Future research can be from the perspective of the organization which hire the interim managers. Although the interim managers state that experience in a specific industry is not important, the question might arise why then interim managers are in general hired for a specific industry. To draw a more in-depth conclusion, an additional research would be needed from both the perspectives of the interim manager and its organization.

For future research it is also recommend to study a more specific category of interim managers. This means studying interim managers that are hired for a specific sector. In addition, interim managers from another category (different than crisis

management and change management), explained by Reijniers (2001) as project management, competent management and transition management could also be researched.

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Appendix

	<u>Employed leadership personnel</u>	<u>Management consultant</u>	<u>Interim-Manager</u>
Nature of Task	Management of <u>enterprise</u>	<u>Only consultation</u>	Management <u>tasks</u>
Contract-basis	<u>Labor contract</u>	Service contract	Service contract
Authority to instruct and being subject to instructuion	Extensive authority. Subject to instructions exists	None	Authority depends on the task; subject to limited instructions
Period of belonging to the enterprise	Permanent labor contract	Limited	Limited
Compensation	Monthly salary and possibly profit sharing	Generally daily rate and expenses	Generally daily rate and expenses

Table 1. Delineations of interim managers as employed managers and management consultants (Bruns & Kabst, 2005)

1.	Do you prepare for an interim project? If yes, could you describe what actions what actions you undertake as preparation?
2.	As an interim manager, could you describe your role on strategic change processes?
3.	In general, how do you deal with the fact that you do not have the knowledge of the focal firm?
4.	Are there any conditions, in your opinion, that would be determined for the level of knowledge about the focal firm, needed for an interim project?
5.	Under what conditions do you found necessary to have or have not the knowledge of the focal firm?

Table 2. Question for unstructured in-depth interview