

Employability and Personnel Management for Interim Managers

Thomas Decker, Stephan Kaiser

Abstract: *Research Issue: How can interim managers keep employable in the long term regarding their strategic positioning, and which are the ensuing implications for personnel management? Methodology: Theoretical analysis and expert interviews to verify the findings. Practical Implications: Interim managers position themselves via their own resources, they attend to different markets and they enjoy differentiated remuneration. Human resources management may take this into account and contribute to the selection of, and the collaboration with, interim managers. Competitive Factors, Human Resources Management, Interim Manager, Strategic Positioning.*

Keywords: *managers keep employable, strategic positioning, Theoretical analysis, remuneration, Human resources Management, Competitive Factors.*

I. INTRODUCTION

Interim management is the temporary deployment of an external executive to a company for various purposes [6]. The activity of an interim manager is not occupationally stipulated, a homogeneous job image does not exist. The number of independent interim managers has been rising for years; even science is more and more preoccupied with that phenomenon [5]. Absent regulation of a market which hardly sees any information about the quality of services facilitates the offer of “interim management” as a service by little qualified executives. In addition, temporary work agencies, senior expert services, investment banks, auditing companies, tax consultancy and law firms etc. act as new competitors in the market. Beside these developments the interim manager permanently finds himself in a stand-by mode, is subject to enormous pressure to perform, and he has to deal with high expectations in respect of his own person. Also, the latent danger of contract cancellations leads to a general employment risk as well as to unbalanced utilization, with the biggest impending career risk being the explicit assumption of responsibility for implementational consequences whilst facing a threat to one’s own reputation [4]. As a result, these factors accurately depict the business model of an “independent interim manager“ as an unstable and precarious form of gainful employment, if on a high level [3]. In order to remain long-term employable in such an unstable business model, a more strategic and long-term oriented positioning is necessary.

Manuscript Received on February 2015.

Dr. Thomas Decker, Professor of Transport Logistics, Dean of School of Logistics, Hochschule Neuss für Internationale Wirtschaft, University of Applied Sciences for International Economics, Neuss, Germany.

Prof. Dr. Stephan Kaiser, Institute for the Development of Sustainable Organizations & Professor of Business Studies, Universität der Bundeswehr, University of the Armed Forces, Munich, Germany.

Hence, the question for each interim manager is how to maintain and to enhance his employability with the aim of developing new markets, if appropriate, and to distance himself from a growing number of competitors. This issue is interesting in two ways: On the one hand, it offers insight into the increasingly substantiated type of service named “interim management”. On the other hand, it sheds light onto a known deficit inherent in institutional human resources management in companies, a shortcoming which usually does not seek to look after interim managers and similarly flexible modern forms of employment. It is therefore also the aim of this article to arrive at specific implications for the HR management, on the basis of the findings.

II. METHODOLOGY

The findings of this paper are based upon a theoretical-conceptual examination and an empirical examination of the developed concepts by means of expert interviews. A conceptual reference framework allowing for hands-on design recommendations was created, validated by data from qualitative interviews. The expert interviews were conducted as problem-focused interviews. This seemed applicable due to the pre-existence of both fictions and premises inherent in the research assumption. The survey phase went iteratively, e.g. not along a predetermined number of expert interviews. During this phase, it became clear that a sufficient saturation for the validation process of the theoretical approaches was reached after 20 interviews. All the interviews were recorded and transcribed for a comprehensive analysis. The subsequent evaluation stage was done in an analytical and interpretative manner, e.g. the most important expert assessments were generated singularly, and comparable thoughts were solidified and rated. The data were collected from January until March 2011, referring to three central dimensions of a preconceived theoretical frame of reference: resources, competitive factors and variable models of remuneration. The interview guide was comprised of nine thematic blocks in total with open individual questions, and a further six categories of dichotomous conceptual pairs for the clarification of frequently used technical terms. 18 out of the 20 interview partners were active on a senior management level, e.g. they bore entrepreneurial responsibility for the enterprise they represented. The interviewees were seven interim management providers, three interim managers, two association representatives, two specialist authors, two compensation advisors, one insolvency administrator, one restructuring expert, one marketing expert and one insurance expert.

III. RESOURCE- AND MARKET-ORIENTED ASPECTS OF POSITIONING

Quite often interim managers act in oblique market situations, with closer competitive surroundings not always palpably identified. This goes to show that sufficiently justified reference points are missing to create a clear business model as interim manager. From a theoretical perspective, it is therefore advisable to have recourse to two established approaches of strategic management, namely the resource-oriented and the market-oriented approach, and to interpret those in respect of the positioning as interim manager. The simultaneous and integrative application of both approaches may be explained as follows: Interim managers have got to force themselves to perform permanent changes of perspective in order to keep long-term employable. According to the interview data, it has for instance become clear that interim managers experience phases of introvert and more intensive resource maintenance, which alternate with extrovert and market-related phases of more intensive acquisition work. The theoretical reasoning and the statements of the interview partners therefore suggest that this tension field between resource- and competition-oriented approaches may be used for the strategic positioning of an interim manager.

IV. CENTRAL RESOURCES AND COMPETITIVE FACTORS OF AN INTERIM MANAGER

Based upon the theoretical foundation of the resource-oriented perspective, but also mainly due to a specification within the framework of the conducted interviews, the following text names five central resources of interim managers. The first central resource of the interim manager is knowledge from formal qualifications. It is a “knowledge about what” and it manifests itself explicitly in types of basic education (diploma and master studies) as well as in further qualifications (Certified Public Accountant, tax consultancy and accountancy exams, sector knowledge etc.). A second essential resource is the implicit competence based upon work experience. It is a “knowledge about the how” and it expresses itself in terms such as implementation capacity, effective action and routine. This vastly implicit knowledge cannot be acquired via a third party; it is rather based upon one’s own learning by experience. It tends to display itself in the practice of effectiveness versus efficiency – in other words – in “doing the right things“ as opposed to “doing things right“. The third resource is the behaviour of an interim manager. Management tasks mean special problems for external executives, since interim management in itself is of a temporary nature. The resulting alternating requirements as to behaviour and role reflection gain more importance the more collective performances are to be organised. According to interview partner statements, a wide gamut of leadership and role patterns therefore facilitates the purpose-oriented guidance of staff. A fourth core resource is an interim manager’s social capital, established in the extent and the number of his relationships as well as in their reciprocity and quality. Larger and less tight-knit networks with rather weak relationships give access to further contacts. Finance capital at last denotes the fifth and most material resource. It enables the interim manager to accept a mandate for reasons other than exclusively the fee. In that respect he may point to his

autonomy and signal to future clients that a less opportunistic execution of their mandate is in order. Moreover, finance capital opens up for him all the activities as entrepreneur, start-up aide, business angel or venture capital investor. Regarding the preservation of employability, there are mainly five competitive factors playing a major role, apart from the internally available resources of the interim manager. These are collated, sketched and identified here according to our interview partner statements: First, the quality of his service, as reflected in quality labels and references, particularly against the backdrop of low market entry barriers. Second, the definition of a core business moving between necessary diversification and a search for lucrative niches. Third, the marketing of his service, reaching from branding to more autonomous sales and less external acquisition via intermediaries. Fourth, an orientation towards the life cycle of client companies as venture capital enterprises, for instance, are subject to other conditions than insolvency-prone enterprises. Fifth, advance achievements play an important role, if they allow for the portrayal of one’s own performance potential.

V. STRATEGIC POSITIONING OF AN INTERIM MANAGER

The strategic positioning of an interim manager describes how he endeavours to establish himself in potential markets, all the while preserving his employability. In that context this paper adopts the wide-spread image of the lone fighter [2]. It may at first glance appear to be true that a growing number of larger units with an international footprint, and offering complementary services, are gaining in importance [5]. According to the findings of this study, however, the lone fighter is still the central character in the market. These “types” carry on forming the significant majority of interim managers [1]. Several of our interview partners regard the bigger interim management providers rather as “suffering communities” than as active competitors of the lone fighter. The reason being that in these groupings the respectively associated interim managers again act on their own behalf most of the time, and that essentially merely administrative issues such as office costs etc. apply. The ability to acquire, as exerted by so-called “Sozietäten“ or partnerships, is definitely and significantly overrated, according to the statement of one interview partner. In the end, the type of the lone fighter will keep on being dominant. According to statements by our interview partners, active interim managers increasingly need to develop alternatives to the positioning of a classic lone fighter, in order to also serve larger markets. The goal of employability is hence met by different forms of positioning as “relative lone fighter”, which result as four ideal-typical strategic forms of positioning, based upon resource- and market-oriented considerations. These are embedded in four market areas with a different degree of competitiveness so that a specific reference frame may be derived from the strategic positioning (Fig. 1).

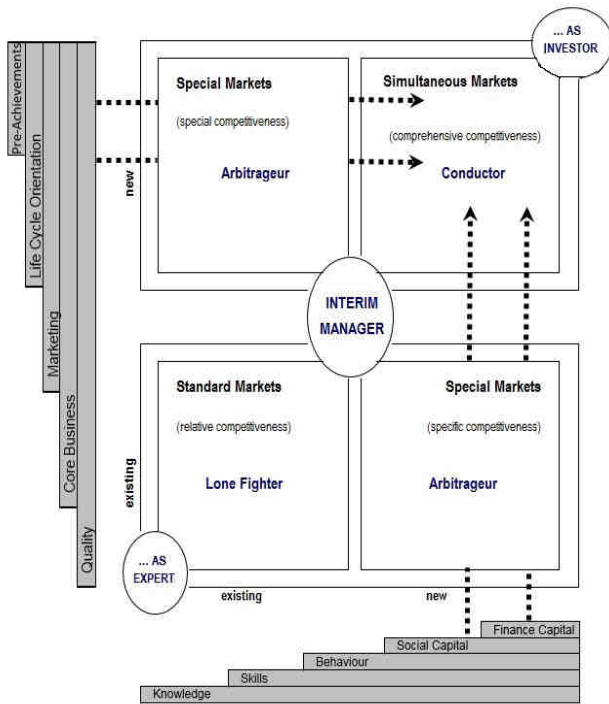


Fig. 1: Strategic Forms of Positioning of an Interim Manager

(Source: own chart)

- In the so-called standard markets, the interim manager goes on acting as the expert classic lone fighter (coach, project manager, a man who bridges vacancies, a renovator without financial equity contributions). These cases essentially require recourse to immaterial resources and the usage of basal competitive factors.
- If he passes on mandates that are too specific for him, he positions himself in these specialist markets. Although he does act like an intermediary and provider by using asymmetric information situations, this is all to the benefit of his social capital basis or resource basis.
- If, additionally, he positions himself starting from the lone fighter on an assumed axis between expert and investor, headed for the standard markets, he increasingly becomes a sort of conductor. More investment-related motives superimpose the originary activities of an expert; he gradually mutates towards an investor (renovation with personal liability, management buy-in, private equity, insolvency situations). In those cases, extra recourse to resources such as social-and-finance capital is called for, as well as an application of the competitive factors of life-cycle orientation and advance services.

The key element of these findings is that interim managers need to have recourse to different resources and competitive factors throughout their career, and that even the first positioning strategy must be competitive, because at the focus is the market entry, respectively, with the aim of laying the foundation for the business model. In the course of a build-up or an expansion of resources and competitive factors, a “structured unstructured” phase of strategic positioning will follow, by which the interim managers wish to ensure their employability. In this respect, a permanent readiness to

enhance one’s own resource basis and to apply competitive factors gains in central importance regarding one’s own employability, and the human resources management of the own person thereby becomes a crucial aspect of the business model.

VI. REMUNERATIONS AS AN EXPERT AND INVESTOR

Statements by our interview partners are worthy of notice, as they establish remuneration models within the framework of a strategic positioning as a further important dimension. It is to be noted that the remuneration models offered to interested companies are increasingly performance-oriented and variable: “I strongly expect forms of variable remuneration to rise. Personally, I hardly know a permanent placement [as interim manager] without any variable part. The only issue is always on what to base this.” (Interview partner). Looking at the diverse market areas, it is clear that expert mandates in standard markets are being remunerated more risk-free than stronger investment-related projects in the so-called simultaneous markets. Should interim managers shift their positioning from expert towards investor in the course of their career, the form of remuneration will typically adjust (see Fig. 2).

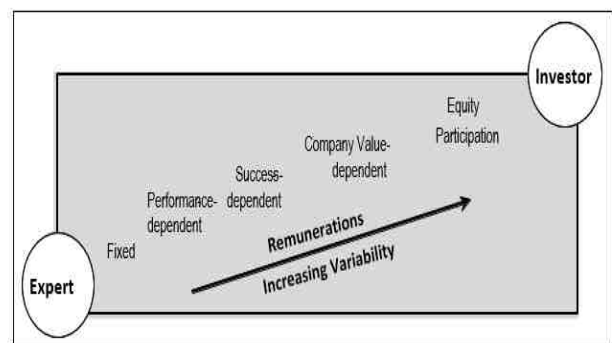


Fig. 2: Continuum of Variable Remuneration Modes

(Source: own chart)

According to the statements of our interview partners, an appropriate design consists for example of negotiating combinations of fixed fees to cover the cost of living, and variable remunerations for more specific achievements. To accept both remuneration extremes results in competitive advantages, at least for risk-aware interim managers, and it may constitute the basis for a long-term employability.

VII. ADVICE TO THE INDIVIDUAL INTERIM MANAGER

Some suggestions as to the behaviour of an individual interim manager may be derived from the findings above, helping him to position his personality in an entrepreneurial context. The recommendations are the direct result of the positioning reference frame sketched above; hence, suffice it to highlight them here but briefly. It is essential that the attraction of one’s own person, and thereby the employability, be rooted in the resources at the individual’s disposal. However, these have to be continuously adapted to the needs of the assigning companies in order to keep employable. To be able to do so,

an exact analysis abiding by the above-mentioned reference frame is required, as a general piece of advice pertaining to the need for development of the individual interim manager is per se too abstract. As a consequence, interim managers must be prepared to reflect upon their own “human” resource, concerning entrepreneurship, and to professionalise themselves.

VIII. IMPLICATIONS FOR THE HUMAN RESOURCES MANAGEMENT

From the perspective of the institutionalized human resources management, it is to be noted that interim management as a new form of employment is becoming widespread, albeit still under a very specific role. That is why the personnel department plays only a weak role in the selection and development of interim managers, though wrongly so, according to our findings. For instance, the decision to take on an interim manager at the executive level, or in upper management, is taken by the legal bodies, top-level management or business owners. Personnel managers are hardly ever involved. Our findings, and the statements given, clearly contradict the weak role of the personnel management, however. Furthermore, on the basis of the developed employability reference frame regarding interim managers, important implications may be derived for the human resources management, which can be sorted along the temporary sequence of an interim manager’s deployment.

Selection: Regarding the selection of the interim manager, the human resources management can already contribute significantly. It is mainly about the profound and systematic analysis of the resources that have actually been put in by an interim manager. If these are in fact relevant to the strategic positioning as seen through the eyes of an interim manager, then a comprehensive understanding of the strategic resources, as demonstrated by the assigning company, is equally important. A part of these resources consists of constructs like managerial behaviour, skills, social competencies etc. The human resources management typically possesses the diagnostic options to be able to comment on such constructs, and it should therefore actively participate in the selection decision. The same applies to the evaluation of the reputation and references of an interim manager, an assessment which is highly relevant to a selection decision. Psychologically trained personnel managers may contribute to a systematic check on the occupational biography, so that references at hand can be better appraised.

Cooperation: In the course of the cooperation with the interim manager, at least two areas emerge that, at first glance, require the competencies of the human resources management. First, personnel managers should actively participate in the development of performance-oriented, variable remuneration models that, according to our studies, are becoming widespread. The definition of viable performance targets is, for instance, one particular aspect as well as the determination of target achievement rates, i.e. a specific performance review, as long as the stipulated targets are not merely of the fiscal-quantitative kind. Here, typical personnel management competencies are called for, as they are naturally put in on behalf of staff in regular employment by the human resources management. Second, the human resources management should support the specific management ability and

leadership situation by means of development measures. The target is not primarily leadership seminars for the interim manager. It is rather to improve the leading management situation of the interim manager, as it presents itself in terms of project- and team-orientation, due to a time limit and the collaboration with existing employees. In this context, classic measures of team development are advisable when taking into consideration the special nature of the interim manager’s situation, so that he is able to both put his resources in and cooperate with a functioning team from the very beginning.

Termination: As the cooperation with the interim manager is limited in time, there is a call for action in the human resources management concerning the termination of the cooperation. The resources described above, which the interim manager enhances and puts into the company throughout his assignment, are no longer available to the company in their entirety upon termination of the relationship. The personnel management should join in here with HR planning competencies and measures. This can, for example, happen when the interim manager is deliberately teamed up with a regularly employed deputy who is trained as the designated successor during that period. Further, it is worthy to consider assuring the access to the interim manager’s competencies and resources via a consultancy agreement. In addition, the handing over of the tasks needs organising in a way similar to internal job changes. These include e.g. the systematic debriefing and the documentation of projects. Beyond this immediate implication for the human resources management, interim managers are an example of autonomous and entrepreneurial-minded staff investing in their own development, which can easily be carried over elsewhere. Interim managers may constitute a role model for traditionally dependent employees who act like co-entrepreneurs (intrapreneurship) in the company. The idea of the permanent development of the resource basis at one’s own disposal, for example, points towards the prominence of life-long learning. Moreover, the communication of demand-driven competitive factors within the positioning framework highlights the importance of an open communication of contributions to success by, for instance, young executives, and to adjust those to corporate success in a flexible manner. A transfer of remuneration considerations is also possible within certain limits. One may safely assume that a readiness to take over entrepreneurial risk within the personal remuneration framework is to be regarded as a positive sign for the organisation.

IX. CONCLUSION

Not only do we have to note, in the form of a concise summary of our research on the employability of interim managers, that the strategic positioning of interim managers is important for their employability. The example of this modern form of employment is rather crucial to the realisation which learning fields there (still) are for a sustainable human resources management, and that the personnel management is basically capable of participating in such employment forms – and they should do so in practice.

REFERENCES

- [1] D. Alewell, "Zeitarbeit und Interimsmanagement in Deutschland: Ein empirischer und institutioneller Vergleich," in: *Zeitschrift für Betriebswirtschaftliche Forschung*, 2006, 58. Jg., Heft 12, pp. 990-1012.
- [2] V. Bloemer, *Interim Management: Top-Kräfte auf Zeit, Aufgaben, Auswahl, Kosten*, Regensburg, 2008.
- [3] D. E. Guest, P. Oakley, M. Clinton, and A. Budjanovcanin, "Free or Precarious? A Comparison of the Attitudes of Workers in Flexible and Traditional Employment Contracts," in: *Human Resource Management Review*, 2006, 16. Jg., Heft 2, pp. 107-124.
- [4] B. Johner-Glamsch, "Persönlicher Nutzen und Opfer eines Interimsmanagers," in: V. A. Tiberius, ed., *Interimsmanagement, Management auf Zeit in der Praxis*, Bern et al., 2007, pp. 51-72.
- [5] R. Kabst, W. Thost, R. Isidor, *Interim Management: Auf dem Weg zur Selbstverständlichkeit*, Düsseldorf, 2010.
- [6] S. Ribbert, *Interim-Management durch externe Führungskräfte: Eine Analyse der Einsatzgebiete, Erfolgsdeterminanten und Gestaltungsmöglichkeiten*, Köln, 1995.
- [7] V. A. Tiberius, "Interimsmanagement: Begriff und Konzeption," in: V. A. Tiberius, ed., *Interimsmanagement, Management auf Zeit in der Praxis*, Bern et al., 2004, pp. 11-36.



Dr. Thomas Decker, Hochschule Neuss für Internationale Wirtschaft (University of Applied Sciences for International Economics/Neuss), Germany. 1988-1992: Business Economics at Universität der Bundeswehr München. Serving army officer. 1995-1997: Tax consultancy assistance. 1997-1999 CPA assistance, KPMG. 2000-2002: Commercial director. 2002-2008: CFO, Gerhard Meier AG, International Shipping Line, Vienna/Budapest. Simultaneously: CEO Bayerischer Lloyd; CESO Leasco; CEO Am Transporte; supervisory board of Mahart Duna Cargo. 2010-2013: Dissertation (University of the Armed Forces/Munich). Textbook author. Since 2008: Partner DCIM Associates (Interim Management)/Budapest. Since 2014: Professorship in Transport Logistics; Dean of the School of Logistics at Neuss.

Selected Publications:

- T. Decker, and R. Hrdina, *Financial English*, Langenscheidt Fachverlag, 2008.
- T. Decker, and R. Hrdina, *Project Management English*, Langenscheidt Fachverlag, 2010.
- T. Decker, *Strategische Positionierung eines Interim Managers*, Dissertation, Peter Lang, 2013.
- T. Decker, "Transport von Agrogütern mit Binnenschiffen zur Versorgung von Biomassekraftwerken," in: *Neusser Schriften*, 2014, Vol.1 (14).
- T. Decker, "Der Interim Manager im Heer atypisch Beschäftigter," in: *Der Betriebswirt*, 2015, Vol. 1 (15).

Memberships:

SGKV Studiengesellschaft für den Kombinierten Verkehr e.V., Berlin
GVB Gesellschaft für Verkehrsbetriebswirtschaft e.V., München
Zentrum für Forschung und Praxis zukunftsfähiger Unternehmensführung e.V.
VfS Verein für Socialpolitik - Gesellschaft für Wirtschafts- und Sozialwissenschaften
GPM Deutsche Gesellschaft für Projektmanagement e.V., Nürnberg



Prof. Dr. Stephan Kaiser, Universität der Bundeswehr München (University of the Armed Forces/Munich), Germany. 1991-1996: Business Management at Regensburg University and the University of Wales (European Business Management School, Swansea). 1997-2000: Researcher at Eichstätt-Ingolstadt (Catholic University), dissertation. 2001-2008: Researcher at Eichstätt-Ingolstadt, *Habilitation*. 2008-2009: Chair HR Management and Organization at WHL/Lahr. 2009-2010:

Visiting professor at Eichstätt-Ingolstadt; project: "Work-Life Balance in Business Consultancies". Since October 2009: Institute for the Development of Sustainable Organizations; professor of Business Studies (HR Management and Organization) at the University of the Armed Forces/Munich.

Selected Publications (past five years):

- S. Kaiser, and M. Ringlstetter, eds, *Work-Life-Balance. Erfolgversprechende Konzepte und Instrumente für Extremjobber*. Springer, Berlin, 2010.
- S. Kaiser, M. Ringlstetter, M. Pina e Cunha, and D. Eikhof, eds, *Creating balance?! International Perspectives on the Work-Life Integration of Professionals*, Springer, Berlin, 2010.
- S. Kaiser, and A. Kozica, eds, *Ethik im Personalmanagement – Zentrale Konzepte, Ansätze und Fragestellungen*, Hampp Verlag, 2012.
- S. Kaiser, S. Süß, and I. Josephs, eds, *Freelancer als Forschungsgegenstand und Praxisphänomen: Betriebswirtschaftliche und psychologische Perspektiven*, Peter Lang Verlag, 2012.
- S. Kaiser, E. Bamberg, R. Klatt, and S. Schmicker, eds, *Neue Arbeits- und Beschäftigungsformen im Wandel*, Springer Gabler, Wiesbaden, 2013.

Memberships:

European Group for Organizational Studies (EGOS)
European Academy of Management (EURAM)
American Academy of Management
Verband der Hochschullehrer für Betriebswirtschaft e.V.
Deutscher Hochschulverband, Verein für Socialpolitik e.V.
Schmalenbach-Gesellschaft für Betriebswirtschaft e.V.
ZAWF: Zentrum für Angewandte Weiterbildungsforschung e.V.