

## Interim Management - the Irish perspective

*Dr Maeve Houlihan of UCD Michael Smurfit Graduate Business School summarises the findings of a recent in-depth survey of Interim Management in Ireland – the first of its type – carried out in conjunction with Watershed.*

Interim Management practices in Ireland, and globally, are increasing in dynamism and complexity, and given current economic challenges, their effectiveness has never been more important. Interim management (IM) is a distinctive niche within the contemporary management landscape, and yet one unfamiliar to many organisations.

UCD Michael Smurfit School of Business, in conjunction with Watershed, recently conducted a survey to generate a deeper understanding of the personal and professional experiences of interim managers as a small but growing segment of the Irish management population. It aims to generate a frank account of the IM experience and to offer a picture of its contribution as a management solution.

Interim management is not a new phenomenon. Internationally the term carries a strong identity. Yet, it remains an under-utilised concept and surprisingly little information is available on it in an Irish context. This study attempts to address this gap by building a profile of the sector, specifically:

- Who are the interims? What are their backgrounds?
- How do they work?
- Why do organisations choose to use interims? How do interims contribute to organisational performance? What do they deliver?
- Why do interim managers choose to work this way? What motivates them? What are the challenges and opportunities of interim management?
- What makes a good interim manager? What makes a good interim assignment?
- What are the future trends and opportunities for interim management?

It is hoped this report will be useful to a number of Irish and international audiences:

- *Employers, CEOs, Boards and Senior Managers* of organisations seeking an alternative solution to senior staffing or considering hiring in skills on a temporary basis, who would like to know more about who interims are, why they work in this way, and what they can offer.
- *Practicing interim managers* wishing to benchmark and assess their activity against a wider profile.
- *Prospective interim managers* considering a career in this sector, and seeking a frank account of the opportunities and challenges that go with the role, as well as advice and insights from established interims.
- *Researchers on contemporary management practice and the changing workplace.* This report provides a detailed picture of a specialised form of high-end contract work that is relevant to debates about non-standard work, as well as to understanding of developments in management practice more generally.

UCD was given access to Watershed's database of clients and interims in order to conduct three phases of research, involving:

- In depth face to face interviews with eleven interim managers in July 2008
- Telephone interviews with seven client companies in November 2008
- Online survey responses gathered between 9 - 16 January 2009 comprising
  - 60 Irish-based experienced interims – including details of their 137 most recent assignments.
  - 25 UK-based experienced interims – including details of their 74 most recent assignments
  - 72 prospective interims

### ***Key findings***

As the first ever comprehensive examination of the interim management sector in Ireland, this study reports on the experiences of 60 Irish-based interim managers, and 25 UK-based interim managers, in addition to insights from a selection of companies and clients using interim management, and 72 prospective interim managers. A particularly valuable contribution of this study is its capture of information in relation to 212 recent interim assignments in both Ireland and the UK, enabling a clear assessment of trends and practices in the sector.

As an overall conclusion, the study reflects that interim management is an established, growing, and compelling resource for organisations seeking senior management expertise. Specific findings emerge in a number of areas:

### ***About interim management***

- There is a notably wide range of expertise available in the Irish IM market, with General Management and Change Management skills to the fore amidst a diversity of skill specialisations ranging from Finance to Call Centre Management.
- IM utilization is considerably more extensive in the private sector than in public and not-for-profit organisations. There appears ample scope for its contribution to grow across all sectors.
- The Irish interim management sector is at an earlier state of maturity than that in the UK, reflected in the finding that Irish-based IMs have on average 4 years interim management experience in a sector that has been strongly established only for the last five years, compared to 8.5 years experience for UK-based respondents, where the sector has been established for fifteen years and more.
- As a much younger sector, Irish interim management has seen very strong growth in the last five years.
- Interestingly despite a more established market, a higher proportion of the Irish-based cohort (58%) is currently on assignment compared to UK-based respondents (48%).
- Among our Irish-based respondents, 177 assignments were undertaken by 60 interims in the three years 2005-2008. The most typical experience was just one interim assignment a year, however average assignment length is six months.
- Analysis of the three most recent assignments undertaken by Irish-based interims generally shows a steady increase in day rates.

- While word of mouth, networking and personal contacts are key means of securing assignments, the use of intermediaries and placement agencies is prevalent, with 40-45% of recent assignments being secured this way. In the Irish case, there has been a significant increase in intermediary use when comparing most recent to third most recent assignment.
- The most common reasons for deploying interim management are business improvement and change management. Overall, the pattern is very much towards explicit projects and in this it becomes evident that interim management is, perhaps more than the term implies, seen as a contributing business function in its own right, rather than a matter of temporary cover.
- While the reasons given for deployment are broadly similar for both Irish and UK respondents, crisis management roles are more common in the UK.
- Client respondents who have employed interim managers consistently report the experience exceeding their expectations, and all remain open to future use of interims. The key advantages to clients emerge as experience base and track record, responsiveness, close mutual exchange and added value.
- 38% of Irish-based IMs have undertaken international assignments, which although proportionally less than UK respondents (60%) is notable given the relatively less established stage of interim management in Ireland, and suggests that internationally gained experience is playing a role in the sector's development.

#### **About interim managers**

- A picture emerges of a self-employed portfolio worker, balancing interim management work with consulting and other roles. Taking 2008 as an example, just 7% of Irish-based respondents spent all of their time in interim management, while this figure rose to 28% among UK-based respondents. Irish-based respondents spent on average 41% of their time in IM roles, and for UK-based respondents, this figure was 66%.
- Stereotypes are both confirmed and dismissed. The most typical interim management candidate is *male, a graduate or professionally qualified, a general management specialist with at least 16-20 years mainstream career experience, aged between 50-54, the principal domestic earner, partnered, and more or less equally likely to have children/dependents as not*. However, a wide range of variety emerges in individual interim profiles.
- The commonly-held perception of the interim as a downshifting/early retiring manager does not reflect the profile of the majority of successful interims reported here.
- Four out of five respondents are male; however there is a stronger representation of women among the Irish-based respondents, at 27%, echoing patterns of women in senior management currently. The qualitative phase of this study explored the experience of six women in more detail and from these accounts there is no reason to suggest women are any less suited to IM than male counterparts.
- Work life balance is a priority – interims work hard and often deliver a full week's results in a 3-4 day time period – however the single most significant factor shaping the choice to work as an interim, across all cohorts, is *variety of experience* and the capacity this provides for continuous learning, stretching and applying knowledge to new situations. Related to this is a strong emphasis on strategic impact.
- A quarter of all respondents report working *more* - including longer hours and weekends, when they compare interim work with their previous experiences.

- A significant number of respondents cite freedom from organisational politics as a key attraction of interim management, and some respondents are critical of the culture of politics and short-termism they have witnessed in organisations.
- Outcomes in relation to quality of work experience have improved substantially or somewhat for two thirds of all respondents, when they compare interim work against previous professional roles. Most notable are the findings of substantial improvements in four key areas: job satisfaction (46%), challenge level (41%), work life balance (41%), and sense of achievement (39%).
- However, interim management can be tough, and does not suit all temperaments. Key issues are the nature of the work itself, the practicalities of working on contract, unpredictability of work flow and the reality of being an 'outsider'. The advice given by interim management respondents to prospective interims strongly references the need for personal resilience and resourcefulness.
- IMs are a highly educated as a group.
- The Irish-based cohort includes 22% more individuals with degrees or professional qualifications than UK respondents; however the latter report a higher incidence of undertaking postgraduate study (12% ahead).

#### ***Future Prospects***

- Interim managers emerge as individuals who have played key building roles in their traditional professional careers, but who have decided that what's most valuable is to keep moving, keep learning, keep stretching, and keep applying their knowledge to new situations – the key interim advantage is thus diversity of experience and, perhaps most distinctively, *perspective*. Both will be key attributes for the smart economy.
- Interim management is growing strongly as a sector in Ireland. Although tempered by the implications of economic downturn, expected levels of activity for 2009 are robust and interim managers are confident about their future relevance.
- Currently it appears that the interim management sector in Ireland is growing organically but steadily by word of mouth and direct experience. Intermediaries such as Watershed can play a key role in the ongoing promotion and awareness of interim management as a solution, however interims too have a key role to play, by investing in continuing professional development, and active networking. The formation of an interim managers' association in Ireland may be timely to address and facilitate each of these issues.

This report represents a first attempt to account for the sector in Ireland. This research has been conducted at a time when the Irish economy is transitioning from strong growth to a more difficult and uncertain era. Observations from this study suggest the role to be played by interim managers in helping organisations move forward during this time is one to watch.