

INTERIM MANAGEMENT & ORGANISATIONAL LEARNING

A Paradox for Learning in Times of Crises?

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Abstract: In the rapidly changing business climate companies often face exceptional situations and tasks. As a result, the demand for heterogeneous human resources, additional flexibility and management skills has increased. One solution that has gained increased support is interim management. An interim manager is not constrained by company habit or history and can serve as temporary support to an organisation when resolving an organisational crisis. During phases of exceptional situations and tasks scholars stress the never-ending importance of organisational learning. Thus, there is an exciting paradox in the relationship between the interim managers' short-term focus and the long-term perspective of organisational learning. Consequently, the purpose of this paper is to contribute to existing literature by combining these research fields and examining interim managers' effect on organisational learning in an organisational crisis setting. To answer the question, a qualitative multistep approach was conducted that consisted of interviews with interim management service providers, interim managers, companies and industry experts. The collected empirical findings were analysed based on a developed conceptual framework. The conceptual framework highlights the importance of organisational learning in every stage of resolving an organisational crisis. Findings show that interim managers affect organisational learning by engaging in single- or double-loop learning by acting as learning triggers. This is based upon their route of action that in turn shifts the way in which strategies and consequences are framed. The interim manager will trigger learning by engaging in different forms of knowledge conversion and knowledge utilisation in accordance to the SECI model. However, opportunities for organisational members to interact, reflect and develop shared mental models are necessary for learning to occur. Additionally, organisations must have the willingness to learn from the interim managers. Consequently, it takes a strong belief in learning from both parts (the interim manager and the company) to embrace the potentials of learning. However, the paper encourages more empirical and concurrent research of the relationship between interim management and organisational learning.

Key Words: *Interim Management, Organisational Learning, Knowledge Acquisition, Knowledge Conversion, Organisational Crisis*

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Stockholm, May 18th 2015

A stylized, handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

Erik Högman

A handwritten signature in black ink, featuring a large, sweeping loop at the top and a series of smaller, more intricate strokes below.

Charlotte Pontusson

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LIST OF KEY CONCEPTS

Interim Manager: a management professional who is contracted, often through an agency, to provide a client company with short-term cover, troubleshooting in an area of expertise, or completion of a pre-defined project (Inkson et. al. (2001).

Organisational Learning: is the process of communicating and embodying the individual's' skills and insights (Hedberg, 1981; Attewell, 1992).

Organisational Crisis: “An organisational crisis is a critical turning point that has the potential to dissolve or positively transform the business as a whole” (Carmeli & Schaubroeck, 2008).

Single-Loop Learning: describes the type of learning that takes place when the objective is to fix problems within the present organisational structure so that the systems will function better, and does not attempt to alter the structure of the system (Argyris & Schön, 1978; 1996).

Double-Loop Learning: describes the type of learning that takes place when the purpose and function of work being done within an organisation is questioned and the existing organisational structures are not taken for granted. It is concerned with understanding the basis for the tasks being completed. (Argyris & Schön, 1978; 1996)

Tacit Knowledge: knowledge that is difficult to transfer to another person by means of writing it down or verbalizing it. It is personal, context-specific and subjective (Nonaka & Takeuchi, 1995).

Explicit Knowledge: is knowledge that is codified, systematic, formal and easy to communicate (Nonaka & Takeuchi, 1995).

Knowledge Conversion: the process in which tacit or explicit knowledge is being converted from one person to another (Nonaka & Takeuchi, 1995).

Knowledge Utilisation: is the process in which knowledge is being transferred into actions and strategies (Wang, 2008).

1. INTRODUCTION

This chapter describes the academic and empirical setting of the thesis, introduces key concepts and theories, and presents the research problem and question. Thus, the overall purpose will be highlighted. Additionally, an overview of the intended contribution is discussed. Lastly, the structure of the thesis is presented.

1.1. Background

In the rapidly changing business climate companies often face exceptional situations and tasks. As a result, the demand for heterogeneous human resources, additional flexibility and management skills has increased. (Bruns & Kabst, 2005) One solution that has faced increased support during the last 25 years is interim management, i.e. a management professional who is contracted to provide a client company with short-term cover, troubleshooting in an area of expertise, or completion of a pre-defined project (Feltham & Hughes, 1999; Inkson et. al., 2001; Minto, 2006). Thus, an interim manager enables enterprises to flexibly utilise their skills without any long-term commitment (Inkson et al., 2001; Bruns & Kabst, 2005). In these exceptional situations and tasks, scholars stress the importance of learning instead of only repeating basic pre-planned motions in order to detect and handle disruptive situations (Lagadec, 1997; Deverell, 2009). Accordingly, organisational learning is a never-ending process for the organisation (Swieringa & Wierdsma, 1992; Kearns, 2015). There is an exciting paradox in the relationship between the short-term cover that interim managers provide and the long-term focus of organisational learning. Hence, investigating interim managers' effect on organisational learning will be the scope of this study.

At management and executive level, an increasingly common form of contract employment is that of the interim manager. The Swedish interim management market is still in an early stage compared to more mature markets, such as the UK market. Today there exist approximately 4000 active professional interim managers in Sweden. The interim managers enable the company to utilise specialist skills without making long-term commitments; they are often contracted for only 6-9 months. (Nordic Interim, 2013) The interim managers often have extensive experiences from executive positions and they are less constrained by company history and habits. Hence, they may bring new ideas to bear on old issues. (Russam, 1996; Inkson et al., 2001; Russam, 2005; Bruns & Kabst, 2005) The growth of interim management is driven by strong underlying trends such as: (1) higher focus on action than strategy and advice, (2) less patience from owners on profitable result, (3) executive searches with long recruitment processes, and (4) increased need for flexible resources on executive levels (Inkson et al. 2001; Bruns & Kabst, 2005).

Many organisations are subject to organisational crises. In order to solve the crisis, organisations can acquire an interim manager to improve performance, conduct a business transformation or make a quick turnaround (Inkson et al., 2001; Buns & Kabst, 2005). In order to make the right decisions, take effective actions and learn from the crisis, continuous experience and reflection are crucial. Thus, organisational learning needs to be addressed.

Being a learning organisation is advantageous. Nevertheless, organisational learning literature offers few solutions to the problem of how to build a learning organisation (Moynihan, 2008). It is the ability of an

organisation to observe, assess and act upon stimuli in a cumulative, interactive and purposeful way that makes them into learning organisations (Meyers, 1990). Organisational learning can be described as the process of communicating and embodying the individuals' skills and insights (Hedberg, 1981; Attewell, 1992).

The concept of organisational learning originates from experienced-based learning (Kolb, 1984) and learning loops, developed by Argyris and Schön (1978; 1996), showing how individuals learn from reflection, trial and error. What is learned is often encased into programs and standard operating procedures that members execute routinely (Nyström & Starbuck, 1984). However, in order to establish new patterns, other previously learned behaviours may need to be unlearned; especially at top-management level (Nyström & Starbuck, 1984; Carmeli & Schaubroeck, 2008; Moynihan, 2008; Deverell, 2009).

Additionally, learning occurs when experience alters behaviour or knowledge (Kolb, 1984; Schwab, 2007). Thus, knowledge plays an important role in learning. The first step in many organisational learning processes pinpoints the importance of knowledge acquisition (Huber, 1991; Nevis et al., 1997; Schwandt & Marquardt, 2000; Singh, 2005). Later, the acquired knowledge will be converted through different modes depending on the type of knowledge (Nonaka & Takeuchi, 1995; Nonaka et. el., 2000) and transferred into action and strategies (Wang, 2008).

Given the above-mentioned field of academic concepts, there are several streams of research that are highly important to study to understand how the new emerging interim market interacts with organisational learning. Do they contradict each other, or is it possible to overcome the paradox concerning the short-term focus of interim managers and the long-term perspective of organisational learning?

1.2. Purpose of the Thesis and Research Question

Based on the discussion above, this study intends to open up the black box about interim management and its effect on organisational learning. In this way, the thesis contributes to the relationship between interim management and organisational learning, and provides academic evidence to the limited researched topic of interim management and organisational learning in an organisational crisis setting.

Based on this premise, the following research question has been formulated:

“How will interim managers affect organisational learning in times of an organisational crisis?”

1.3. Theoretical and Empirical Relevance

This paper advocates the need to develop a deeper inquiry into the concept of interim management and its relationship to organisational learning in an organisational crisis setting. Understanding the interim management industry and the factors driving it can provide a richer insight into its effect on organisational learning. The arguments presented in this paper is based upon literature suggesting that: (1) one of the many important tasks of an interim managers is to solve organisational crises (Inkson et al. 2001; Bruns & Kabst, 2005), and (2) that the last step in resolving an organisational crisis is to learn

(Pearson & Mitroff, 1993; González-Herrero & Pratt, 1996; Burnett, 1998; Wang, 2008). However, there is still a proven gap regarding these connections and drivers. Thus, this paper will contribute to enrich organisational studies' theoretical understanding of organisational learning by incorporating the nascent field of interim management in an organisational crisis setting. Additionally, this paper hopes to provide modern insights to the traditional views of organisational learning.

There is an increased professionalism in the interim management industry¹ (Smid et al., 2006) and a proven shift in how organisations source and hire employees (Inkson et al., 2001). Thus, this makes this topic highly relevant to study for: (1) academics, (2) interim management service providers, (3) professional interim managers and, (4) companies who want to acquire interim managers. This paper has an empirical contribution as it aims to enhance the understanding of how interim managers' affect organisational learning when they are acquired to solve an organisational crisis. Hence, in a more practical sense, this means that the results may guide and encourage everyone in the industry to improve their understanding regarding the importance of organisational learning.

1.4. Thesis Structure

This section presents the limitations and delimitations of the thesis and the disposition of the chapters.

1.4.1. Limitations and Delimitations

We have limited our research to only take into account the Swedish market. This implies constraints regarding the sample of the study and making conclusions only applicable to this market. This decision is based upon the time constraints of the study.

In addition, we limit our research to organisational learning in an organisational crisis setting and focus on *organisationally induced crises* (Richardson, 1994). Thus, this is a delimitation of not taking into account severe disasters or organisational learning during routine settings. These limitations will mirror the most frequent usage of interim managers and to make the implications more applicable to the current business environment, imposing frequent organisational crises.

1.4.2. Disposition

The disposition of this thesis have been organized into mirrored chapters and in an hourglass-arranged approach that follow Swales' (1990) model, see figure 1.1 below.

¹ In the Netherlands interim management is considered a profession that has its own professional association, ethical code and training programs (Smid et al., 2006)

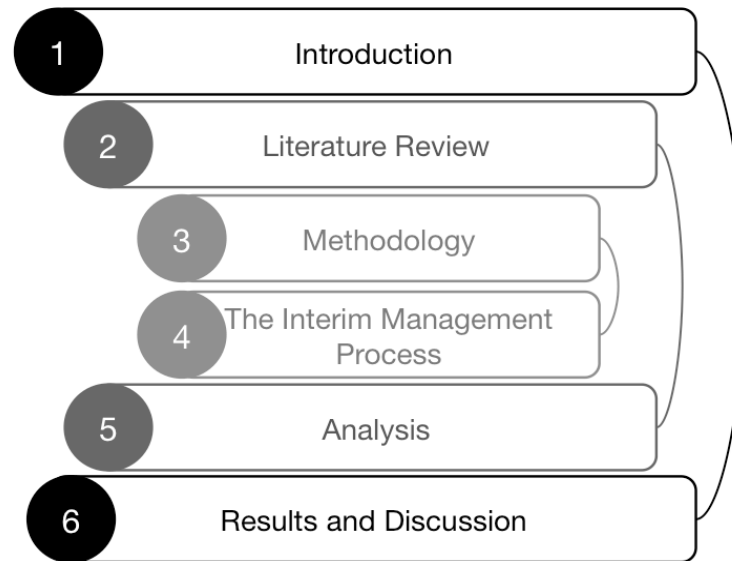


Figure 1.1: Thesis Disposition

The *Introduction* (Chapter 1) describes and underlines the background of interim management and organisational learning and present purpose, the research questions, theoretical and managerial relevance and limitations of the study. The research question raised in Chapter 1 will be answered in Chapter 6.

The proceeding section of the thesis is a *Literature Review* (Chapter 2) covering interim management and organisational learning research with organisational crises as a delimitation. Moreover, this section defines the proposed theoretical gap and structures the conceptual framework that will later be mirrored in the structure of the analysis.

The third section, *Methodology* (Chapter 3), describes the choices that have been made to generate an optimal design of this qualitative study. Discussions forming precise decisions and assumptions regarding the scientific approach, design, data collection, analysis method and quality will be presented in this section. The empirical results in Chapter 4 follow the methodology in Chapter 3.

The fourth section, *The Interim Management Process* (Chapter 4), presents the empirical results of the conducted interviews.

In the fifth section, *Analysis* (Chapter 5), we will analyse the collected empirical findings through the lens of the developed conceptual framework.

The last section, *Results and Discussion* (Chapter 6), of the thesis will address the research question and observations beyond the research question. Furthermore, a discussion of the results is presented, as well as limitations to the study, recommendations for future studies and theoretical and managerial contributions. This will mirror the theoretical and managerial relevance discussed in the *Introduction* (Chapter 1).

2. LITERATURE REVIEW

The literature review is structured into three main areas. First, an overview of the interim management profession will be reviewed. Second, a short review of the organisational crisis literature and a thoroughly review of the organisational learning literature will be presented. The subsequent section elaborates on the theoretical gap that generates our research question. Finally, the conceptual framework will be presented.

2.1. Aim and Scope

The selection of studies in this literature review are evaluated in order to establish the current state of research regarding the profession of interim management and organisational learning, ensuring both depth and breadth of the selected research material. This is done in order to identify gaps that exist in the current literature. The limited amount of studies of interim management and its effect on organisational learning signal the need for a deeper exploration of the topic.

2.2. Interim Management Research

Academic literature and research in the field of interim management is limited and in a nascent state compared to other management and organisational areas (Goss & Bridson, 1998; Bruns & Kabst, 2005). There is an increased frequency during the last ten years of studies focusing on interim management instead of traditional consulting (Smid et al., 2006). Many of the publications are focusing on interim management as an instrument to handle employment issues and the flexibility of the firm (Goss & Bridson, 1998; Inkson et al., 2001; Bruns & Kabst, 2005). Additionally, many studies compare firm performance before and after the use of an interim manager. These studies often give dissimilar results where some researchers conclude that firms using an interim manager will experience lower performance during the interim manager's tenure than those firms who immediately replace their managers (Shen & Cannella, 2002; Ballinger & Marcel, 2010), whereas others conclude the opposite (Kesner & Dalton, 1994; Karaevli, 2007).

Much of the research about interim management is based on Hambrick and Mason's (1984) *Upper Echelon Theory*. The theory states that organisational strategic choices and performance levels are partially predicted by managerial background characteristics. The term strategic choice includes choices made formally and informally, indecision as well as decision, major administrative choices as well as the domain and competitive choices more generally associated with the term 'strategy'. These strategic choices reflect the idiosyncrasies of the decision makers. According to the theory, executives are often used since they have the 'right' background to carry out actions hoped for by the board of directors or other controlling parties. Thus, these principles are the base of the interim management literature. (Shen & Cannella, 2002; Karaevli, 2007; Ballinger & Marcel, 2010)

2.2.1. Definition of Interim Management

An increasingly common form of contract employment is that of the interim manager (Inkson et al., 2001). Interim management is a resourcing option that chief executives now look at as a normal business

function and not as an organisational curiosity of panic measure² (Russam, 1996). An interim manager is a management professional, equipped with the necessary competence and authority to give instructions for task performance, who contracts to provide a client company with short-term cover (Russam, 1996; Feltham & Hughes, 1999; Goss & Bridson, 1998; Inkson et al., 2001; Russam, 2005; Bruns & Kabst, 2005; Minto, 2006; Smid et al., 2006).

To fully understand the definition of interim management, an important distinction between interim management and management consultants have to be made. Additionally, there is also a distinction compared to employed leadership personnel. The central difference is the nature of the task and the authority. Hence, interim management can be considered as a deviation from traditional consulting toward a ‘non-consultant’ service (Bruns & Kabst, 2005). The main characteristics and deviations between the employed leadership personnel, management consultants and interim managers are presented in the table 2.1 below.

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

Table 2.1: Delineations of Interim Managers to Employed Managers and Management Consultants (Bruns & Kabst, 2005)

This paper will use the definition of Inkson et al. (2001) as a working definition throughout the paper:

“An interim manager is a management professional who contracts, often through an agency, to provide a client company with short-term cover, troubleshooting in an area of expertise, or completion of a pre-defined project.”

2.2.2. Factors Driving the Interim Management Industry

The main explanatory factor driving the interim management industry is the market forces that organisations need to respond to. Inkson et al. (2001) argues that organisations respond to these market forces by making their employment arrangements more flexible by increasing the use of temporary labour and outsourcing. Bruns and Kabst (2005) confirms this by stating that these market forces, such as increased international competition and the decreasing life cycle of knowledge, put companies under pressure as to efficiently utilise and more flexible acquire workforces, including executive employees. The key component and driving force is the search for flexibility. Even though employment flexibility is of

² This statement refers to the UK market and may not be applicable to all interim management markets

high demand it appears to be difficult to adopt at a management level since the desired set of skills are wanted when needed, not in advance or after (Russam, 2005). As mentioned, one characteristic of interim managers is that employment is on a temporal basis. Thus, interim managers enables enterprises to flexibly utilise these skills without long-term commitment (Inkson et. al., 2001; Bruns & Kabst, 2005).

Adding to managerial flexibility, interim managers provide external knowledge resources that are less constrained by company history and habit, increasing the probability for new ideas to bear on old issues (Inkson et. al., 2001). Arguably, if the task require firm-specific knowledge or related to the core competency of the company the most efficient governance mode would be of permanently employed managers. Notwithstanding, these exceptional situations and tasks, that requires additional flexibility and management skills, seem to increase in frequency and, thus, demand increasingly heterogeneous human resources, such as interim management, for their solutions. (Bruns & Kabst, 2005)

Although the tasks of interim managers are heterogeneous, depending on the need of the client, three classical areas may be distinguished: (1) shortages of executives in the daily business, (2) pre-defined projects (i.e. IPOs, IT-implementations, joint ventures or mergers), and (3) crises and turnarounds (Inkson et al. 2001; Bruns & Kabst, 2005).

2.3. Organisational Learning

All organisational systems are deficient and the increase in business complexity increases their general sensitivity toward crises (Zehir & Yavuz, 2014). Furthermore, the notion of crisis creates a context that challenges existing norms and practices within an organisation (Drupsteen & Guldemund, 2014). The severity of crises can be stressed to impact the survival of the whole organisation. It often imposes severe strains on the organisation's financial, physical and emotional structures. (Pearson & Mitroff, 1993) Environmental factors, such as an organisational crisis, can thus stimulate learning and act as learning triggers within an organisation (Kim, 1998; Roberts & Lajtha 2002; Wang, 2008; Deverell, 2009; Lampel et al., 2009; Huzey et al., 2014).

The severity of the consequences from the error relates positively to learning (Homsma et al., 2009). A basic objective of crisis management is to accumulate wisdom by learning together from the event in order to prevent, lessen the severity of, or improve upon responses to future crises (Carmeli & Schaubroeck, 2008; Moynihan, 2008). Some crisis situations could even be hampered if adverse situations promoted the learning of new behaviour (Deverell, 2009). Lagadec (1997) stress the importance of learning instead of only repeating basic pre-planned motions in order to detect and handle disruptive situations. This is strengthened by Wang (2008), who states that an organisation's members often use lessons from past crisis experiences as a guide for current action. Thus, learning is one way to measure the success of a crisis response, with effective response forming new policies and procedures to respond to future incidents (Pearson & Claire, 1998). In addition, the field of learning during crises need special attention since it differs from learning in routine situations since it demands a new understanding of the most basic aspects of the causes, consequences and solutions (Moynihan, 2008).

Due to the above, this study will use organisational crises as delimitation to organisational learning. Following, a short review of the organisational crises and crisis management literature will be presented

in section 2.3.1. Proceeding, a more thoroughly review of the organisational learning literature with organisational crises as a delimitation will be presented in the sections 2.3.2 *Learning Organisations*, 2.3.3. *The Learning Loops* and 2.3.4 *The Importance of Knowledge in Organisational Learning*.

2.3.1. Organisational Crisis as a Delimitation

First, this section presents a definition of an organisational crisis. Second, a review of the crisis management process will follow, highlighting the five basic dimensions that have gained broad empirical support (Pearson & Mitroff, 1993; Pearson & Clair, 1998; Roux-Dufort, 2007; Wang, 2008; Moynihan, 2009).

Definition of an Organisational Crisis

There is no such thing as a routine crisis and several definitions of an organisational crisis can be found in the literature. Crises are commonly characterized by considerable degrees and multiple forms of complexity, and they are increasingly transboundary and interconnected (Boin & Lagadec, 2000; Wang, 2008). A crisis may stem from external sources, or be evoked naturally when the firm loses its competitive standing in the market and in technology (Kim, 1998). An organisational crisis is a disruption that undermines participants' basic assumptions about the system within which they work and there must be a serious threat to the survival of the organisation (Mitroff, 1988; Boin & 't Hart, 2001; Carmeli & Schaubroeck, 2008). Researchers agree that a crisis includes several different dimensions such as: (1) high magnitude, (2) requirement of immediate attention, (3) the element of surprise, (4) the need for taking action, (5) that they are outside the organisation's complete control and, (6) that a crisis does not often occur in isolation and that a single crisis can cause a chain reaction (Pearson & Mitroff, 1993; Pearson & Clair, 1998; Roux-Dufort, 2007; Wang, 2008; Moynihan, 2009).

This study will use the definition from Carmeli & Schaubroeck's (2008) of an organisational crisis:

“An organisational crisis is a critical turning point that has the potential to dissolve or positively transform the business as a whole.”

Managing an Organisational Crisis

Due to the elements of time pressure, limited control and high uncertainty, crisis management represents a strategic issue that looms as one of the most difficult to resolve (Burnett, 1998). Crisis management is essential to ensure an organisation's stability and viability for continued existence before any growth can be pursued (Chong, 2004). No company is immune from internal hard times, such as stagnation or declining performance, and strategic action has to be taken. Thus, what is needed in an organisational crisis situation is a clear-cut strategy for guiding all organisational actions so that scarce resources are not dissipated in unproductive ways. (Hofer, 1980)

There seems to be a general agreement, and empirical support, that the crisis management process contains of five basic components; (1) signal detection; (2) preparation/prevention; (3) containment/damage limitation; (4) recovery; and (5) learning (Pearson & Mitroff, 1993; González-Herrero, & Pratt, 1996; Burnett, 1998; Wang, 2008), see figure 2.1 below. Two assumptions guide the model; (a) that every crisis has a life cycle, which can be influenced; and (b) that both the outcomes of

organisationally induced and accidentally produced crises can be influenced strategically (González-Herrero, & Pratt, 1996). The last stage of crisis management, learning, refers to adequate reflection and critical examination. Learning from crisis is equally important as the other stages in crisis management but does not receive the same emphasis in the existing research stream (Wang, 2008).

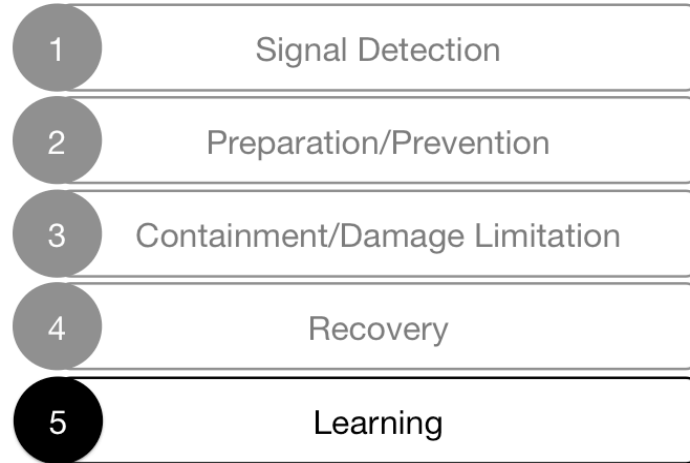


Figure 2.1: The Crisis Management Process (Pearson & Mitroff, 1993; González-Herrero, & Pratt, 1996; Burnett, 1998; Wang, 2008)

2.3.2. Being a Learning Organisation

Several researchers have inquired organisational learning and how organisations learn. Some of the post-crisis literature emphasises minimizing negative effects and returning to the status quo instead of improving preparedness and processes (Kim, 1998), whereas others suggests that learning should be considered in each stage of the crisis management process (Casey, 2005; Smith & Elliott, 2007; Wang, 2008). All organisations are learning systems with specific learning orientations determining the way organisations acquire, share and utilize knowledge (Kim, 1998). It is the ability of an organisation to observe, assess and act upon stimuli, internal or external, in cumulative, interactive and purposeful ways that make them into learning organisations (Meyers, 1990).

Learning takes place at two levels: (1) the individual level, and (2) the organisational level (Kim, 1998). However, organisational learning is not the sum of individual learning, but the process of communicating and embodying the individuals' skills and insights (Hedberg, 1981; Peler et al., 1989; Attewell, 1992). Scholars suggest that only effective organisations can translate individual learning into organisational learning (Hedberg, 1981; Shrivastava, 1983; Kim, 1998). Thus, being a learning organisation is a never-ending, systematic process of identifying cause and effect predicting the future (Swieringa & Wierdsma, 1992; Kearns, 2015). The notion of being a learning organisation covers a large spectrum of characteristics. Jones (2001) suggest that the core characteristics are the following: (1) an organizational culture which not only allows but actively encourages *questions* by employees at all levels, (2) the development throughout the organization of the *skills* of critical reflection, (3) regular and varied opportunities for *sharing* questions and reflection, (4) a continuous search for *opportunities for learning* from the organisation's ongoing operations, (5) taking *action* based on such learning, and (6) *critical reflection* on the outcomes of action.

However, organisational learning literature offers few solutions to the problem of *how* to build a learning organisation (Jones, 2001; Moynihan, 2008). Critics toward the ‘learning organisation’ argue that the notion of being a learning organisation is only a management mode³ with a vague definition (Örtenblad, 2005; 2009). In addition, the vagueness can be discussed in terms of the large spectra of differences between organisations, meaning that all ideas cannot be applicable to every organisation and the need of adaption to the specific organisation will be high (Granberg & Ohlsson, 2014).

2.3.3. The Learning Loops

The notion of organisational learning and ‘the learning organisation’ mainly originates from the concept of experience-based learning and the later concept of learning loops. These concepts state that organisational learning is seen to occur when experience systematically alters behaviour or knowledge (Schwab, 2007). The concept of ‘loops’ refers to the circular movements, that are the basis of experience-based learning, that many scholars have focused on (Dewey, 1938; Ashby, 1978; Bateson, 1978; Argyris & Schön, 1978; 1996; Kolb, 1984; Swieringa & Wierdsma, 1992). The experience-based learning can simply be described as a process in which an individual experiences something, reflects upon it, conceptualises the situation, generalises it and tries the new concepts in new situations. This, in turn, is the beginning of a new circle. Consequently, the notion of learning is grounded in several loops. (Granberg & Ohlsson, 2014)

To fully understand the learning loops, a short introduction of the scholars that these loops originate from will be presented below. Thereafter, literature regarding single- and double-loop learning and the concept of unlearning will be reviewed. These concept will be the basis for analysis regarding learning.

The Origins of the Learning Loops

From Dewey’s (1938) work, Ashby (1978) and Bateson (1978) formed the theoretical base of the learning loops. Ashby (1978) discusses the capability of adaptive behaviour, which is based upon two feedback loops: the first loop containing information about the environment from senses and the second loop investigating this information and reactions. The first loop acts within each reaction and the second determines what reaction will come to pass (Granberg & Ohlsson, 2014). Bateson (1978) suggests in his research that there are four types of learning levels, excluding level zero. Learning I is the *change in the specificity of response* by correction of errors of choice within a certain set of alternatives. Learning II is the *change in the process of Learning I*, i.e. a corrective change in the set of alternatives from which the choice is made. Learning III is the *change in the process of Learning II*, i.e. a corrective change in the system of sets of alternatives from which the choice is made. Finally, learning IV is the *change in the process of learning III*. These learning levels are presented in figure 2.2 below in a recursive hierarchy and provide a conceptual and illustrative understanding of the concept of learning loops.

³ Management mode, or management fads, is the concept stating that suddenly management ideas appears that a large amount of organisations adapts to during a time period (Jackson, 2001; Miller & Hartwick, 2002)

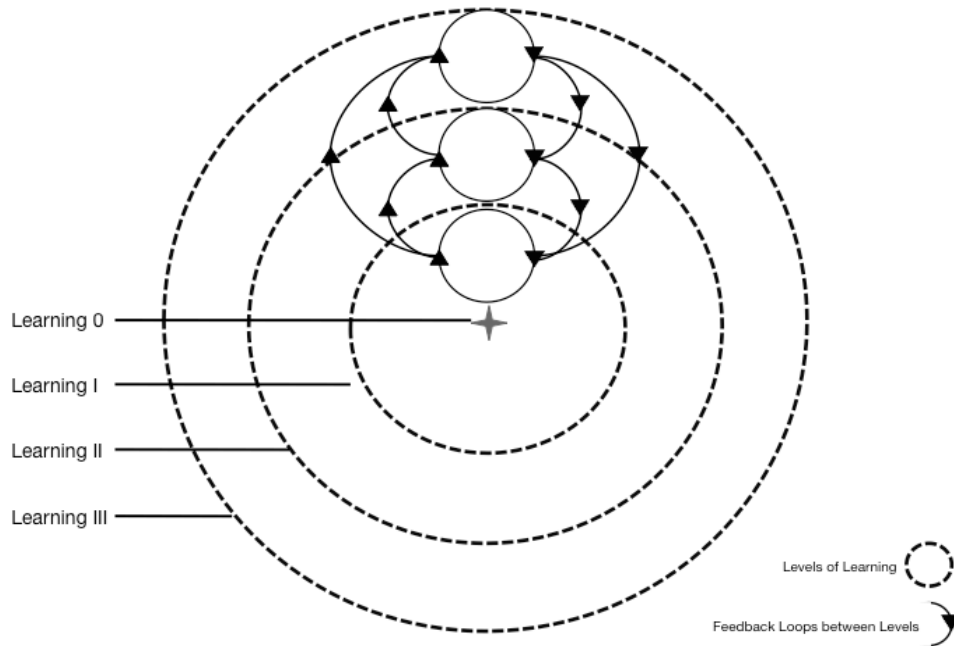


Figure 2.2: Levels of Learning (Bateson, 1978; adapted from Tosey et al., 2012)

Single- & Double-Loop Learning

Based on the theoretical base presented above, Argyris and Schön (1978; 1996) present two different learning loops: (1) single-loop learning and (2) double-loop learning. This categorisation of learning loops has gained most influence despite others presenting similar categorisations (Fiol & Lyles, 1985; Dodgson, 1993; Rose, 1993; Lipshitz, 2000). Thus, Argyris and Schön's (1978; 1996) categorisation will be applied in this study. The theory of learning loops is built upon feedback, the consequence of action and the idea to detect and correct errors. By engaging in single-loop learning, an organisation will detect a mistake, correct it and carry on with present objectives. Consequently, if only direct causes are addressed, learning is limited to single-loop learning. Accordingly, single-loop learning is a way to improve a system that already exists and to follow existing rules. In double-loop learning, on the other hand, the steps of single-loop learning exists, but, in addition, there is also a change in the governing variables that determines why we do what we do. The organisation detects the mistake, changes its objectives and takes the correct actions. Hence, double-loop learning addresses the underlying causes. (Drupsteen & Guldenmund, 2014) Consequently, double-loop learning is about changing the rules.⁴ It is important to aim for double-loop learning but the lessons learned from single-loop learning are equally important (Deverell, 2009). Both single- and double-loop learning are presented in figure 2.3 below.

⁴ An illustrative example of single- and double-loop learning: Single-loop learning can be compared with a thermostat that learns when it is too hot or too cold and then turns the heat on or off. The thermostat is able to perform this task because it can receive information (the temperature of the room) and therefore take corrective action. If the thermostat could question itself about whether it should be set at a specific degree, it would be capable not only of detecting error, but of questioning the underlying policies and goals as well as its own program. This is called double-loop learning.

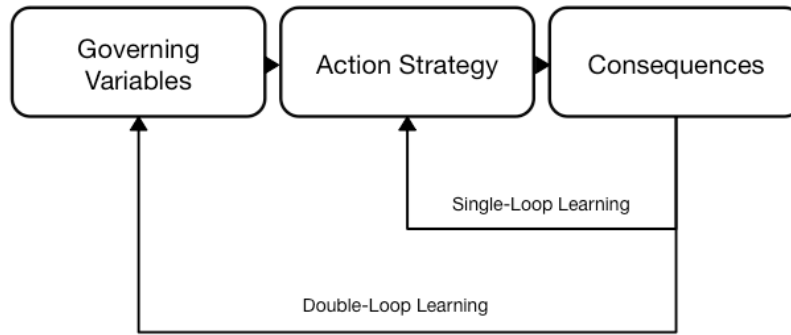


Figure 2.3: Single- and Double-Loop Learning (Argyris & Schön, 1978; 1996)

Deverell (2009) elaborates on the single- and double-loop learning processes in relation to crises. His research supports that critical and deeper reflection, i.e. loop learning, is not a conventional response to crises. Instead, managers tend to resort to mechanic adaption and reflex reactions in response to failure and threats (Staw et al., 1981). In addition, Deverell (2009) find no significant difference in the number of double-loop lessons drawn during the crisis compared to post crisis.

Through single- or double-loop learning organisations learn their lessons. A single-loop lesson can be learned from inquiring organisational errors and shortcomings. Additionally, a double-loop lesson inquires broader issues of organisational objectives, norms and working procedures. (Deverell, 2009) A lesson is based upon experience; hence, a cause-and-effect relationship implying that lessons can achieve a desired goal if implemented (Rose, 1993). According to Deverell (2009), a lesson is considered to be implemented when it leads to an alteration of behaviour. This can be in terms of new knowledge and understanding and more concrete and visible actions and changes occurring.

Adding to the scholarship of single- and double-loop learning, Swieringa and Wierdsma (1992) introduce triple-loop learning, which is described as a change in the organisation's behaviour through the individuals and/or groups that affect it. The central concept is the context; existing rules and assumptions on what is the core of the organisation (Swieringa & Wierdsma, 1992; Romme, & van Witteloostuijn, 1999). However, several scholars are critical toward the concept of triple-loop learning (Tosey et al., 2012; Granberg & Ohlsson, 2014). When combining the scholarship of loop learning, caution is needed since the key concepts in Argyris and Schön (1978; 1996) and Swieringa and Wierdsma (1992) have different denominations (Granberg & Ohlsson, 2014). Adding on, critics state that the triple-loop has a dearth of empirical research (Tosey et al., 2012). Consequently, the concept of triple-loop learning will not be further emphasised in this study.

Unlearn to Learn

According to Nyström and Starbuck (1984), organisations encase their learning in programs and standard operating procedures that members execute routinely. However, these programs and procedures generate inertia and as their success accumulates, organisations emphasise efficiency, grow complacent and learn too little. Most often, top managers' ideas dominate organisational learning, but also prevent unlearning. While it is important to identify new behaviour patterns deriving from learning that occurs following failures, in order to establish new patterns, other previously learned behaviours need to be

unlearned (Nyström & Starbuck, 1984; Carmeli & Schaubroeck, 2008; Moynihan, 2008; Devereil, 2009). Unlearning is critical since habits and beliefs that were previously thought to be useful may now be detrimental. Consequently, organisations in serious crises often remove their top managers as a way to erase the dominating ideas, to disconfirm past programs, to become receptive to new ideas and to symbolise change. (Nyström & Starbuck, 1984)

2.3.4. The Importance of Knowledge in Organisational Learning

To understand learning, we must understand the nature and forms of human knowledge. Learning is the process whereby knowledge is created through the transformation of experience (Kolb, 1984). Organisations learn when there is a change in the knowledge of an organisation, making knowledge an indicator of organisational learning (Argote & Miron-Spektor, 2011). Consequently, people learn by capturing new knowledge (Granberg, 2009). This emphasises that knowledge is a transformation process, being continuously created and recreated. Thus, knowledge transfer is associated with the exchange of knowledge within networks, i.e. the process where one individual, group or division is affected by the experience of another (Argote et al., 2000; Szulanski, 2000; Klarl, 2009).

Knowledge Acquisition & Utilisation

The first step in many organisational learning processes pinpoints the importance of knowledge acquisition (Huber, 1991; Nonaka, 1991; Nevis et al., 1997; Schwandt & Marquardt, 2000; Singh, 2005; Smith & Elliott, 2007). However, knowledge acquisition is not easy and ideas are intangible, thus, they can be extremely hard to transmit (Singh, 2005). Organisations tend to engage in major changes after they have been confronted with crises and they have to invest heavily in the acquisition of new tacit and explicit knowledge to overcome the crisis in the shortest possible time (Tushman & Anderson, 1986; Kim, 1998; Roux-Dufort, 2007). Knowledge can be obtained in multiple ways, i.e. through experiential learning, vicarious or second-hand learning, searching and noticing. Additionally, organisations frequently increase their store of knowledge by acquiring and grafting on new members who possess knowledge not previously available within the organisation. (Huber, 1991) When the knowledge base has been increased, knowledge is converted and then transferred into actions and strategies, which is known as knowledge utilisation (Wang, 2008).

Knowledge Conversion Modes: The SECI model

A common framework to understand different types of knowledge and knowledge conversion modes is the SECI model (Nonaka & Takeuchi's, 1995), see figure 2.4 below. This model identifies four modes of knowledge conversion between tacit and explicit knowledge⁵:

- (1) *Socialisation (tacit - tacit)* - this dimensions explains how tacit knowledge is transferred through social interaction, either through face-to-face contact or through experience. Tacit knowledge can only be acquired through shared experience, since it is space and time specific.

⁵ *Tacit Knowledge*: knowledge that is difficult to transfer to another person by means of writing it down or verbalizing it. It is personal, context-specific and subjective (Nonaka & Takeuchi, 1995)

Explicit Knowledge: is knowledge that is codified, systematic, formal and easy to communicate. (Nonaka & Takeuchi, 1995)

- (2) *Externalisation (tacit - explicit)* - tacit knowledge is made explicit (published or articulated) and the knowledge becomes more clarified, allowing it to be shared with others. This explicit transfer becomes the basis of new knowledge.
- (3) *Combination (explicit - explicit)* - by combining and processing different types of explicit knowledge from all parts of an organisation, new knowledge can be created. After being processed this new knowledge can be disseminated to employees in the organisation.
- (4) *Internalisation (explicit - tacit)* - this dimension explain learning-by-doing (knowledge receiving and application by an individual). The explicit knowledge becomes the individual's knowledge, thus the organisations'. This conversion mode also urges the process of continuous individual and collective reflection to identify patterns. The internalisation process continues at a new 'level', hence a spiral within the knowledge creation.

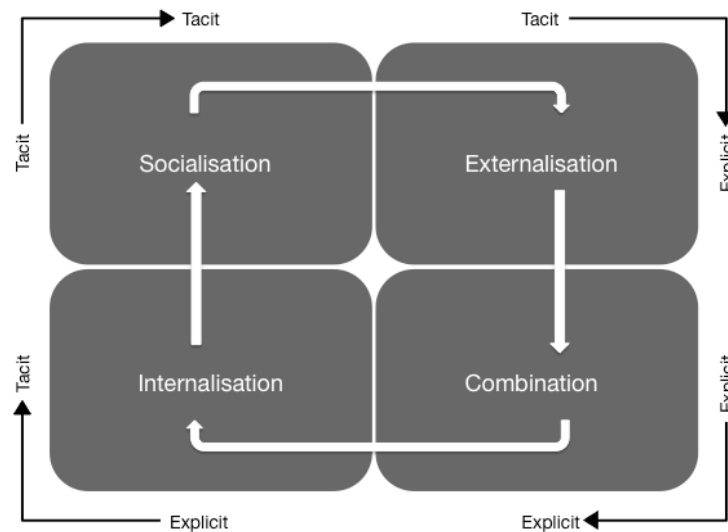


Figure 2.4: The SECI-Model (Nonaka & Takeuchi, 1995; Nonaka et. al., 2000)

2.4. Theoretical Gap

From the preceding literature review a clear theoretical gap can be observed. Two academic research fields have been identified to lie at the base of the theoretical gap: (1) the new type of employee, the interim manager, and the emerging market of interim management, and (2) the notion of organisational learning in an organisational crisis setting, see figure 2.5 below.

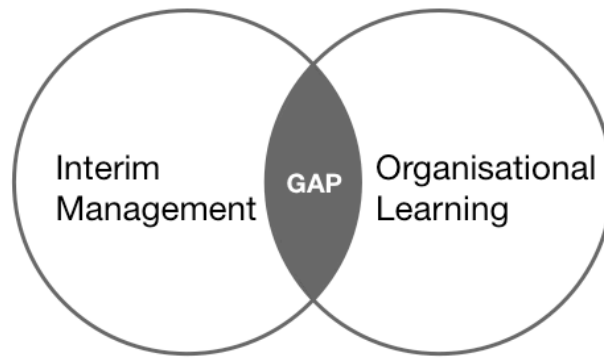


Figure 2.5: The Theoretical Gap

The first research field, interim management, is in a nascent stage (Bruns & Kabst, 2005), where the majority of scholars have focused on firm performance (Shen & Cannella, 2002; Ballinger & Marcel, 2010) and the flexibility of the firm (Inkson et al. 2001; Bruns & Kabst, 2005). Literature has identified several areas in which an interim manager is acquired for a temporary contract; one of them being in crises and turnarounds situations (Inkson et al. 2001; Bruns & Kabst, 2005). In these crisis and turnaround situations, one of the highlighted key features is the importance of learning (Lagadec, 1997; Deverell, 2009). Thus, the second research field, organisational learning, and the concept of the ‘learning organisation’ is of high importance. This research field is at a mature stage and originates mainly from the concept of learning loops (Argyris & Shön, 1978; 1996). As stated in the literature review, learning is considered to occur when experience alters behaviour or knowledge (Kolb, 1984; Schwab, 2007).

Consequently, there is a connection between interim management and organisational learning in settings where an interim manager is acquired to help the organisation to resolve the crisis. However, these two research fields have not previously been combined. This study introduces interim management with a new structure, proposing a new relationship, namely the one between interim management and organisational learning in an organisational crisis setting. Thus, this thesis aims to contribute to the existing literature by examining interim manager’s effect on organisational learning in an organisational crisis setting. From those separated research streams, we can infer an addressable theoretical gap that our thesis aims to reduce by answering our research question:

“How will interim managers affect organisational learning in times of an organisational crisis?”

2.5. Conceptual Framework

The findings from past research have been combined to develop an integrated framework that conceptualises the relationship between interim management and organisational learning in an organisational crisis setting, see figure 2.6 below. However, to avoid potential confusion and complexity, the different phases of crisis management are embedded in the framework but not graphically presented. This framework includes the relevant relationships that will be tested in the following empirical study. All the boxes and circles are numbered but they do not indicate any sequence of the components in the model. The conceptual framework will serve as a lens through which we analyse interim managers’ effect on organisational learning in chapter 5. Analysis.

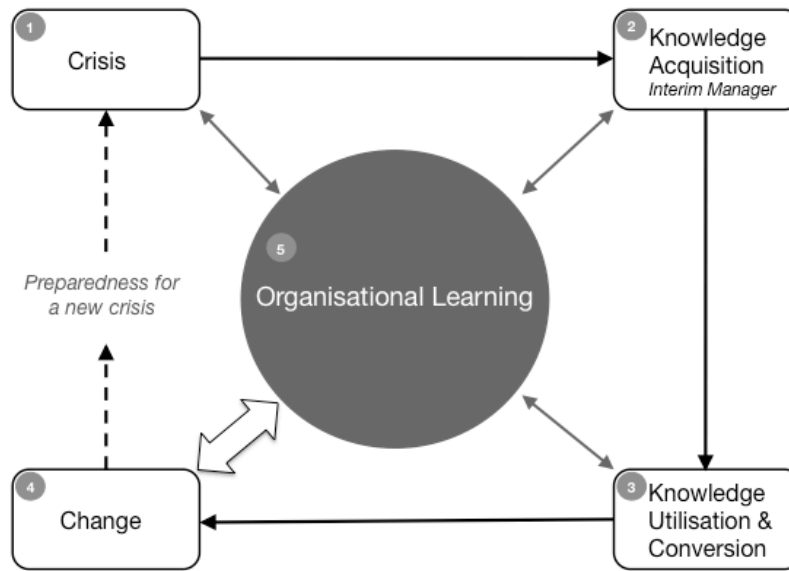


Figure 2.6: The Conceptual Framework

Box 1 - Organisational Crisis

Many organisations are subject to organisational crises. The crisis undermines basic assumptions about the systems and act as a serious threat to the survival of the organisation (Mitroff, 1988; Carmeli & Schaubroeck, 2008). The literature find empirical support for several different dimensions of a crisis such as: (1) high magnitude, (2) requirement of immediate attention, (3) the element of surprise, (4) the need for taking action, (5) that they are outside the organisation's complete control, and (6) that a crisis does not often occur in isolation, but that a simultaneous occurrence of multiple crises seem to be the norm and a that single crisis can cause a chain reaction (Pearson & Mitroff, 1993; Pearson & Clair, 1998; Roux-Dufort, 2007; Wang, 2008; Moynihan, 2009). Due to these factors crisis management represents a strategic issue that looms as one of the most difficult to resolve (Burnett, 1998) and the aim should be to learn from the crisis (Pearson & Mitroff, 1993; González-Herrero, & Pratt, 1996; Burnett, 1998; Wang, 2008). Consequently, organisational crisis can stimulate learning and act as learning triggers (Kim, 1998; Roberts & Lajtha 2002; Wang, 2008; Deverell, 2009; Huzey et. al., 2014).

Box 2 - Knowledge Acquisition - Acquiring an Interim Manager

A starting point in resolving the crisis is to acquire new knowledge and many organisations tend to invest heavily in the acquisition of new tacit and explicit knowledge to overcome the crisis in the shortest possible time (Tushman & Anderson, 1986; Kim, 1998; Roux-Dufort, 2007). Knowledge can be obtained in multiple ways. In this framework, organisations will acquire knowledge by acquiring an interim manager.

Box 3 - Knowledge Conversion & Utilisation

Knowledge can be converted through four different modes depending on knowledge type, conceptualised in Nonaka and Takeuchi's (1995) SECI model of knowledge dimensions. This will result in actions and strategies (knowledge utilisation) for resolving the crisis (Wang, 2008).

Box 4 - Change

In the end, a crisis will bring about change. A change can be a result of learning, i.e. a correction of an errored behaviour or the adaption to new governing variables (Argyris & Schön, 1978; 1996). Learning can be of lessons that implemented can lead to the desired goal (Rose, 1993). A lesson is considered to be implemented when it leads to an alteration of behaviour (Deverell, 2009). However, all changes are not results from learning. Notably, the crisis preparedness parameter (unnumbered) of the framework will not be tested due to the scope of this study. Thus, it will not be elaborated on in the following analysis.

Box 5 - Organisational Learning

In order to make the right decisions, take effective actions, and learn from the crisis, continuous reflections upon experiences are crucial. It is the ability of an organisation to observe, assess and act upon crises in cumulative, interactive and purposeful ways that make them into learning organisations. (Meyers, 1990) The notion of organisational learning originates from the concepts of being a learning organisation and the learning loops (Hedberg 1981; Shrivastava, 1983; Swieringa & Wierdsma, 1992; Kearns, 2015; Moynihan, 2008; Schwab, 2007; Ashby, 1978; Bateson, 1978; Argyris & Schön, 1978; 1996). Additionally, to identify new behaviour patterns deriving from learning, in order to establish new patterns, other previously learned behaviours might need to be unlearned (Nyström & Starbuck, 1984; Carmeli & Schaubroeck, 2008; Moynihan, 2008; Deverell, 2009). Learning is essential in all steps of the process, highlighted by its central role in the conceptual framework.

The newly developed model enhances our current knowledge about interim management in several ways. First, it integrates interim management as a way of acquiring new knowledge. Second, this model highlights the importance of learning in every stage of resolving an organisational crisis. Finally, this model captures the dynamics between interim management and organisational learning and clearly displays the nonlinear and interconnected nature between these two areas.

3. METHODOLOGY

This chapter describes the research method applied in this study. First, the choice of scientific approach is argued for and the research design presented, which is divided into four main parts. The four main parts will then be discussed separately. The first part concerns the investigation of literature and the search strategy. The second, third and fourth parts involves a series of interviews. Last, the method in which this data was sampled, collected and analysed will be discussed, as well as the methodological limitations.

3.1. Scientific Approach

While the interim management research is limited and in a nascent stage (Bruns & Kabst, 2005), organisational learning literature is well developed. However, the interim management theories have not yet been incorporated into the organisational learning literature.

Considering the above, the scientific areas underlying this study draw upon existing theoretical foundations. However, this study introduces interim management with a new structure, proposing a new relationship, namely the one between interim management and organisational learning in an organisational crisis setting. The scientific approach for this study can therefore be considered that of intermediate theory, positioned between a nascent and mature state of theory (Edmondson & McManus, 2007). The aim is not to test the validity of the presented theories; instead the study aims to collect theories and use them as a foundation for the research. Hence, this research is not hypothesis-driven.

This study adopts a qualitative method, which is preferred when studying an organisational process or movement (Andersen, 1998; Cassell & Symon, 2004). The qualitative method has the purpose of exploring and understanding dimensions and it enables a deeper understanding of the phenomenon (Holme & Solvang, 1997; Jacobsen 2002; Wilson, 2010; Bazeley, 2013). Since the use of interim managers in an organisational crisis setting is a social phenomenon, this scientific approach enables more flexibility (Jacobsen, 2002). Additionally, an abductive reasoning is applied, whereby one seeks to explain relevant evidence by beginning with some commonly well-known facts that are already accepted and then working towards an explanation. The theoretical starting point is based on both theory and observation through existing literature and complemented by empirical findings, and tested in interviews. (Alvesson & Sköldberg, 1994; Patel & Davidson, 2003; Edmondson & McManus, 2007)

3.2. Research Design - Multistep Approach

The study is divided into four different parts that are interconnected throughout the whole process, see figure 3.1 below. The first part, the *Literature Review*, is an exploratory approach used to identify, evaluate and critically assess what has been published in the fields (Wilson, 2010). Due to the abductive reasoning, the literature review has been an ongoing process complemented by the empirical findings in the other parts. The second part involved a series of interviews with interim management service providers to fortify and confirm knowledge on the topic, especially from an empirical perspective, and to understand the basic features of the interim management process. The third part involved interviews with interim managers and companies that have employed interim managers to solve an organisational crisis. This

part was conducted to gain a richer understanding for the phenomenon and assemble empirics to answer our research question. The fourth part focused on experts and was conducted to ensure that theories and practices were analysed in a correct manner. The four parts are further elaborated on in the following sections.

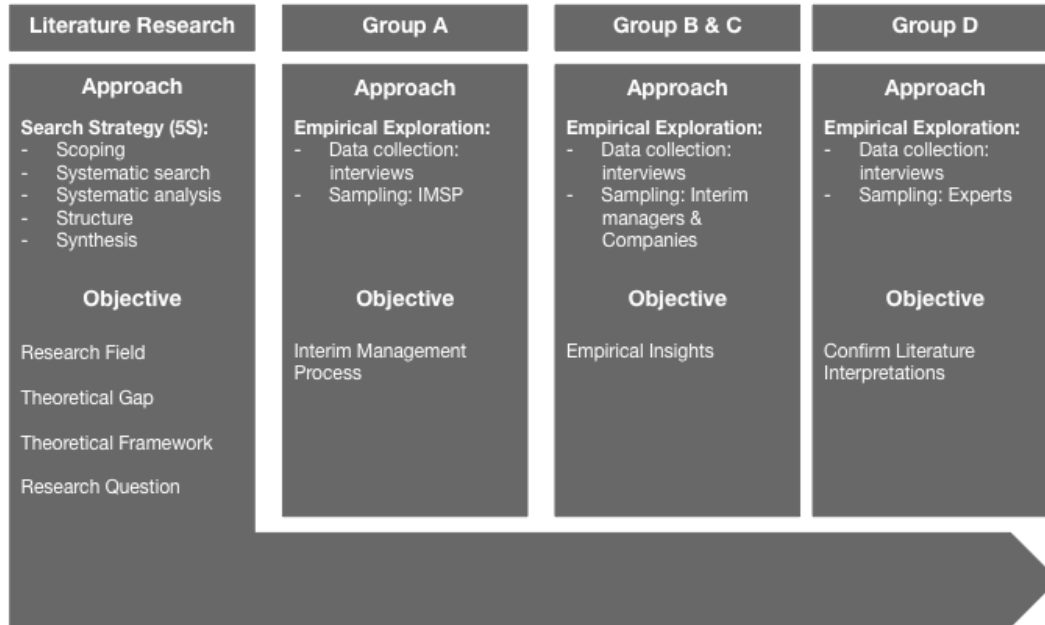


Figure 3.1: Research Design: Multistep Approach

Notably, along the research process ethical consideration were consistently taken into consideration during the construction and execution of the research design. Neutrality, objectivity and honesty were stressed in all means of communication to minimize the bias in the collection of empirics, the interpretation and the assurance of confidentiality. (Resnik, 2010)

3.3. Literature Research - Exploratory Search

A literature review and conceptual analysis were the starting point in the multistep approach, but have been carried out throughout the whole research process. Two bodies of literature, interim management and organisational learning, were searched through databases such as 'Google Scholar', 'EBSCO' and 'JSTORE'. A list of relevant keywords and synonyms was compiled to ease navigation within the research field. Thereafter, a 'snowball-strategy' was used to backtrack influential publications via citations. This search generated a large number of publications on interim management and organisational learning, yet no studies focused on the relationship between these subjects. The aim with this strategy was to only include publications with substantial contribution, ensuring both breadth and depth in the research. In order to assure that the theoretical knowledge base was as complete as possible, all publications were screened following the 5S framework: scoping, systematic search, systematic analysis, structure and synthesis (Webster & Watson, 2002).

Keywords

The following keywords have been used:

1. **Interim Management:** “interim management definition”, “external knowledge and experience”
2. **Organisational Learning:** “organisational learning processes”, “knowledge acquisition”, “knowledge conversion”, “knowledge utilisation”, “learning loops”

3.4. Main Study

Resulting from the literature review, the main study was established and conducted, which will be presented in this section. First, the purpose of the main study will be presented, followed by a description of the population and sample, the data collection method and how the empirical data was analysed. Last, the methodological limitations will be elaborated on.

3.4.1. Purpose of the Main Study

The purpose of the main study was to test the framework of interim managers’ effect on organisational learning and to answer the research question. First, interim management service providers (group A) were interviewed to understand the process in greater depth and confirm the relevance of topic and to develop interview-templates for the preceding study-group, inspired by how pre-studies and main-studies usually are related (Andersen, 1998). Second, interviews with interim managers (group B) and companies (group C) were conducted to understand the dynamics between the parties during the process. Focus was to understand how learning was enhanced during their interaction. Group B and C will be presented together in further description in section 3.4.2 since these two groups are interconnected. Last, two experts (group D) were interviewed, one within the leadership field and one within the organisational learning field to ensure correct interpretations of the complex literature. The four study-groups are presented in table 3.1 in section 3.4.2 *Population and Sample* below.

3.4.2. Population and Sample

Group A: The Interim Management Service Providers (IMSP)

The target population for this group consisted of leading Swedish interim management service providers, to avoid potential obsolete standpoints. The sample size consisted of 6 interviewees to minimise potential biases while having a manageable sample size in regards to the time constraint (Mason, 2010). This group generated empirical insights that guided us in the later phases of the literature review, questionnaire design and the research question. Presented below is a selection of adjusted quotes from the interviews. These quotes and interviews gave support for the scope of organisational learning and learning from the interim manager's’ presence during organisational crisis:

“The concept of interim management is based upon knowledge, or a knowledge injection.
You provide neutrality, objectivity and supplementary tools to the company”
(IMSP - EIM)

“We see how more and more clients want an independent project leader for large
implementations and changes without relying on large consultancy firms. The companies
want someone who is working operatively with them.”
(IMSP - Nordic Interim)

**“What we sell is what they have, de facto their experience”
(IMSP - Impact Executives)**

Group B and C: Interim Managers and Companies

This part of the study was carried out through interviews with the target sample of 8 interim managers and with 8 employees at the two chosen case companies (4 interviews at each company) within Sweden. Anonymous character and company descriptions are presented in Appendix 1.

The sample of interim managers were based upon accessibility and reputation from interim management service providers. Two interim managers were chosen since they were acquired by the case companies. We focused on interim managers possessing senior executive roles such as CFO, COO and CEO to capture the formal authority in their tasks (Bruns & Kabst, 2005). We chose to interview more than the two interim managers at our case companies to capture how interim managers interact with companies and to gain a deeper understanding for how they work. This enabled us to compare the interim managers' answers.

The sample of case companies has been made to make good comparisons between the cases as well as generate a broader and more general empirical base. Case company 1 is a smaller company compared to Company 2, however, both are to be classified as small to medium sized companies and enhances comparability. Both companies were in a transition/turnaround phase with scarce financial resources when the interim managers entered the company. Additionally, both companies have ended their interaction with the interim manager, thus the interim manager have formally left the company.

Group D: Experts

This part of the study was carried out through interviews with 2 chosen experts. We chose to interview Otto Granberg whom is a Ph.D. researcher and has written extensive literature on learning and organisational learning. We also interviewed a leadership expert who have broad experience from interim management, and who supports leaders with lectures, education and coaching. The experts were interviewed to confirm and understand theories and practices since the field of research is complex. Thus, we wanted to ensure that our interpretations of the theories were correct.

Table of All Conducted Interviews

Group A IMSP	Group B Interim Managers	Group C Companies	Group D Experts
Nordic Interim	Interim Manager A	Company 1 (a)	Leadership expert
EIM	Interim Manager B	Company 1 (b)	Organisational learning expert
Brightmill	Interim Manager C	Company 1 (c)	
Impact Executives	Interim Manager D	Company 1 (d)	
Mason Management	Interim Manager E	Company 2 (a)	
Scandinavian Executives	Interim Manager F	Company 2 (b)	
	Interim Manager G	Company 2 (c)	
	Interim Manager H	Company 2 (d)	

Table 3.1: Conducted Interviews

3.4.3. Data Collection Method

The data was collected through in-depth interviews between February 20 and May 8 2015. The interviews were conducted face-to-face when possible, otherwise over Skype or the phone, and each interview was between 30-60 minutes long. The interviews were recorded and transcribed in a summary arrangement. Being able to revisit the answers is of great importance when conducting qualitative studies and when answers might need to be interpreted (Andersen, 1998).

The interviews followed a planned interview-template, see Appendix 2 Interview Templates, which allowed for a looser structure and open-ended questions towards the end of the interviews (Silverman, 2010). Hence, the interviews were conducted through a semi-structured approach. The unstructured interview is advantageous when conducting a qualitative study with few units (Jacobsen, 2002). The semi-structured interview approach can be used in similar situations when knowledge about the field is greater and thus, the most interesting topics can be in focus. Additionally, when conducting personal interviews an important advantage is that more investigating and intimate questions can be used that in turn enables more correct and reliable answers. (Andersen, 1998)

As stated above, the interview-template was constructed based upon common themes and concepts found in the existing literature and from interviews with the interim management service providers. Thus, the interview questions were based on the interim management process in order to understand the dynamics and capture where the interim managers interact with the companies. All interview questions were tested beforehand to ensure that they were understood and correctly interpreted. This was carried out through a short face-to-face discussion with two respondents who are active in the interim management industry. Based on the pilot feedback, iterations on the interview-template design were incorporated.

Both authors were present and active in all interviews. Initially, respondents were shortly given the same introduction. All respondents were presented by questions from the interview-template with minor modifications to match the specific setting. Afterwards, the respondents were presented with a brief about the study. After the interviews both authors independently wrote down their short interpretation of the interview to minimise potential subjectivity.

Due to all the sensitive information that were collected, all interim managers and employees in the chosen companies will be treated anonymously. This enabled all respondents to talk more open about the processes and cases as well as it ensure that neither the organisation nor the person will be negatively affected.

3.4.4. Data Analysis

When analysing the data we started from a general standpoint in our conceptual framework to see if data was consistent with theory. If discrepancy occurred, we further analysed the data to see if it contributed with new approaches urging us to revisit our conceptual framework. (Yin, 2008) Thus, we could before our categorising strategy place interviews in a general explanation and compare interviews with our conceptual framework. In the analysis we refrained from subjectivity and tried to describe the situation 'as is'.

Furthermore, the data from the interviews were analysed through a categorising strategy; coding and thematic analysis. Data was rearranged into categories that facilitate comparison between observations in the same category (Saunders et al, 2009; Maxwell, 2013). The chosen approach of coding in categories and meaningful units is more rigid than other analysis methods of qualitative data collections (Taylor & Bogdan 1998). As all interviews were carried out in Swedish, the coding was also done in Swedish. Thus, when presenting the data all quotes are translated. Examples of the coded data can be found in Appendix 3. Due to the extensive amount of empirical data only a selection of illustrative data codings are presented.

We adapted a version of the suggested steps from Taylor & Bogdan (1998) when analysing the empirical data, to make it applicable to our study:

1. We separately read the material to understand and interpret different categories that we found.
2. The data was then coded into small meaningful entities, one entity being a few rows or a paragraph. These entities were all given a code. All codes were mutually exclusive, meaning that no entity can appear in more than one code. Examples of our codes are: Crisis, Acquire IM, Diagnose, Change and Exodus.
3. After coding, we sorted the codes into sub-codes and categories that were given names. In addition, all sub-codes and categories were horizontal.
4. We formulated how these categories are interconnected with each other and how they interact in accordance to our conceptual framework. The aim was to understand and explain what theories that are supported from our empirical data and given an answer to our research question. In addition, this enabled us to see what theories that contradict or supplement each other and how they differ. Lastly, we analysed what might have caused the lack of support for some theories.

3.4.5 Methodological Limitations

Throughout the work with this study, the traditional criteria of reliability and validity have been relied on in planning for a high quality research (Flick, 2007). Hence, presented below are methodological limitations and how the study took them into account.

Reliability

The accuracy, in terms of the results can be re-created by using the same methodology and achieving the same results, of the study is utterly important to discuss. This concept is referred to as the reliability of the study. In qualitative research reliability refers to the degree of consistency with instances to the same category by different or by the same observer on different occasions (Bell, 2006).

To account for reliability, we have in a transparent way explained all steps regarding the methodology, thus, increasing the possibility to replicate the study and generate reliable result (Silverman, 2010). Additionally, we have in accordance to Bell (2006) used different formulations with the same meaning behind them to identify if there were differences in the results due to the used words. However, we have always used the same questionnaire to minimise potential inconsistencies that might occur if focus during the interviews shift. All interviews (observations) were being recorded to be able to analyse the material not only based upon memory or own notes, as suggested by Silverman and Marvasti (2008). To minimise potential subjective interpretations, we have immediately after all interviews separately written a short summary to keep objectivity and not be influenced by each other's interpretations. After listening to the audio transcript and conducted a written transcript, we discussed the material to compare differences and interpret the interview. In the need for clarification, we consulted the interviewee directly to clarify to avoid subjective interpretations. Additionally, when transcribing the interviews we included all interjections and fillers since we wanted to stay true to the observation and conversation (Bazeley, 2013), and again avoid wrong interference and interpretations (Silverman & Marvasti, 2008).

One limitation, and a threat to reliability, relevant to our study and observation is the coding methodology. The decision rule of coding methodology relies on subjective impressions of the coder. Thus, it proposes a threat to reliability (Martinko & Gardner, 1985). Consequently, when coding we were cautious to take into account reliability. To minimise further subjective inferences we engaged in investigator triangulation (Denzin, 2006) by identifying and coding, as well as conducting the thematic analysis, separately and then discuss the disagreements that arose.

Validity

In qualitative research, validity refers to the extent an account accurately represents the social phenomena it refers (Bryman & Bell, 2011), or to the credibility of a description (Maxwell, 1996; Bell, 2006). We aimed to increase validity by accounting for differences from reality that resulted from our interviews. In order to enhance the quality of the answers and to minimize the risk of rehearsed answers, the topics were shortly briefed to the respondents beforehand but not the actual questionnaire. This enabled the interviewees to reflect about the topic yet answer truthfully at the time of the interview.

The external validity refers to if the findings and conclusions are generalisable beyond this study (Gill & Johnson, 2010). Extending the sample size of respondents, which is otherwise a common deficiency in structured observations (Martinko & Gardner, 1985), helped to move away from ‘anecdotalism’, i.e. relying on a few well-chosen examples (Silverman, 2010), and increased validity as recommended (Martinko & Gardner, 1985). The process of selecting interviewees emphasized finding respondent covering the whole spectra of the study; (A) Interim Management Service Providers; (B) Interim Managers; (C) Companies that have used interim management solutions; and (D) Experts in organisational learning and leadership.

Additionally, we aimed to avoid two specific threats to validity in qualitative research: (1) researchers’ bias and (2) reactivity (Maxwell, 1996). We, as researchers, may be biased and influence the conduct and conclusions of the study by selecting data that fits the researchers existing theory or preconceptions (Maxwell, 1996). We have throughout the process regularly; (1) discussed the process and topic understanding and; (2) reviewed all taped interviews with focus on our performance to identify biases or deviation from interview structure (King, 2004). As we were new to the areas of interim management and organisational learning, we were careful in analysing the data. We did not draw conclusions about the identification or classification of the effect of interim management on organisational learning too quickly, but re-examined case by case and were critical to our framework. The problem with reactivity refers to the influence the researchers may have on the setting studied (Maxwell, 1996). We avoided biasing the respondents by giving all interviewees the same short briefing by following a script to avoid giving examples, see Appendix 2.

4. THE INTERIM MANAGEMENT PROCESSES

This chapter reviews the empirical findings from the conducted main study. First, we present a process description of the interim management process. Second, our results will be presented in relative order in the different identified phases of the process description; (1) Situation Description and Acquirement of an Interim Manager; (2) Diagnostic Phase; (3) Conducting Change and; (4) Exodus Phase. Profiles of all interviewees can be found in Appendix 1, and will be referred to as “Interim manager X”, “Company X (x)” and “Interim management service provider - X”.

4.1. The Interim Management Process Description

We have gathered information regarding the interim management process from all interim management service providers, interim managers, companies and secondary sources. The information enabled us to develop a general and simplistic description of the interim management process. This is presented in figure 4.1 below. The aim is to present a clear process description that creates a basis for the understanding of the industry and its dynamics. Furthermore, the presented empirics in sections 4.2 to 4.5 will be sorted in relative order to the process description.

There are several reasons behind the decision to hire an interim manager, either through a service provider or directly through a sourced interim manager. Even though all organisations are different and all interim management cases differ, similar characteristics can be found. The process often involves a diagnostic phase, or a ‘get to know the company’ phase. Thereafter, the solution to the core issues is being launched and carried out. This phase is driven by constant interaction between the interim manager and key personnel in the matter. Last, the interim manager makes room for a successor to take on the role and lead onwards; an exodus phase. Within these phases there can be many differences. However, we find this very simplistic figure helpful to understand the basic dynamics.

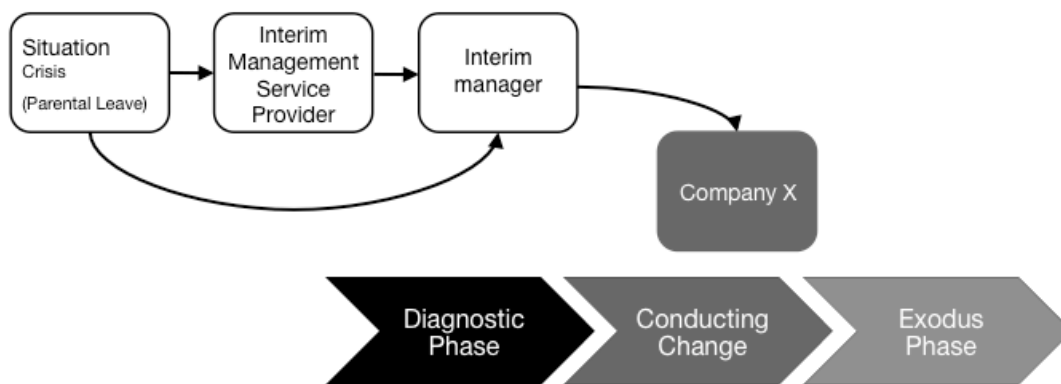


Figure 4.1: The Interim Management Process

4.2. Situation Description and Acquirement of an Interim Manager

In the first step of the interim management process a situation occurs, an organisational crisis, in which the company decides to acquire an interim manager. They can acquire the interim manager either through an interim management service provider or by directly contracting the interim manager, see figure 4.2 below.

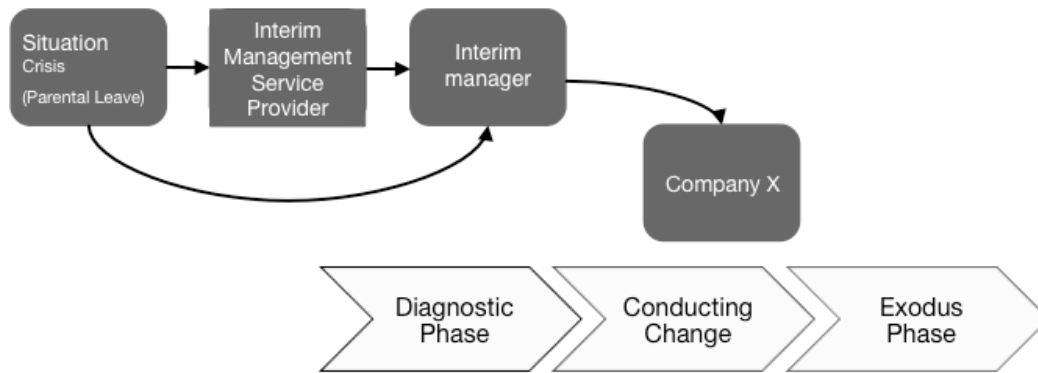


Figure 4.2: Situation Description and Acquirement of an Interim Manager

All companies need to go through some sort of change eventually. The ‘perfect’ company does not exist, and it will probably never exist. According to the conducted interviews, the severity of the crisis often has an impact on the survival of the company.

“When you approach the interim solution the feeling is that ‘I really need help’ - but most
 often it is already too late; you have already left no stone unturned.”
 (IMSP - Mason Management)

An organisational crisis often imposes severe strains on the organisation’s financial and physical structures. The observed organisational crises have mainly resulted from: (1) inaccurate recruitments and/or lack of crucial skills, (2) an inadequate way of managing the company, and (3) an inadequate company structure.

Company 1

In Company 1 the crisis was caused by severe disruptions in the production. The company had suffered from major losses during several years and they faced severe liquidity problems, generated by an unstable production. The company had received capital injections of over 200 million SEK from the owner, a private equity firm, which they had used to lay off employees. Furthermore, the management team had decided to stop with preventive maintenance, which, in the end, increased the production disruptions. This was a defective cost saving. Additionally, the management calculated the financial margins in an incorrect way. They declined low-margin orders that still would contribute to the whole productions’ fixed costs. In fact, the management team made it too easy for themselves and some units had no chance to become profitable under these circumstances. Additionally, the owner had no plan to do any further capital injections, which would impact the survival of the company.

Company 1 needed a new CFO with previous experience of accounting and liquidity problems. They decided to acquire Interim Manager A who has extensive experience within these fields, see Appendix 1.1, through an interim management service provider. Interim Manager A had all the knowledge and skills that Company 1 was looking for. They expected him to quickly manage the role without any major introduction.

Company 2

Company 2 is a small Swedish subsidiary business with a turnover of 200 million SEK that suffered from yearly losses of 30 million SEK. An authoritative abroad government owns Company 2. They wanted a quick turnaround in order to make the Swedish subsidiary profitable again. Furthermore, the employees urged the need for a turnaround. Several problems could be identified in the company: (1) the cost structure was inadequate, (2) some customers were unprofitable and, (3) the company structure was inadequate. As soon as the company experienced problems they decided to hire more staff, which did not work as a solution to the problems. Interim Manager B stated in the interview that when a company, such as Company 2, have experienced big losses for several years, the company is in a really bad shape and that problems kept occur no matter what stone he turned.

Company 2 needed an executive who could take on the role as CEO to solve the Swedish subsidiary's problem with major financial losses. The owners decided to acquire Interim Manager B who had extensive experience of quick turnarounds, see Appendix 1.1. They knew Interim Manager B through their own networks and connections and did not use an interim management service provider.

4.3. Diagnostic Phase

The first step when an interim manager enters the company is identified as the 'diagnostic phase', see figure 4.3 below.

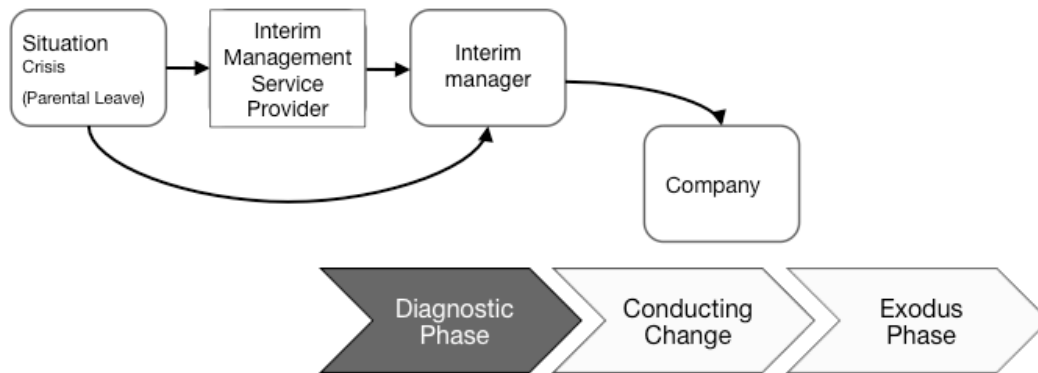


Figure 4.3: Diagnostic Phase

Our conducted interviews show that interim managers quickly diagnosed the situation during their first weeks in the companies. The interim managers' way of gathering the needed information for a proper diagnosis differs. Some interim managers wanted to see all financial information first while others started their diagnostic phase by talking to employees. Often a mix of information sources is used during this

phase and all interim managers have the ability to quickly diagnose the most urgent and vital problems to solve.

“The work is about seeing the whole picture and to understand what the challenge is: to convert problems to what they really mean and focus on the core issues. You have to do this, and you have to do it quickly.”
(Interim Manager G)

Company 1

When Interim Manager A entered the company, he analysed the liquidity issues and quickly found that they mainly originated from the production disruptions and the lack of preventative maintenance.

“I am not an expert on this and I didn’t have much knowledge about the industry, but I quickly understood that this was the core issue that had to be solved.”
(Interim Manager A)

Interim Manager A started his work in Company 1 by walking along the process flow in the factory and asked, as he stated it, all the ‘stupid’ questions. To gain a broader picture of the situation he combined this information with an analysis of the financials. This enabled him to see the relationship between the process flow and the financial situation that was crucial for his diagnose. According to the interviews, it was also important for Interim Manager A to communicate and listen to everyone in order to fully understand the situation and distinguish between big and small problems and what was the ‘make-it-or-break-it’ point. The gathered information was used to formulate the necessary actions and strategies.

According to the interviews in Company 1, Interim Manager A contributed with a working structure and the ability to ask the ‘right’ questions. He was new to the company and to the situations and he could see the core issues from a new perspective; he brought a new focus to the company. Furthermore, Interim Manager A quickly understood the magnitude of the issues. He knew what was urgent and what could be ‘put on hold’. This was a skill that the company lacked internally, but was crucial in this severe crisis situation.

Company 2

Interim Manager B started his work in Company 2 by analysing the financials. Thereafter, he had personal meetings with approximately 15 employees. This was done in order to have a large amount of data as a basis for his future decision-making and to establish relationships with the employees. This, according to Interim Manager B, enabled the employees to speak more openly about the issues they were facing. For Interim Manager B, communication is key. He had several meetings with the owners in the initial phase in order to understand their future outlooks and anchor his planned approach to deal with the core issues. Additionally, he constantly made sure that the board of directors and the employees were aware of his opinions.

“You always have to be transparent and tell everyone about the problems you identify. It is the company’s problem and then you have to work together to solve it.”
(Interim Manager B)

According to the interviews in Company 2, Interim Manager B provided the ability to quickly analyse the situation and find the core issues. He could see the core issues from a new perspective and he knew which approach was the most suitable to solve the most urgent issues. The company lacked these skills internally.

4.4. Conducting Change

The study shows that interim managers focus their efforts on the most critical issues in the companies in the ‘conducting change’ phase, see figure 4.4 below.

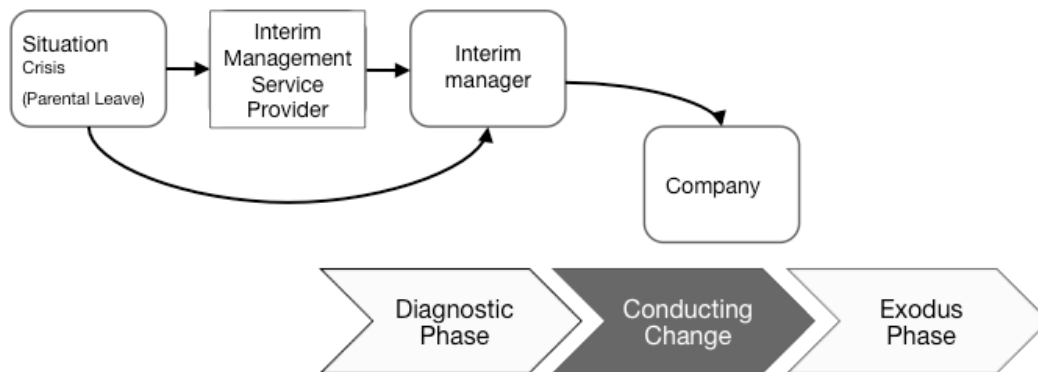


Figure 4.4: Conducting Change

However, the interim managers have different approaches in their work to conduct the necessary changes. Some interim managers emphasise the work with supporting and coaching employees while others stress the importance of building new structures and routines. Nevertheless, all interviewed interim managers urge the need for constant communication with key employees.

Company 1

As mentioned in the ‘diagnostic phase’, Interim Manager A realised that the production disruptions were a result of absent preventive maintenance. Thus, he worked hard, mainly together with the COO, to explain this issue to the rest of the management team and secure a bigger budget for the preventive maintenance expenses in order to stabilise the production. According to the interview with Interim Manager A, one of the biggest challenges was to make everyone aware of the core issues and the necessity for his proposed changes.

“I believe that he wanted to anchor all decisions in the organisation and have the board of directors full support. Even though he diagnosed everything quickly, he worked over a long time to convince others and bring them along.”
(Company 1(c))

Interim Manager A discussed all the proposed changes and decisions, such as dismissing staff, with the owners. When he came up with the solution to change the revenue model he had to overcome old habits of the CEO and other executives, mainly since the CEO built the model used. Through pedagogical simulations he created scenarios to show the executives why this model was inadequate and eventually his idea was accepted and later supported by other executives.

“This way of thinking was totally new for them and they found it difficult to accept until I showed them the faults of the old model through a simulation.”
(Interim Manager A)

Company 1 is a typical engineering company, and it was a challenge for Interim Manager A to explain the rationale of all necessary actions to the engineers. The engineers trusted him in finance-related matters. But, the engineers were sceptical to his knowledge and decisions in production-related issues and questioned his proposed investments in preventative maintenance. The CEO also questioned his proposed actions. However, the investment gained support from the COO. Company 1 (c) states that he, and the rest of the finance team, on a group level gained a broader understanding for how to think about investment decisions and production. According to Company 1 (a), Interim Manager A was persistent and worked with all parts of the company, both top management and engineers on the floor, to slowly change their habits and old way of thinking and make all parts co-work.

“It might sound silly, but it is so easy to drown in the details if you are constrained by old ways of working and old habit. I did not have this constraint in my way of working which made me see and hear things from a new angle and I tried to convert my view to the others in the organisation.”
(Interim Manager A)

In the end, Company 1 became profitable for the first time in approximately five years. The following four changes were made: (1) they stabilised the production by increasing the investments in preventive maintenance, (2) the budget for R&D expenses was tripled for the first time in Company 1’s history, (3) they changed the governance of the organisation, (4) they gave the sales department new mandates to lower the sales margins in order to increase the occupancy rate and (5) they started a dialogue with the owner in order to receive an additional capital injection. According to the interviews, these changes saved the company.

Company 2

Interviewees in Company 2 stated that Interim Manager B quickly took action to deal with the core issues. Interim Manager B was a very decisive CEO. For example, many employees were dismissed and the interim manager wanted the company to only focus on the most profitable transactions. The interim manager also realised that the financial numbers were incorrect, and decided to employ a new CFO. Moreover, Interim Manager B stated that he communicated the company goals to all employees and that he explained what actions had to be undertaken to succeed with the turnaround. However, all employees do not share this view. Company 2 (b) explained that the interim manager took many decisions without discussing it with the rest of the employees.

One key task for Interim Manager B was to motivate employees and instil faith and hope among the staff. They had to believe that the turnaround was possible. Together with the rest of the management team, Interim Manager B instructed the staff which tools that can be used in a turnaround situation. According to Company 2 (c), the interim manager was able to bring an outside perspective and communicate warning signals to the employees. According to some interviewees, Interim Manager B coached them and helped them to take the right decisions.

Interim Manager B and the newly appointed CFO stated that there was a lack of economical knowledge in the company. Many of the employees could not correctly analyse an income statement or a balance sheet. Thus, the management team started to analyse the result in the end of each month and constantly communicated the findings to the employees.

“The employees had to learn this. Many of them were thinking that I better learn this, otherwise I won’t understand what is going on.”
(Company 2 (a))

In the end, Company 2 changed their business systems in accordance to what the interim manager initiated, since the old ones were inadequate, whereas other initiatives could not be fulfilled due to the time limit. In the end, the organisation was restructured and a new strategic plan for the company was developed but not implemented. However, interviewees in Company 2 stated that the interim manager worked with short-term solutions and lacked the long-term perspective that the organisation needed.

4.5. Exodus Phase

When changes have been implemented, it is time for the interim manager to hand over the position to the successor in the ‘exodus phase’, see figure 4.5 below.

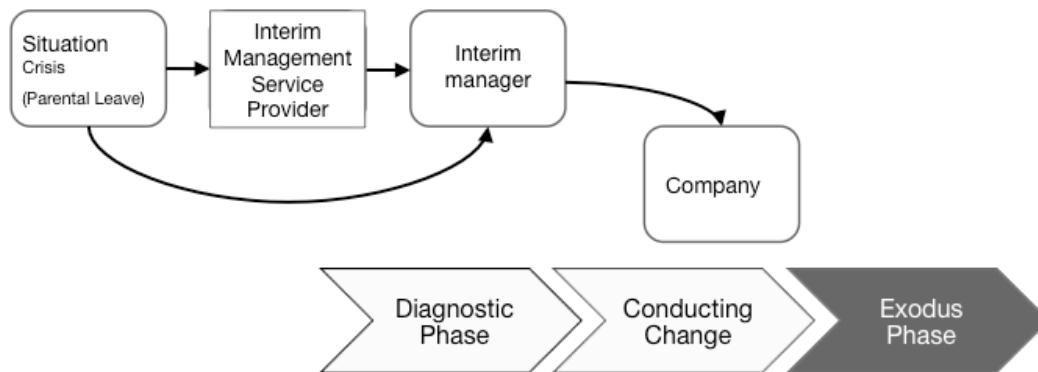


Figure 4.5: Exodus Phase

From the conducted interviews, the following dimensions of the handover can be identified: (1) many interim managers recruit their successors and then introduces the new manager to the position and discusses all the processes and challenges and, (2) the interim managers introduces new routines and structures that are most often documented and forwarded to the successor. However, from the conducted interviews we find that many of the initiatives are not taken over by the successor and/or the organisation.

“My job is not to come in, change it all, then disappear and see it all fall apart. If that happens you have not succeeded. You want everything to run smoothly even after the successor has taken over the role.”
(Interim manager C)

Company 1

In the exodus phase, Interim Manager A worked parallel with the newly appointed CFO for a couple of weeks. Hence, the successor had the possibility to ask key questions and understand the interim manager's perceptions and beliefs. Interim Manager A states that he wanted to have as many systems and structures as possible in place before leaving over to his successor. Company 1 stated that a majority of the initiatives were implemented and taken over by the successor and the organisation.

Company 2

According to Interim Manager B, the 'exodus phase' in Company 2 consisted of dialogue and a short formal handover between the successor and the interim manager. Contradicting, interviewee Company 2 (b) and (d) states that the handover was more of a 'here you go' character for the rest of the employees; there was no real documentation on how they should continue with their tasks in alignment with the conducted changes. After the handover, the successor communicated to the organisation that he intended to implement the strategies initiated by Interim Manager B. However, Interim Manager B is sceptical to what the future will bring for the company. He claims that he, during his contracted period, improved the organisational structure and employed skilled employees. However, according to him, for the organisation to fully succeed with the turnaround, the new CEO has to continuously implement the proposed changes.

5. ANALYSIS

This chapter analyses the empirical findings from Chapter 4. In this section, the conceptual framework will be used as a lens to analyse the relationship between interim management and organisational learning and the interim managers' effect on organisational learning. The analysis will be presented in the following order: (1) Organisational Crisis, (2) Knowledge Acquisition - Acquiring an Interim Manager, (3) Knowledge Conversion and Utilisation, (4) Change and, (5) Organisational Learning.

5.1. Disposition of the Analysis

The empirical findings are split up in the dimensions of the conceptual framework, see figure 5.1 below. Thus, the conceptual framework will be used to analyse the relationship between interim management and organisational learning and it will serve as a lens through which we analyse interim managers' effect on organisational learning in an organisational crisis setting.

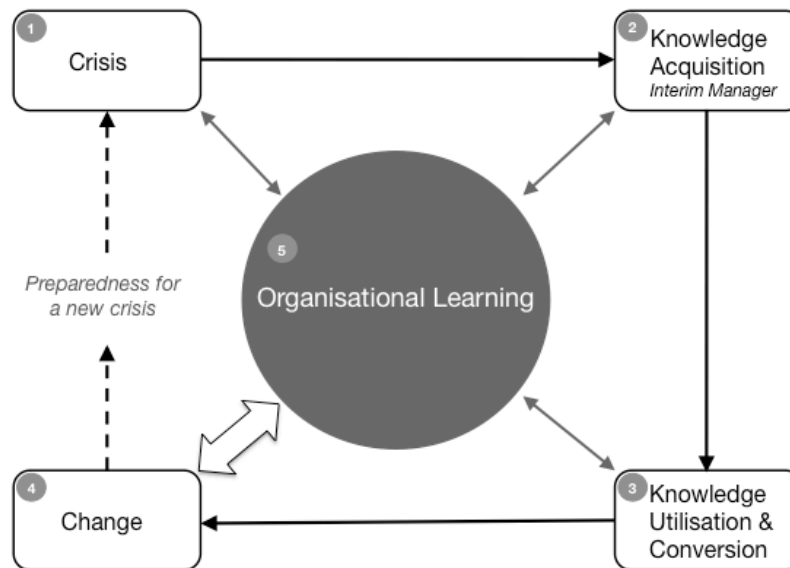


Figure 5.1: The Conceptual Framework

5.2. Organisational Crisis

Both of our case companies, Company 1 and Company 2, faced severe disruptions that induced serious threats to the survival of the organisations. These disruptions imposed severe strains in the financial and physical structures. Thus, the organisational crises had a high magnitude and required immediate attention. Both Company 1 and Company 2 needed to take action and make a turnaround to handle the scarce financial resources. Furthermore, Interim Manager B in Company 2 stated that no matter what stone he turned problems kept occurring, indicating that a crisis does not often occur in isolation but that a single crisis can cause a chain reaction. The empirics also show that organisations have to take the

threat of an organisational crisis seriously and that actions are needed. In our sample these actions had to be undertaken within a short time period. This supports the different dimensions of an organisational crisis stated in the literature review (Pearson, 1993; Pearson & Clair, 1998; Roux-Dufort, 2007; Wang, 2008; Moynihan, 2009). However, two dimensions of an organisational crisis were not supported in our data: (1) the element of surprise, and (2) that an organisational crisis is outside the organisation's complete control.

No company is immune from internal hard times. Company 2 faced declining performance due to an inadequate company structure and it is clear that strategic actions have to be taken, supporting previous research (Hofer, 1980). However, both Company 1 and Company 2 faced difficulties in resolving the crises, which supports research declaring the difficulties with crisis management (Burnett, 1998; Chong, 2004). Company 1, for example, had received several capital injections from the owner throughout the years due to major financial losses and defective cost savings, showing the inability to resolve the crisis. The strategic issues in both Company 1 and Company 2 had to be resolved to support the continued existence before any growth could be pursued, supporting Chong (2004).

5.3. Knowledge Acquisition - Acquiring an Interim Management

The empirics show that the studied companies facing severe organisational crises decided to acquire new knowledge by acquiring an interim manager. This was done in order to quickly manage the 'diagnostic phase' and find the core issues that the company had to deal with to become profitable. This is aligned with the assumptions that every crisis has a life cycle that can be influenced (González-Herrero, & Pratt, 1996). This shows that both companies had an existing knowledge gap and that they had to invest in knowledge acquisition to overcome the organisational crises rapidly. Due to the companies' inability to resolve the crises, it is also clear that they had to acquire an executive who could bring a new and outside perspective to the situation. According to all interviewees, this is the interim managers' key skill, and it is a result of their extensive experience from executive positions, often from a wide range of industries. This supports scholars suggesting that organisational crises often is preceded with heavy knowledge acquisition to overcome it in a short time period (Tushman & Anderson, 1986; Kim, 1998; Roux-Dufort, 2007). Adding on, in both cases the interim managers provided external knowledge resources that were less constrained by the companies' histories and old habits, providing support to Inkson et al.'s (2001) main drivers of the interim management industry.

Summarising, two distinct dimensions of knowledge acquisition by acquiring an interim manager are evident: (1) they often bring special knowledge that the company lacks internally, i.e. experience from turnaround situations, and (2) interim managers are less constrained by histories and old habits and thus have the ability to quickly analyse the situation, prioritise what actions need to be undertaken and quickly deliver positive results. This provides further support for the interim management market forces driving the industry (Inkson et al., 2001; Bruns & Kabst, 2005).

5.4. Knowledge Conversion & Utilisation

Several dimensions of knowledge conversion and utilisation have been identified in the different phases of the interim management process. In the 'diagnostic phase', a common pattern between Interim Manager A and Interim Manager B's interaction with Company 1 and Company 2 has been observed.

Interim Manager A started to walk around the process flow and asked ‘stupid’ questions whereas Interim Manager B had personal meetings with key employees in order to diagnose the situation. Thus, in the diagnostic phase, knowledge is being converted from employees to the interim manager. Tacit knowledge from employees is being transferred to tacit knowledge to the interim manager, showing the so-called socialisation conversion in the SECI model (Nonaka & Takeuchi, 1995).

In the ‘conducting change’ phase, the knowledge conversion is reverse. Knowledge is converted from the interim managers back to the employees. The interim managers utilise their new tacit knowledge in combination with their old knowledge gained from their previous experiences to make the necessary changes. In this phase, communication is key. For example, Interim Manager A worked hard to make employees and the board of directors understand the necessary actions and why they needed to be undertaken. Thus, Interim Manager A engaged, yet again, in socialisation, i.e. tacit knowledge was converted to the employees. The same pattern is identified in Company 2, where Interim Manager B constantly communicated the company goals and what actions that had to be undertaken for the turnaround to be a success. Furthermore, both Interim Manager A and Interim Manager B utilised their knowledge to set new systems and procedures in place. Accordingly, they took their tacit knowledge and made it explicit, engaging in externalisation according to the SECI model (Nonaka & Takeuchi, 1995). This, in turn, led to internalisation conversion since the employees got new tacit knowledge by engaging in the new ‘tools’. Consequently, strong support for socialisation, externalisation and internalisation has been identified in the SECI model in the ‘conducting change’ phase. In the end, Interim Manager A and Interim Manager B combined their new knowledge with their prior experiences and tacit knowledge to come up with actions and strategies, supporting Wang’s (2008) description of knowledge utilisation.

Socialisation conversion in accordance to the SECI model (Nonaka & Takeuchi, 1995) is also identified in the ‘exodus phase’ when the interim manager hands over to the company and the successor. For example, in Company 1, the interim manager and the successor worked parallel for a while in order to convert the knowledge from the interim manager to the successor. However, the knowledge conversion in the ‘exodus phase’ could have been improved in Company 2 since some employees felt the lack of a proper handover from the interim manager. Thus, knowledge conversion depends on active choices of the interim manager in the ‘exodus phase’.

To conclude, if initiatives are taken over and reflected upon, the interim manager’s tacit knowledge is convertible. But, according to our empirics, not all conversion dimensions are used to transfer knowledge. The combination conversion (explicit to explicit) in the SECI model could not be identified. Additionally, we find in our empirics that the interim manager’s willingness and motivation to share their prior knowledge play a vital role. This is a dimension that the SECI-model does not take into account.

5.5. Change

Both Interim Manager A and Interim Manager B conducted several changes and implemented new initiatives in order to save the companies. The empirics show that Company 1 have adopted the majority of these initiatives, indicating that learning took place. However, Company 2 have not carried out all changes that were initiated due to time constraints. Additionally, Interim Manager B was sceptical to if his efforts actually increased the knowledge base in the company and that the successor would adapt his

approach and initiatives. The last step in the conceptual framework is the change dimension. The changes and implementations in Company 1 and Company 2 indicate that learning has taken place since a change in behaviour or way of doing things has occurred, in accordance to Rose (1993) and Deverell (2009). However, not all changes are a result from learning. This is further developed in the following section, 5.6 *Organisational Learning*, to understand what changes that are connected to organisational learning in terms of single- and double-loop learning.

5.6. Organisational Learning

The developed conceptual framework highlights the importance of organisational learning throughout the whole interim management process. Thus, this section aims to tie together the analysis.

From the conducted interviews, we can conclude that the crises in Company 1 and Company 2 acted as learning triggers since changes and lessons occurred, which supports previous research stating that crises can act as stimuli to learning (Kim, 1998; Roberts & Lajtha 2002; Wang, 2008; Deverell, 2009; Huzey et al., 2014). The repeated financial losses, due to inadequate reactions, show that both companies repeated basic pre-planned motions. Thus, both companies demanded new understandings of causes, consequences and solutions and someone who could challenge existing practices, supporting previous literature (Moynihan, 2008; Drupsteen & Guldenmund, 2014). Both companies responded to the crisis by engaging in knowledge acquisition, i.e. acquiring an interim manager, suggesting that an interim manager can be a vital tool in resolving an organisational crisis.

In the ‘diagnostic phase’ our findings show how the interim manager, by engaging in socialisation and reviewing financial statements, gathers knowledge about the organisation to make an analysis of the situation. From this analysis the interim manager develops actions and strategies to solve the organisational crisis. Thus, in this phase, the interim manager governs the magnitude of the change that the organisation will engage in. We find that the magnitude of change differs between Company 1 and Company 2. Both Interim Manager A and Interim Manager B focused their efforts on the most critical issues, but the depth of the proposed actions varied. Interim Manager A aimed to solve the underlying causes to the production disruptions by investing in preventative maintenance, changing the revenue model and breaking old habits and mindsets. Interim Manager B, on the other hand, only touched the surface and mainly focused his changes on staff dismissals and direct measurements to the issues: to focus on the profitable transactions. Consequently, interim managers can, in the ‘diagnostic phase’, decide which learning-loop to engage in, i.e. if the organisation should follow the rules and improve existing systems or change the rules (Argyris & Schön, 1978; 1996). This makes interim managers into learning triggers.

Furthermore, within the ‘conduct change’ phase, the empirics evidence differences in employees’ reflection and engagement. Previous literature states that critical and deeper reflection is not a conventional response to organisational crises and that managers often resort to reflex reactions to threats (Deverell, 2009). This is identified in Company 2, where Interim Manager B did not explain actions and strategies to all employees, which limited their reflection of causes and effects. Interim Manager B decided to focus on the most profitable transactions and hampered reflection and experiences by not discussing all decisions with the rest of the employees. Additionally, Company 2

improved systems that already existed, followed existing rules and addressed only direct causes. Hence, learning was limited to the observed single-loop learning in Company 2, in accordance to Drupsteen and Guldenmund (2014). Contrasting, in Company 1, Interim Manager A involved the management team in critical decisions and worked persistent to make everyone in the organisation understand causes and effects. Interim Manager A diagnosed the situation to stem from the production disruptions that in turn was a result of the absence of preventative maintenance. He involved several key employees in the anchoring of appropriate solutions to the problems, emphasising reflection. Not only did he take time for reflection, he used simulations to change how to think about revenue, low-margin deals and occupancy rates. Thus, the governing variables were changed from only seeking 'profitable deals' to a new way of thinking about occupancy rates and production deals. Summarising, Company 1 had to reflect over previous actions and received new understandings and mindsets, showing tendencies for reflection driven by the interim manager. Thus, in Company 1, the steps of single-loop learning existed, but there were also tendencies of changes in the governing variables and addressing the underlying causes, showing that double-loop learning occurred.

Adding on, the empirics show that the top managements' ideas dominated in Company 1 and that Interim Manager A had to use simulation models to change old habits and bring new perspectives. Thus, the simulation models were used to 'unlearn' previously learned behaviours, past practices and to mitigate resistance to change. This is in line with previous literature stating that organisations must unlearn previous behaviours to establish new patterns (Nyström & Starbuck, 1984; Kim; 1998; Carmeli & Schaubroeck, 2008; Moynihan, 2008; Deverell, 2009). However, the unlearning dimension was not visible in Company 2.

To summarise organisational learning, the concept of being a learning organisation originates from experience-based learning and the learning loops (Schwab, 2007). Thus, loop learning, as discussed above, is a criterion to become a learning organisation. However, this requires continuous reflection upon experiences, which is a never-ending process (Swieringa & Wierdsma, 1992; Kearns, 2015). In Company 2, Interim Manager B focused his efforts on solving immediate issues, giving no opportunities for the employees to interact, reflect and develop shared mental models. This constrained Company 2's ability to develop its learning capabilities. In contrast, Interim Manager A in Company 1 anchored his initiatives with the rest of the management team and worked hard to make everyone understand the necessary actions and why they had to be undertaken. Thus, Company 1 observed, assessed and acted upon crises in an interactive way, indicating that they enhanced their capability of being a learning organisation. Consequently, one of the characteristics of being a learning organisation, in accordance with Jones (2001), can be found during the interviews; time for sharing questions and reflections. However, we cannot imply any more characteristics due to the limited observation time.

6. RESULTS & DISCUSSION

This final chapter summarises the thesis by addressing the research questions and observations beyond the research question. Thereafter, the conceptual framework will be revisited and results discussed. Finally, the theoretical contribution, limitations to contributions, directions for future research and managerial implications are presented.

6.1. Addressing the Research Question

The empirical findings have been analysed through the lens of our developed multidimensional conceptual framework to gain a deeper understanding of the relationship between interim management and organisational learning. By summarising the answers, and by comparing our findings to the conceptual framework, we can provide a holistic view of the effect interim managers will have on organisational learning and provide an answer to our research question:

“How will interim managers affect organisational learning in times of an organisational crisis?”

Interim managers affect organisational learning by engaging in single- or double-loop learning by acting as learning triggers. This is based upon their route of action that in turn shifts the way in which strategies and consequences are framed. The studied interim managers have searched for strategies both within the action strategy and governing variables in the model of learning loops (Argyris & Schön, 1978; 1996). In other words, interim managers can choose to either follow the rules or to change them. Thus, interim managers can overcome the paradox between interim managers’ short-term turnaround focus and the never-ending process of organisational learning. However, the severity of the organisational crises and the necessity to quickly conduct changes may impose constraints to how much interim managers affect organisational learning.

The interim manager will trigger learning by engaging in different forms of knowledge conversion and knowledge utilisation in accordance to the SECI model (Nonaka & Takeuchi, 1995). In the first phase of the interim management process, knowledge is converted from employees in the company to the interim manager. In the later phases, the conversion is reversed from the interim manager back to the employees, which will result in necessary actions and strategies.

Adding to the above, our findings evidence that there is a challenge for interim managers to be able to effectively apply the unique types of learning to their appropriate situations. During the strained situation that an organisational crisis imposes, opportunities for organisational members to interact, reflect and develop shared mental models are necessary for learning to occur. Thus, while keeping the battered ship floating and sailing at the same time, the interim manager also have to learn the men/women to sail without him/her as a skipper. If not, the interim manager will have limited effect on organisational learning.

Furthermore, interim managers' effect on organisational learning also depends on the organisations' willingness to learn from the interim manager. In some cases, the organisations might also have to unlearn learned behaviours, past practices and old habits to establish new patterns. Organisations have to recognise and remove the barriers to organisational learning in order to release the vital benefits it brings. Thus, being able to work with some of the 'stuckness' is one part of what organisational learning is about. It takes a strong belief in learning from both parts, the interim manager and the company, to embrace the potentials of learning. Otherwise, the effect on organisational learning will be hampered and lessons learned lost if the organisational mindset throughout the interaction does not support it.

6.2. Observations Beyond the Research Question

Since research regarding interim management is in a nascent stage, observations beyond the research question are presented to provide further insights to the black box of interim management. We found indications from our observations that the organisational need for interim managers seems to be cyclical. Organisational crises occur frequently and with severe implications. However, all crises differ. Hence, there are great chances that the needed knowledge to survive the specific crisis is not provided in-house and has to be acquired, i.e. organisations will continuously face the need for acquiring an interim manager. Concluding, there is a cyclical factor creating a constant need for interim management services. A new crisis will require a new type of interim manager with a new set of skills to bridge the knowledge gap.

Furthermore, we also observed that the senior executive interim manager could become a calming factor for an organisation in a crisis. The interim manager is often more experienced than the position demands and often has extensive experience from similar exceptional situations. Thus, he/she can act rational in a strained situation where other manager and employees are stressed about the company's survival.

6.3. Revisiting the Conceptual Framework

As stated in section 5. *Analysis*, the different parts of the interim management process can be connected to different parts of the developed conceptual framework. Consequently, in this section, the conceptual framework is revisited to show the relationships that have been identified, see figure 6.1 below. The revisited framework highlights which part of the original framework that interacts with and drives the interim management process in an organisational crisis setting. Consequently, we yet again stress that organisational learning is vital in every stage.

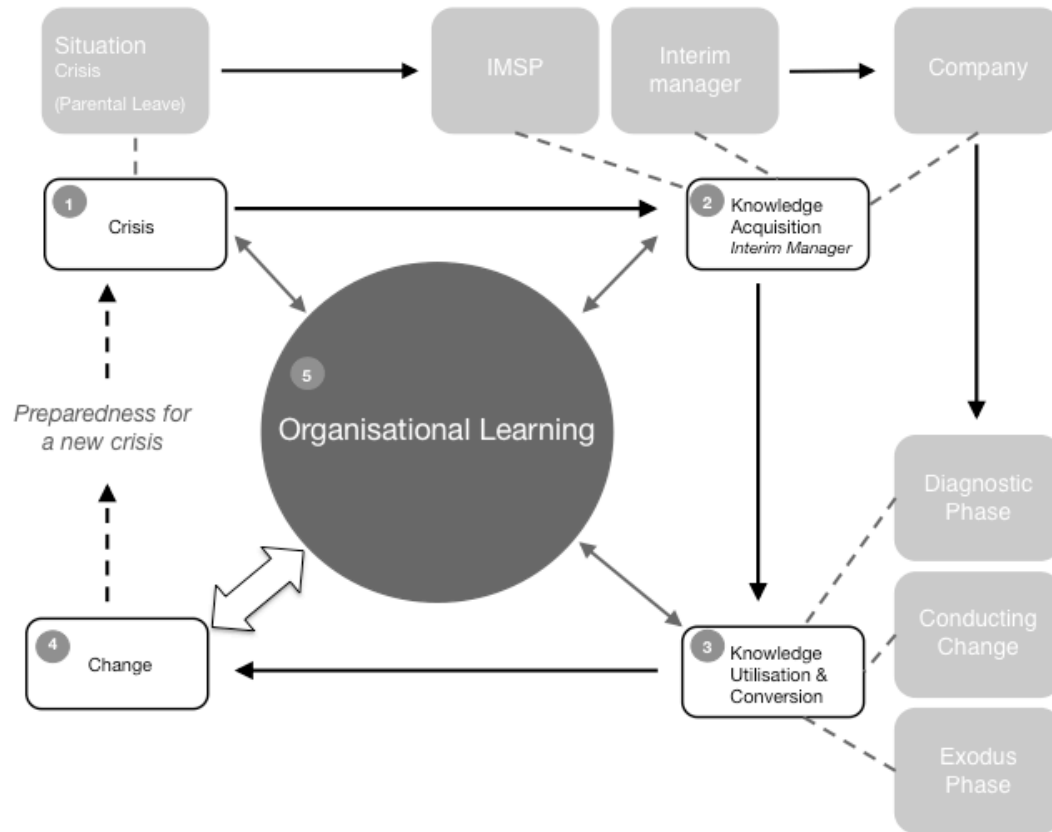


Figure 6.1: The Revisited Conceptual Framework

6.4. Discussion of Results

We refrained from any subjective interpretations when analysing the empirical findings and tried to describe the situation ‘as is’ and provided explanations that were empirically driven. In this section, we will discuss and interpret several results beyond the frame of our research question and conceptual framework.

First, in the analysis, several dimensions of an organisational crisis were evident. However, two dimensions were not identified: (1) the element of surprise, and (2) that a crisis is outside the organisation’s complete control (Pearson, 1993; Pearson & Clair, 1998; Roux-Dufort, 2007; Wang, 2008; Moynihan, 2009). This can be a result of our sample that focuses on organisational crises that are evoked by internal factors, such as inadequate company structures or incorrect ways of managing the company. The two unidentified dimensions are probably more likely to be identified when the crisis stem from external sources, such as hurricanes, earthquakes or macroeconomic disasters. Naturally occurring crises are fundamentally different in that organisations have little or no control over them. These crises are by nature unexpected, increasing the element of surprise.

Second, when analysing the knowledge conversions according to the SECI model, all types of knowledge conversion were identified except combination; combining and processing different types of explicit

knowledge from all parts of an organisation to create new explicit knowledge (Nonaka & Takeuchi, 1995). One possible explanation that this dimension was not observed is the nature of the interim management process. Interim managers are acquired since they bring special knowledge and experiences that the company lacks internally. Thus, they constantly use their tacit knowledge in some way throughout the whole process. It is possible that employees combine different bodies of explicit knowledge and create new explicit knowledge. But, since this study focuses on how interim managers' affect organisational learning, this has not been investigated.

Third, the unlearning dimension was identified in Company 1 but not in Company 2. Adding on, only Company 1 engaged in double-loop learning. Thus, maybe unlearning has to occur before the necessary reflection takes place. Double-loop learning demands a deeper exploration and reflection of the underlying causes for the situation (Argyris & Schön, 1978; 1996). Thus, one can question whether unlearning, i.e. unlearn learned behaviours and past practices (Nyström & Starbuck, 1984; Kim; 1998; Carmeli & Schaubroeck, 2008; Moynihan, 2008; Devereil, 2009), is a prerequisite for double-learning to occur.

Finally, when it comes to the characteristics of being a learning organisation (Jones, 2001), evidence of regular and varied opportunities for sharing questions and reflection were identified. The other characteristics; (1) having an organisational culture that encourages questions by all employees; (2) development of the skills of critical reflection; (3) continuous search for opportunities for learning; (4) taking actions based on such learning; and (5) critical reflections on the outcomes of actions; were not fully identified in our study. One can argue that without an organisational culture encouraging questions, trial and exploration by employees, no learning will occur. It is likely that these characteristics of being a learning organisation were unidentified due to the time limitation of the study. Analysing an organisation's culture, for example, requires a different methodology. Furthermore, another possible explanation may be the nature of the interim management process itself, where the severity of the crises means that interim managers aim is to quickly analyse the situation and conduct the necessary changes, which imposes constraint to how much the organisation will learn discussed in section 6.1 *Addressing the Research Question*. Additionally, if the interim manager does things for the employees they cannot learn; the employees have to do it themselves and learn from that experience.

6.5. Theoretical Contribution

This study contributes to the existing literature in a number of ways.

First, previous research of interim management has mainly focused on the flexibility of the firm (Inkson et al., 2001; Bruns & Kabst, 2005) and firm performance before and after the use of an interim manager (Shen & Cannella, 2002; Karaevli, 2007; Ballinger & Marcel, 2010). To our knowledge, no previous study has focused on the relationship between interim management and organisational learning. Consequently, findings in this paper add to the current literature and research by stipulating how interim managers affect organisational learning by shedding light on the different phases of the interim management process. The study captures the dynamics between interim management and organisational learning. It clearly displays the nonlinear and interconnected nature between these two areas imposing an interesting paradox between the long-term perspectives of organisational learning and the short-term nature of the

interim managers' tasks. The interconnected nature adds to literature by making both organisational crises and interim managers into learning triggers, since interim managers set the course of action. Additionally, this support future research on interim managers' effect on organisational learning by contributing a research design that enables this to be studied. The qualitative study allowed researching a process that is otherwise hardly accessible. We hope that the proliferation of this design in the future can encourage more empirical and more concurrent research of interim management.

Second, previous research states that many organisations invest in the acquisition of new knowledge to overcome organisational crises and that knowledge can be obtained in multiple ways (Tushman & Anderson, 1986; Kim, 1998; Roux-Dufort, 2007). Our study produced findings that describe how this can be done through the acquisition of an interim manager and how they, consciously or unconsciously, work with knowledge conversion and utilisation in the organisations to solve the crisis as quickly as possible. Additionally, our study contributes to the SECI-model (Nonaka & Takeuchi's, 1995) by showing that only three conversion modes are apparent during the interim management processes in an organisational crisis setting. The combination conversion mode (explicit to explicit) is not evident during this interaction, indicating the influence of the situational factor.

6.6. Limitations to Contributions

The study contains a number of limitations that we want to acknowledge and bring attention to. This is done to enable correct interpretation of the empirical results of the study.

First, the data sampling and methodology contains limitations. The qualitative design of two cases imposes limitations of generalisability. We cannot ensure generalisability of the findings for the whole interim management market. Since our sample was of 24 Swedish interviewees, this implies a geographical limitation of the generalisability to the Swedish market. The study have included several interim managers with experiences from several companies and settings, therefore, some situation-specific biases have been eliminated by being able to confirm or contradict data between interim managers. Adding on, the interviewed employees have different professional positions. This enabled perspectives spanning throughout the whole organisation, increasing the likelihood that the observations would be observable in other settings with other conditions. However, we want to acknowledge the limitation of the study not being statistically driven.

Second, we have limited our literature to models and concepts that have gained most peer-reviews and recognition. Thus, this limited us from the more contemporary research about learning that may not have gained as much peer-review or recognition. Hence, we want to acknowledge this limitation.

Third, we only studied the companies post the organisational crisis. Thus, we have not been able to follow the two companies interaction with their interim managers during the whole process in real time. We were only able to observe the interviewees perceptions about the interaction. Hence, the experiences and situations are bound to several individuals' perceptions and can be subject to post-rationalisation from the interviewees. Thus, we cannot guarantee that no post-rationalisation have occurred or affected the observations.

Finally, we have focused on learning of the organisation as a whole. Learning can take place on two levels: (1) individual level, and (2) organisational level (Kim, 1998). Therefore, the scope of the presented literature does not take individual levels of learning into account in greater depth. Thus, some individuals might have learned from the crisis even if the organisations' learning is limited.

6.7. Directions for Future Research

Since the current state of theory regarding interim management is at a nascent state, there is great potential for future research within the field. Organisational learning, on the other hand, is a well-developed research field. However, the connection between interim management and organisational learning is new. Thus, we would be thrilled to see more research within this field since we believe that it would be rewarding.

This study has showed how interim managers affect organisational learning. However, to be able to generalise the results in greater depth and understand the driving forces behind learning, we encourage future studies to adapt our conceptual framework and investigate the results in quantitative measurements. This would generate more knowledge to the dynamics of interim management and the organisation within these arrangements.

Another study we recommend is to analyse what is needed from the organisation to improve organisational learning when acquiring an interim manager. Our study suggests that interim managers' effect on organisational learning also depends on the organisations' willingness to learn from the interim manager. However, the study gave no answers to what characteristics make organisations more prone to learn. All organisations differ. Consequently, their learning behaviour should differ. Therefore, there is a great possibility that different characteristics can moderate the learning curves.

As mentioned in sector 6.5 *Limitations to Contributions*, we have only investigated the geographical market of Sweden. Organisational cultures can be affected by cultural differences. Thus, it would be interesting to investigate if the cultural factor affects the results of how interim managers affect organisational learning. Some nationalities might be more prone to learn from a temporary leader than others.

Our conceptual framework touches upon the crisis preparedness parameter as a result from the conducted changes. However, due to constraints and limitations, this dimension has not been tested. Thus, we would be thrilled to see future research elaborating on this factor. Does a change during these organisational crisis settings make the organisation more prepared for a future crisis, or does lessons learned during these settings disable the organisation to react upon next crisis stimuli?

Last, previous research show that top-managers sometimes need to unlearn previous behaviour to establish new patterns (Nyström & Starbuck, 1984; Carmeli & Schaubroeck, 2008; Moynihan, 2008; Deverell, 2009) and that reflection is rarely a conventional response to crises (Deverell, 2009). However, since the interim manager does not have connections to the company history he/she can be the force that disconfirm past ideas and be the 'voice' of change, in accordance to Nyström & Starbuck (1984). We found indications in our sample that the interim manager can act more rational and 'calm the employees down' during organisational crises. However, we cannot draw any further conclusions regarding this.

Thus, we believe that the field of interim management and organisational learning would benefit from more in-depth research regarding this.

6.8. Managerial Implication

This paper can provide insights to the topic and its complexity. However, we cannot provide recommendations on how to specifically work with organisational learning in practice. Therefore, we can only help managers, interim managers and interim management service providers to better understand the importance of emphasising organisational learning in all parts of the interim management process. By adapting our conceptual framework, we propose that more considerations should be given the difficult task of learning and that everyone involved should emphasise reflection.

We believe that the organisation plays a vital role in the dynamic relationship between the organisation and the interim manager. The interim manager must be willing to convert his/her knowledge to the organisation and the organisation must have the willingness to learn. Thus, when initiating these processes it might be beneficial to draw attention to the organisation's willingness to learn from the interaction. Implying that during the phases of choosing an interim manager for a company, consideration can be placed on the organisations propensity to learn from the interactions.

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APPENDICES

APPENDIX 1 - PERSONA DESCRIPTIONS

Appendix 1.1. Group B – Interim Managers

Group B Interim Managers	Gender	Education	Background
Interim Manager A (Company 1)	Male	Degree in Business & Economics.	Started as a consultant at McKinsey. Has gained experience as CEO and CFO, both nationally and internationally, in a wide range of industries.
Interim Manager B (Company 2)	Male	Degrees in Physics and Business & Economics	Started as a consultant. Thereafter he has gained experience as an executive in a wide range of companies. Is now working full-time as an interim manager, mainly in industrial companies.
Interim Manager C	Male	N/A	Has extensive CFO-experience, both as employed and as a consultant. Acts as interim CFO, CEO, COO etc.
Interim Manager D	Male	Degree in Business & Economics	Has experience from working with corporate valuation advisory services and as CFO.
Interim Manager E	Male	Degree in Engineering	Started his career working with capital efficiency and Lean. Thereafter he worked with revenue efficiency. Since 2000, he has been working in several projects as an interim manager.
Interim Manager F	Female	Degrees in Ethnology and Marketing	Communication, marketing and information consultant and contractor with many years of leadership experience from the cultural and municipal sectors.
Interim Manager G	Female	Degree in Organisational Behaviour Management	Senior HR-consultant with in-depth experience as HR-director/HR-manager in multiple business sectors, mainly complex international companies going through major changes.
Interim Manager H	Female	Degree in Economics	Experience from several different positions such as accountant, consultant, CIO and CFO.

Table A1: Description of Interim Managers

Appendix 1.2. Group C – Companies

Group C Companies	Gender	Position	Background
Company 1 (a)	Female	HR-director	Has worked as HR-director at Company 1 for 4 years.
Company 1 (b)	Male	Production Leader	Worked in the production function for several years before he became the production leader of an important area in 2010.
Company 1 (c)	Male	Business Controller	Has worked with treasury issues and business controlling at Company 1 for 9 years.
Company 1 (d)	Male	Business Analyst	Started his career as business analyst in Company 1 in 2011.
Company 2 (a)	Female	CFO	Has previous experience from several finance departments in large Swedish corporations.
Company 2 (b)	Male	Head of Production	Has worked within the industry since the 1980s in several different positions. Started his work at Company 2 a couple of years ago.
Company 2 (c)	Male	Business Controller	Has worked within the finance department in various positions, mainly as a business controller.
Company 2 (d)	Male	Technician	Has extensive experience as a technician from several different companies. Joined Company 2 in 2008.

Table A2: Description of Company Employees

Appendix 1.2.1 Company Descriptions

Company Descriptions	Industry	Turnover and P/L	No. Employees	Background	Owner Structure
Company 1	Manufacturing Industry: Machines	320 MSEK, (40) MSEK	184	The Company manufactures and sell steel, iron products and mineral. They own and manage movable and immovable property and securities and other related operations.	Owned by a Private Equity fund, private and not on any stock market
Company 2	Service Industry: Aviation	170 MSEK, (25) MSEK	111	The Company buy, sell and lease aircrafts and aircraft components. Thereof, movable property and engage in air movement, repair and service business and other associated activities.	Abroad government

Table A3: Description of Company 1 & Company 2

Appendix 1.3 Group D - Experts

Group D Experts	Gender	Background
<i>Leadership expert</i>	Female	Author of 3 leadership books. Support leaders with lectures, education and coaching.
Otto Granberg (<i>Organisational learning expert</i>)	Male	Ph.D. researcher, organisation consultant, textbook author and lecturer.

Table A4: Description of Experts

APPENDIX 2 - INTERVIEW TEMPLATE

Appendix 2.1. Interview Template Group A - IMSP

Interview Template

We are conducting a study with the focus on interim managers and their interaction with companies during their work. All answers will be handled carefully and you are completely anonymous. We will ask you a series of questions and afterwards we can answer your questions and explain more about the purpose of the study if you are interested.

Name:

Company name:

Focus on situations where a company has contacted your firm to acquire an interim manager to solve an undesired situation, such as a crisis or turnaround.

- 1) Describe what a 'typical' assignment look like? (Time, scope, contact with employees etc.)
- 2) How does the initial work for the interim manager look like when they enter the company?
- 3) How does their continued work look like?
- 4) What type of knowledge and experiences do interim managers contribute with?
- 5) What are the difficulties connected to an interim management assignment?
- 6) How does the handover period look like?
 - a) Handover to successor?
 - b) Follow up with the client?
 - c) Uncertainties?
- 7) How is knowledge created and does it "stay" in the company when the interim manager leaves?
- 8) 'Fire extinguisher' or 'fire safe proofing' the company? Are core-problems attacked or does the interim manager only brush the surface?

Appendix 2.2. Interview Template Group B - Interim Managers

Interview Template

We are conducting a study with the focus on interim managers and their interaction with companies during their work. All answers will be handled carefully and you are completely anonymous. We will ask you a series of questions and afterwards we can answer your questions and explain more about the purpose of the study if you are interested.

Name:

Company name:

Education:

Background:

- 1) What is your current assignment? (Position, scope, time etc.)⁶
- 2) Why did the company need an interim manager?
- 3) Can you describe how you got the assignment? What criteria were you chosen on?
- 4) What type of knowledge and experience did you contribute with?
- 5) How did the initial work in the company look like?
 - a) What needed to be changed?
 - b) What were the key problems or questions that needed to be handled?
- 6) How did the work continue? What changes did you initiate and how?
- 7) How did you work to transfer your knowledge to employees in the company?
- 8) How did the last time of the assignment look like?
 - a) Where your knowledge and initiative carried on by the company and your successor?
 - b) How did the handover process look like?
- 9) Were there any follow ups?
- 10) Will the company have any advantage from what you did in future crisis/turnarounds?

⁶ If we asked about Company 1 or Company 2 the question was framed toward the interim manager's specific assignment.

Appendix 2.3 Interview Template Group C - Companies

Interview Template

We are conducting a study with the focus on interim managers and their interaction with companies during their work. All answers will be handled carefully and you are completely anonymous. We will ask you a series of questions and afterwards we can answer your questions and explain more about the purpose of the study if you are interested.

Name:

Company name:

Position:

Background:

- 1) Why did your company need an interim manager?
- 2) How did your contact with the interim manager look like?
- 3) What experience and knowledge did the interim manager bring to the situation?
- 4) How was it to work with an interim manager? Any challenges/difficulties?
- 5) How did the interim manager work in the initial phase of his/her assignment?
- 6) How did he/she continue his/her work in the company?
- 7) How did the interim manager's decision making process look like? Did you understand why he took particular decisions?
- 8) How did the handover look like?
- 9) Did the knowledge stay in the company after the interim manager left?
 - a) Did you learn anything from him?
 - b) Did you feel that he tried to learn you things?
- 10) Where the changes and initiatives carried on?
- 11) Problems that arose - Did the interim manager change things that was core to the problem or did he only change the problem?

APPENDIX 3 – DATA ANALYSIS

Date	Interviewee	Verbal Protocol	Key Words	Code	Sub-Code	Category
09-04-2015	IM A	"The most important thing is to have good preventative maintenance. The company lacked this, which resulted in production disruptions. It worked fine in the beginning but eventually you will have disruptions and in the end everything will fall apart. Then nothing will work."	Preventative maintenance; production disruptions; fall apart	Crisis	Org. crisis (1)	Need for taking action (1:4)
09-04-2015	IM A	"I could quickly understand what could be categorised as 'small' and 'big' issues and what had to be in place in a short-term perspective and what could be 'put on hold'. The company lacked this ability internally and they needed it in this tough situation."	Understand; Lacked ability internally; Needed	Acquire IM	Knowledge acquisition (1); Driver (2)	Overcome crisis (1:3); Prioritisation (2:5)
09-04-2015	IM A	"I walked around and listened and heard that we had no chains to turnaround. As long as we don't increase the volume we won't become profitable. Since I brought my biggest pair of eyes and ears and I could pick up these signals."	Listened; Pick up signals	Diagnose	Information Source (1); Knowledge Conversion (2)	Communication (1:1); Socialisation (2:1)
09-04-2015	IM A	"The signals were there but the management team had previously rejected them as complaints. I could pick them up and present them in a different way. I presented them both verbally and on paper. I had to find other tools and used a simulation exercise. I packed everything in a different format and explained the reality and said that if we don't change this, this will happen. Eventually the penny dropped and they changed their mind."	Rejected; Simulation; Paper; 'Eventually the penny dropped'	Change	Barriers (3); Reflection (4); Knowledge Conversion (2)	Unlearning (3:1); Continuous (4:1); Externalisation (2:2)

Date	Interviewee	Verbal Protocol	Key Words	Code	Sub-Code	Category
09-04-2015	IM A	"I used different pedagogical tools to show them the effects of accepting orders with a negative profit margin. It was completely new for them and they didn't accept it until I showed calculation examples. The result was that we changed the governing of the company and the sales team got new mandates to lower the sales margins and thus we could increase the production occupancy, which is the only way to become profitable."	Pedagogical tools, accept it, change	Change	Reflection (4); Implementation (1)	Continuous (4:1); Double (1:2)
09-04-2015	IM A	"My successor entered the company in Mars and we had a months handover. We sat together for many hours and I told him about my perspective and I tried to do this in a good way."	Successor, handover	Exodus	Knowledge Conversion (2)	Socialisation (2:1)
28-04-2015	C1 (a)	"The interim manager was very competent. He had a long list of relevant previous experiences. The interim manager was acquired since he had special knowledge that we searched for."	Competent, experiences, knowledge searched for	Acquire IM	Knowledge Acquisition (1); Driver (2)	Experience (2:1); Specialist skills (2:3)
28-04-2015	C1 (a)	"He was quickly able to understand the core issues. But, you have to be clear from the beginning what the mission is about when acquiring an interim manager."	Quickly understand core issues	Acquire IM	Driver (2)	Speed (2:4)
04-05-2016	C1 (b)	"He constantly tried to increase the knowledge in the company by talking to everyone. He knew that his mission was time constrained and that a successor would take over. I think it was in his interest to do this."	Increase knowledge, talking, everyone	Change	Knowledge Conversion (2)	Socialisation (2:1)
08-05-2015	C1 (c)	"He came in with a focus that was different from the one we previously had. He was used to turnarounds and was able to put focus on the most critical issues."	Different focus, used to turnaround, focus on critical issues	Acquire IM	Driver (2)	New perspective (2:6); Specialist skills (2:3); Prioritisation (2:5)

Date	Interviewee	Verbal Protocol	Key Words	Code	Sub-Code	Category
08-05-2015	C1 (c)	"I think he wanted to anchor his decisions and get the rest of the management team with him. Even if he quickly diagnosed the situation it was challenging for him to convince everyone else. I think he didn't feel that he had the full mandate to make all the changes that he wanted in the beginning. He really wanted all employees with him."	Anchor, challenge to convince, changes	Change	Barriers (3)	
21-04-2015	IM B	"A classical turnaround case. A small company, turnover of 200 million kronor and lost 30 million the last years"	Lost 30 million	Crisis	Org. crisis (1)	High magnitude (1:1)
21-04-2015	IM B	"They chose to throw me in the company since they had become tired. The company had drained money for so long time. They needed somebody to come in and handle the situation quickly"	Throw me in; Handle the situation quickly	Acquire IM	Knowledge Acquisition (1)	Overcome crisis (1:3)
21-04-2015	IM B	"First, quickly, check the numbers then out and talk to the employees. I talked to, about 10 to 20 people during the first week. I tried to talk to people, but I have to admit, they thought I was scary during the first two weeks.. I mean I was the butcher that was there to change the situation.."	Check numbers; Talk to people	Diagnose	Information (1); Knowledge Conversion (2)	Communication (1:1); Financials (1:2); Socialisation (2:1)
21-04-2015	IM B	"No matter what stone I turned, problems kept occurring."	Problems kept occurring	Crisis	Org. crisis (1)	Chain reaction (1:6)
21-04-2015	IM B	"I communicated the change and tried to explain what we had to do, you can't do everything yourself. You have to work with the people to do the change, don't just forcefully instruct.. Point toward the goal and make people go there."	Communicated; explain; work with people to change	Change	Knowledge Conversion (2); Implementation (1)	Socialisation (2:1)

Date	Interviewee	Verbal Protocol	Key Words	Code	Sub-Code	Category
28-04-2015	C2 (a)	"He has experience from so many places, he came and he quickly made up his mind about what to do in this situation"	Experience; Quickly made up his mind	Acquire IM;	Driver (2)	Experience (2:1); Speed (2:4)
28-04-2015	C2 (a)	"He removed some people and focused on the profitable transactions, that he needed to explain to people. Then he also reviewed the tools that we used, but he was only here during a few months so we were only able to prepare these things. We never got the time to implement it."	Removed; Reviewed tools; Never time to implement	Change	Knowledge Conversion (2); Knowledge Utilisation (5)	Socialisation (2:1); Actions and strategies (5:1)
04-05-2015	C2 (b)	"Decisions were just taken, then the rest of us just went along with it, at least I think that is how it went. Especially in the beginning with the staff, I mean.. There were a lot of important issues that had to be taken to really shift the focus... That never happened"	Decisions; Just went along; Important Issues	Change	Knowledge Utilisation (5)	Actions and strategies (5:1)
04-05-2015	C2 (b)	"There were no "real" documentation or handover... more of a "here you go"."	No documentation/ handover	Exodus		
08-05-2015	C2 (c)	"Some things are not fully done, he did not have time to change everything. When, or if, they will be implemented then I guess it will be a success if the old style of working don't come back... As long as the new CEO continues working with these things, I think it will be good."	Not have time; Implemented; Continues working	Change	Implementation (1)	
08-05-2015	C2 (c)	"It was mostly polishing the furnish. The actions were not really derived from what happened if you ask me... "	Polishing the furnish	Change	Implementation (1)	Single (1:1)
29-08-2015	C2 (d)	"It was...I did not really understand some things... we just, I mean, we just tried to deliver a result..."	Not understand; Just deliver result	Change		

Date	Interviewee	Verbal Protocol	Key Words	Code	Sub-Code	Category
20-04-2015	IM D	"The previous CFO had left the company due to several tough years. They had to find a quick solution and decided to hire me. It is difficult to hire a new CFO to a company that is on the verge to bankruptcy."	Quick solution; Hire me	Acquire IM	Driver (2)	Flexibility (2:2)
20-04-2015	IM D	"I have previous experience form a similar situation in a similar company. I had all the criteria they were looking for."	Previous experience; Similar; Criteria	Acquire IM	Driver (2)	Experience (2:1); Specialist skills (2:3)
20-04-2015	IM D	"When you sit and discuss how to solve the problems everyone always says "we have tried this before but it didn't work so why will it work now" but we have to try to understand why things aren't working so we won't do the same mistakes again."	Try to understand; Won't do the same mistakes	Change	Reflection (4)	
20-03-2015	IM C	"I can't change everything. That would take several years. I try to do the things that gives the highest effect or focus on the most critical problems. Then you will get the biggest differences."	Change; Highest effect; Critical problems; Biggest differences	Change		
20-03-2015	IM C	"I decided to have meetings with all the regional managers. I sat with each of them for two hours and talked to them. I noticed that what they said was not good enough, they had to redo their homework, and then we had a new meeting."	Meetings; Talked	Diagnose	Knowledge Conversion (2)	Socialisation (2:1)
20-04-2015	IM G	"I could quickly prioritise and see where to focus all the efforts. It is probably typical for interim managers."	Quickly prioritise; Focus efforts	Acquire IM	Driver (2)	Prioritisation (2:5)
20-04-2015	IM G	"I worked against the rest of the management team and tried to made them understand this function and how it can benefit them. They understand this much more now after my year at the company. There are strategies that my successor can continue to implement. He or she has to build all the relationships but the understanding already exist."	Worked against; Tried to made them understand; More; Exist	Change	Reflection (4); Implementation (1)	Continuous (4:1); Double (1:2)

Date	Interviewee	Verbal Protocol	Key Words	Code	Sub-Code	Category
24-04-2015	IM F	"When I left the company they had a new communication function and a plan for a new communication platform. All the tools and the staff were there when I did my handover. It was like: here you go!"	Left; New function; Plan platform; Handover	Exodus	Knowledge Utilisation (3)	Actions and strategies (3:1)
24-04-2015	IM F	"I explained for the employees that I would leave the company and I said to them that you have to continue with certain things and here is the documentation from my work here. I always document everything."	Explained; Leave; Document	Exodus	Knowledge Conversion (2)	Socialisation (2:1); Externalisation (2:2)
21-04-2015	IM E	"I had to leave the company a bit too early because of another job. This means that the initiatives not have been taken over as much as I hoped for."	Leave; Initiatives not taken over	Exodus		
21-04-2015	IM E	"I emphasised the need for coaching and mentoring and I wanted people to develop. I love to work with leadership. You are not allowed to tell people what to do, they have to figure it out themselves."	Coaching; Mentoring; Figure it out	Change	Knowledge Conversion (2)	Socialisation (2:1)
28-04-2015	IM H	"I am always documenting everything I do in my missions. I really want to leave something behind for my successor more than just my spoken words."	Documenting; Leave	Exodus	Knowledge Conversion (2)	Externalisation (2:2)
28-04-2015	IM H	"I am good at quickly entering the company, see what has to be done. I mean, seeing everything and how things connect with each other can be difficult if you've seen the same things for years. You get somewhat blind, you know. I think that is the main thing about using an interim manager actually. That we are good at this, seeing things with a new fresh set of eyes."	Quickly; See what has to be done; Blind; Fresh set of eyes	Acquire IM	Driver (2)	Speed (2:4); New perspective (2:6)