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## Interim managers

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This factsheet:

- defines interim management
- shows how interim managers and management consultants differ
- gives guidance on using interim managers successfully, covering areas such as selection, contracts and integration.

### What is interim management?

In general terms interim management is the temporary appointment of a senior independent executive or manager by an organisation for a defined period, either to undertake a change programme or project, or to take on a specified role. An interim management placement is a flexible resource used for a limited time and often arranged at short notice.

Interim management is also known as head renting or executive leasing. The interim manager may also be called an executive temp, company doctor, temporary executive, portfolio manager or leased manager.

Interim management was introduced to the UK in the 1980s. Although it has wide application across all sectors it occupies only a relatively small though growing segment of the total professional services to organisations. Initially interim managers were used in manufacturing industries but they are now to be found in all sectors including local authorities.

Because interim managers are hired through a number of routes (including specialist agencies), it is difficult to find authoritative figures on the size of the interim management workforce, but people involved with interim management estimate that there are currently between 1000 and 5000 interim managers active in the UK.

### How an interim manager differs from a management consultant

Although there is no clear delineation between these two roles, they are often very different. A consultant makes recommendations to an organisation's management team whereas an interim manager has explicit responsibility to deliver outcomes from planning through to implementation, review and handover.

An interim manager reports directly to the employing organisation's senior management unlike a management consultant who still reports to his or her consultancy. Interim managers may have line management responsibility. Interim managers are practical hands-on managers with well-developed interpersonal skills who must offer robust solutions that work and who rely on good references from their current job in order to get the next one.

### What type of role does an interim manager fulfil?

Factors that often lead to the use of interim managers include:

- restructuring of organisations which can reduce readily available in-house expertise to competently oversee change activities
- temporarily vacant senior positions
- the need for organisations to undertake strategic change.

The role will be at a senior level and it may be either a stop gap position to provide continuity, strategic placement to develop the business or a project placement to achieve a defined aim.

### Examples of stop-gap roles

- A short-term replacement for a senior executive who is either absent from work or

else temporarily working elsewhere in the organisation.

- A temporary appointment, following the departure of a senior executive, until the permanent post is filled.

### Examples of strategic placements

- Leading a major change programme such as a reorganisation or restructuring.
- Handling a merger, flotation, acquisition or disposal.
- Resolving a crisis.

### Examples of project placements

- Running a short term or one-off project such as a major IT development or a new product launch which requires expertise not available in house.
- Establishing and defining a new role which will subsequently be filled permanently.

### Why use an interim manager?

As organisations have become streamlined, they no longer have available the management resources and expertise to deal with unforeseen or exceptional circumstances. Using interim managers gives organisations the flexibility to handle these situations whilst still retaining their new, leaner structures.

It is important that, prior to appointing an interim manager, the organisation is clear about the purpose and intended contribution of the interim manager.

### Advantages of using interim managers rather than other resources

- Speed of recruitment gives an organisation the flexibility to respond to market forces and to implement key decisions rapidly (days versus months).
- It prevents other management being diverted.
- It gives a breathing space to make a well-considered permanent appointment and reduce the risk of making an expensive hiring mistake.
- Often hands-on managers committed to delivering results, with considerable expertise able to transfer both specialised knowledge and ideas on best practice. They are also able to give coaching in general management skills and are happy to help the development of less experienced managers.
- The objectivity and loyalty from having no political baggage nor personal agenda for advancement within the client organisation. Many (although not necessarily all) interim managers are not seeking a permanent position, so they do not pose a threat to the promotion prospects of others.
- Since interim managers are selected for their interpersonal skills, they are generally able to gain the co-operation and respect of colleagues and subordinates.
- Interim managers may be very welcome where they are involved in start-up activities or new and exciting ventures.
- Resourcing is often for a fixed period, at a fixed cost.

### How long does a typical assignment last?

Assignments vary in duration from as short as one day to as long as two years, and can be both full- or part-time. A typical assignment might last three to six months.

### Characteristics of a good interim manager

- Expertise highlighted by responsibilities held, outcomes achieved, and range of roles previously undertaken, maybe including multi-country exposure.
- Expertise in a significant area of activity eg finance, personnel, IT, sales, marketing, general management.
- Background at board level or directly answerable to the board.
- More than qualified for the role they are taking on, thus needing no training.
- Able to take on high level responsibility at short notice and then be effective immediately.
- Flexible enough to extend an initial contract as long as necessary to complete the project.
- Possessing highly developed interpersonal skills and a strong, independent and self-sufficient personality so as to be able to lead, organise and motivate.
- Focused on completing the job in hand and happy to be measured on results.
- Enthusiasm for his or her role with the ability to adapt into different organisation cultures.
- Be able to move on when the job is finished.

Many people seeking work as interim managers are actively seeking new challenges or a better work-life balance. They are generally aged over 40 with at least 10 years of senior functional experience, but there are also growing numbers in their mid-30s looking at interim management as a career choice.

### How to find an interim manager

As interim management becomes more widely recognised, there are many individuals and organisations offering this service.

Recruitment can take place through the normal channels such as:

- advertisement , both in print and online media
- specialist recruitment agencies
- personal contact and networking.

Companies providing interim management services range from executive search consultants to specialists in board-level managers. The Interim Management Association is the trade body for the providers of interim managers and their website contains useful further information including a code of practice to refer to (see the Useful contacts section below).

### Costs

Initially, it may appear that using interim managers is an expensive option. The range of fees quoted per day in various sources is very wide, though a useful guide is 1.2% - 1.4% of the annual salary that would be offered. For example:

- £300 - £500 for middle management levels
- £400 - £1,000 for senior management levels
- £2,000+ for board level.

It is hard to directly compare the daily fees of an interim manager with the equivalent daily cost of a full time employee. Organisations do not have to pay the following costs associated with hiring permanent employees:

- recruitment fees
- pension
- company car, private health insurance etc
- holiday pay (depending on the applicability of Working Time Regulations)
- sick pay
- severance pay
- training and development opportunities.

Taking all additional costs into account, an interim manager often costs no more than a new permanent employee. Furthermore, as a high calibre executive, the interim manager represents good value for money and is a cost-effective solution to resource problems.

### Contractual details

These will vary according to the assignment, the organisation and the status of the interim manager but ought to cover:

- description of the project
- timescale for the assignment
- arrangements for extending the assignment, as necessary
- results criteria
- fee structure including payment terms, expenses and bonuses
- if organised through an agency, the arrangements for re-engagement or permanent engagement
- confidentiality requirements.

### Integrating an interim manager into your organisation

There are a number of people management issues that have the potential to cause problems within the organisation.

- Because interim managers are often brought in at short notice, it is difficult for the organisation to prepare properly for their arrival. This may then result in an unwelcoming or even hostile reception or just a lack of co-operation.
- Hiring an interim manager may be regarded by the local managers as indicating a lack of confidence in their ability which could result in a lowering of morale.

- Where interim managers are used for sensitive restructuring exercises or sell-offs they may be seen as doing the directors' dirty work for them.
- In general, interim managers may be perceived as expensive, redundant executives, in search of a proper job.

To counteract any negative impact when hiring an interim manager, it is essential that both the role and the scope of activity of the interim manager are explained clearly to colleagues at the outset.

## How to ensure that the job is done as you want

### Beforehand

- Clearly define both the task and the position in the organisation, and the performance goals.
- Specify the expertise and personal attributes which you require of the interim manager.
- Thoroughly check candidates' references.
- Ensure there are clear channels of communication between yourself, the agent and the interim manager.
- Build and manage the relationship with the interim manager to ensure they have a good understanding of your business, its characteristics and needs.

### During the assignment

- Give the interim manager appropriate authority.
- Monitor the progress of the assignment.
- Ensure the project is client-driven and not candidate-driven.

### Afterwards

- Review the outcome of the assignment against the original requirement. This is often done through an exit review to share the learning experience.

## Useful contacts

### Interim Management Association

Website: <http://www.interimmanagement.uk.com/>

### Institute of Interim Management

Website: <http://www.ioim.org.uk/>

### People Management online: interim employment section

Website: [http://www.peoplemanagement.co.uk/pm/sections/interim\\_employment/](http://www.peoplemanagement.co.uk/pm/sections/interim_employment/)

## Further reading

CIPD members can use our [Advanced Search](#) to find additional Library resources on this topic.

### Books

BIE INTERIM EXECUTIVE and CONFEDERATION OF BRITISH INDUSTRY. (2002) *Interim executive management*. Business guide. London: Caspian.

*Interim management in Europe: the definitive guide to interim management providers*. (2005) 15th ed. St Albans: Executive Grapevine International.

### Journal articles

HARRISON, K. (2002) How to choose and use interim managers. *People Management*. Vol 8, No 16, 8 August. pp40-41.

RUSSAM, C.M. (2005) Flexible resourcing: the strategic case for interim management. *Strategic Change*. Vol 14, No 3, May. pp157-163.

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