

# Managing trust

A qualitative study of interim management and trust

Maria Hoff Rudhult

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Supervisor: Pratima Verma

**Företagsekonomiska institutionen**



**Stockholms  
universitet**

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**ABSTRACT**

The study was conducted as a qualitative study using semi-structured interviews. The study's aim was to investigate how interim managers build and handle trust in their assigned client organizations. Trust was defined by three core concepts found in the theoretical framework: expert system, uncertainty and risk. Through the interviews the interviewees were asked how they perceived the concept of trust and its importance in their roles as interim managers. When analysing the interviews, familiarity, was a reoccurring term when building the analytical tools the aspect of familiarity was not thought to be of such a great importance but as the interviews suggested otherwise, this was added on as an important factor to the concepts. Trust thus seems to play an important role in interim management and is an aspect the interim managers seem aware of and value.

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# 1. Introduction and background

Organizational leadership is highly valued and something individuals, organizations and the academic world seeks better knowledge of to. People ask themselves and others what makes good leaders while organizations seek those with leadership ability because they believe good leadership to bring special assets to the organization and ultimately to improve the organization (Northouse, 2010). According to Northouse there are “almost as many definition of *leadership* as there are people who have tried to define it.” (2010, p. 2) Some definitions view leadership as a group process, where the leader is at the center of the group and embodies its will. Another definition conceptualizes leadership from a personality perspective, suggesting leadership to be a combination of traits and characteristics. Act or behavior is another approach to define leadership. (Northouse, 2010) In addition, leadership is also described as the power relationship leaders and followers, or from a skill perspective, where knowledge and skills make effective leadership possible (Northouse, 2010). Collectively, the research findings provide a complex picture of leadership as a process with multiple dimensions (Northouse, 2010).

Changes in global economic conditions in the beginning of the 1970s created environments that dramatically reconfigured organizational work setting, both in Europe and the United States (Smith, 1997). These changes alongside increased competition added pressure on firms to make greater profits and become more flexible in contracting with their employees and responding to consumers (Kalleberg, 2000). In the currents of those changes technology, industrial relations and organizations have developed new and more flexible work systems (Smith, 1997), in order to maintain competitive advantages (Kalleberg, 2000). As a result of lack in abilities, companies have difficulties to face unplanned and sudden changes and to keep competitive advantages. Companies operate more ‘just in time’ – like, something that also concerns Human Resources (Smith, 1997: Kalleberg, 2000).

Employer flexibility enables faster response to the business cycle and makes workforce problems more manageable and lest costly (Kalleberg, 2000). The need for temporary workers is not new. There have been work arrangements not fitting the model of full-time work over history, but what appears to be new is that the use of temporaries seems to become an integral feature of organizations’ personnel strategy (Kalleberg, 2000). Previously, temporary work was mostly for the manufacturing industry. More recently,

the temporary work has reached top management and executive positions - so-called interim management. Interim management has attracted increased attention in the management field since the 1990's and is by Redman and Snape (1993) cited by Goss and Bridson defined as “ [A] manager who is hired, usually via an intermediary company, on a temporary and short-term basis.” (p.37) Interim management was developed in the context of the increased demand of flexibility, responsiveness and competition. Another reason to the increase of interim management is associated with the financial climate, where companies have taken a cautious view of expansion focusing more on core business (Feltham & Hughues, 1999). Interim managers are hired over a short period of time as so-called stopgap resourcing or as experts for problem solving or managing an organization over a period of change. It is a way for organizations to limit their staffing costs meanwhile it also offers competitive advantages such as access to skills, experience and expertise (Gross & Bridson, 1998). Despite the increased attention given to interim management over the past years, academic research has ignored this alternative staffing method (Gross & Bridson, 1998).

## **1.1 Previous research**

Even if interim management has attracted increased attention these last years the research available of the subject is limited and found in the “management”, “Human Resources-”, general and specialist press (Feltham & Hughes, 1999). Researches and articles written about interim management will be divided into three main categories for this study. The first category targets organizations, and focuses on interim management as a value generator: "*Leadership in organizational change: Rules for Successful hiring in interim management*," (Smid et al., 2006) and "*Interim management as a value generator*." (Minto, 2006) The second category focuses on the reasons to the increased use of temporary labor and its consequences: "*Nonstandard Employment Relations: Part-time, Temporary and Contract Work* " (Kallenberg, 2000), and "*Interim management: now a permanent feature of the workplace*." (Vousden, 2002) Kallenberg (2000) states that the interest of growth of nonstandard work arrangements i.e. temporary labor, highlight the complexity of the relation between employers and their employees. Kallenberg claims the area to be “very fruitful” for research concerning the linkages between these structures and individuals (2000, p.359). Finally, the third and most dominant category describes interim management as an attractive career choice e.g. "*Interim management an attractive career alternative*." (Bryne, 2012) According to Bryne, qualities such as the ability to work strategically, being result focused and having a wide range of experience are required of interim managers (2000, p. 39). Interim managers offer a flexible resourcing

solution as well as being an attractive career alternative. Bryne also claims the interim manager to be a 'doer' delivering and adding value to the organization (2000, p. 39). What qualities are required for interim managers is mostly described in 'management'- and HR (Human-Resource)- journals.

Rob Feltham and Dan Hughes (1999) made the first investigation of the personality characteristics of interim managers to find traits that differentiate interim managers as a group from general managers. The personality measures were made with the PAPI-N personality questionnaire, measuring scales of: need to control others, leadership role and ease in decision making, to mention a few (p.210). Their results were presented in "*Interim managers: Distinguishing Personality Characteristics of Managers on Short-term Contracts.*" According to the authors it appears the typical interim managers personality profile differs from that of general managers, which is explained by a normative personality profile that tends to work as interim managers (p. 211). Interim managers prefer to work in the absence of external rules and structures, and they score higher than general managers in "ease in decision making" (p. 213). The latter suggests a preference to make fast decisions despite a calculated risk, which Feltham and Hughes finds consistent with interim managers' 'short-term' results oriented approach. Interim managers appear also to be more assertive and ready to confront: "this finding is consistent with the view that in a short-term assignment it may be preferable to speak out – and if necessary ultimately walk away – than be associated with a failed initiative" (p. 213). The authors also claim that interim managers need to maintain good reputation to guarantee further hiring and that good results strengthen confidence in the consultancy branch (Feltham & Hughes, 1999).

Gross and Bridson (1998) outlines important aspects of interim management in the article: "*Understanding interim management*". The article aims to make a serious analysis of interim management in contrast to what is predominantly found in the 'management'-press:

"[T] hese contributions are more marketing exercise than serious analysis and offer interim management as a product to be sold rather than a complex HR process." (p. 37)

The authors seek to highlight and develop other "more important tensions" (Gross & Bridson, 1998, p. 37) of interim management. Interim management is divided into three managerial roles: simple, formal and sophisticated. The simple managerial role is related to instrumental stopgap resourcing, filling an established vacancy on a temporary basis e.g. maternity or paternity leave. A more advanced instrumental stopgap resourcing is

functional stopgap resourcing, where interim managers are hired to fill gaps in the staffing when the company has a demand for expertise they cannot find within the company. (Gross & Bridson, 1998) Functional stopgap resourcing is identified functional as applied consultancy. This is however not the case in this study. The most sophisticated managerial role is transitional interim managing that includes management of change where the interim manager leads an organization through a period of organizational transformation and filling cultural gaps (Gross & Bridson, 1998). The authors propose a general framework to understand important parts of interim management relations, and general issues associated with these relations. HR policies and organizational culture are most crucial in the interaction, together with motive, role, capability and need. How interim managers are introduced to the organization, as a whole as well as to relevant organizational members are, according to Gross and Bridson also important. The process of introduction includes the setting of ground rules and familiarization with existing organization culture (p. 43).

## **1.2 Problem discussion**

As stated in the introduction, organizations seek personnel with leadership ability because they believe good leadership to bring special assets to the organization and ultimately to improve the organization (Northouse, 2010). This thesis does not aim to study or define leadership as such, but interim management may require leadership skills.

One dimension of leadership is trust. Followers' trust in the leader has been shown to be an important factor in the quality of the leader-follower relation and for the performance of a team (Dirks & Ferrin, 2002; Dirks, 1999). A high level of trust increases motivation and the will to perform as a group and also has positive effects on individual performance (Dirks 1999, 2000; McAllister, 1995). Trust is essential in interpersonal relationships, cooperation, and the stability of social institutions (Lewicki & McAllister, 1998). Distrust makes employees unwilling to reach goals set by the leader. Dirks and Ferrin also relate trust to other important variable such as belief in information and decisions committed by the manager (2002). Some go as far as identifying trust as "a foundation for effective collaboration." (Lewicki & McAllister, 1998, p. 438)

What has been written about interim management mostly concerns interim management as an attractive career alternative as well as a flexible resourcing for business and practicing firms. With few exceptions, see previous research, serious attempts have been made to analyze interim management within aspects of leadership theory e.g. acts,

behavior, group processes or trust. Interim management is multifaceted and does not only make decisions they also implement them, which could entail problems of acceptability (Redman & Wilkinson, 2002). Interim managers work close to the client organization, on short-term managerial assignments with a short-term resulted approach, and are expected to act as insiders (Waagenar in Gross & Bridson, p. 40, 1998). Managing a period of change is a difficult process, and the interim manager is expected to deliver specific business results within a limited time period (Byrne, 2012).

## **1.3 Research question and aim**

How do interim managers perceive trust?

The thesis aims to study trust in leadership, more specifically trust in the context of interim management. The goal is to investigate how interim managers experience trust and if trust is important in order to do a 'good job'. In other words, the study seeks a better understanding of the underlying mechanisms of trust, if trust can help interim managers in their work and if they value the concept of trust.

## **1.4 Method**

To get a good understanding about trust and interim management are articles and books read to build the theoretical framework. Choosing sources close to the reality being studied increases the chance to capture that reality (Esaiasson et al., 2012). The research is a qualitative study based on interviews with three interim managers from the intermediate company Brightmill. Furthermore, to deeper understand interim management, a fourth interview was conducted with the founder and CEO of the company. The theoretical framework consists of theories concerning trust, and is the base for the analytical tools. The results will be analysed and discussed with the analytical tools.

## **1.5 Claims**

The study seeks to contribute to the research of trust and leadership, more specifically to trust in the context of interim management. With a small sample generalization of the findings is of course not possible. The study intends, nevertheless, to contribute to a greater understanding of trust in the context of interim management.

## **1.6 Limitations**

The thesis intends to study trust in leadership and particularly in the context of interim management. The study will not approach the relationship between intermediate suppliers and client organizations nor the trust relationship between the intermediate supplier and the interim manager. Interviews are not conducted with client organizations and the results presented are therefore from an interim management point of view. Characteristics and personality or any other aspects of leadership theory are also left out and will not be discussed further in the thesis. The analysis will not contain any other aspect of leadership than trust.

As the study was conducted of one person and under a limited period of time, the study focused its sampling in Stockholm area.

Leadership is sometimes differently defined and separated from management as a concept although they sometimes overlap. The overlap is centered on how leaders and managers influence a group into accomplish a goal. (Northouse, 2010) No distinction between the terms 'leaders' and 'managers' will be made in this thesis the terms are used synonymously.

## **1.7 Outlines of the thesis**

Chapter one gives a background and introduction to the subject and describes the study purpose. Chapter two describes research method and material. Theories and the theoretical framework are outlined in chapter three. Chapter four presents the results, which will be analyzed and discussed in chapter five. Finally chapter six concludes the major findings and gives suggestions for further research.

## 2. Method and material

To quote Blaikie: “We need to know what is going on before we can explain it.” (2007, p. 7) A study of human behavior should thus be based on a method of understanding (Blaikie, 2007). This chapter will present the study’s chosen research method and material.

### 2.1 Research method

Leadership and trust are formed in social situations and systems by social interaction and relationships between people (Bingley & Pearce, 1998). Qualitative reasoning intends on interpretation through the understanding of the social reality (Bryman & Bell, 2010). A qualitative research method is therefore chosen to implement the study and to answer the research question.

With the purpose to gain deeper understanding and knowledge of trust in the context of interim management the study’s chosen method is a qualitative research with semi-structured interviews (conversational interviews) and qualitative textual analysis. Choosing sources close to the reality being studied increases the chance of capturing their world of ideas (Esaiasson et al., 2012). Interim managers are therefore interviewed for the purpose of this research. In conversational interviews, questions are open-ended and of a general kind, leaving more flexibility. This makes it possible to pose complex questions and to give more detailed answers (Esaiasson et al., 2012). A conversational interview is generally less stringent and also has the possibility to pose follow-up questions during the interview. Another advantage of conversational interviews is the possibility to follow topical trajectories in the conversation, allowing the informants to express themselves on their own terms. It also handles language difficulties by making it possible to clarify ambiguous questions or answers and thereby avoiding misunderstandings (Esaiasson et al., 2012). Conversational interviews are used in research areas where the purpose is to understand how people understand their own reality (Esaiasson et al., 2012). Kvale (1997), cited in Esaiasson et al., describes the qualitative research interview as (my translation): “an interview, with the purpose to receive a description of the interviewees’ reality, for the purpose of interpreting the meaning of the described phenomena.” (2012, p. 253)

Qualitative textual analyses with a systematic approach will be used to highlight and classify the theories to form the analytical tool (Esaiasson et al., 2012). The analytical tool captures important aspects of the phenomenon being studied - in this context; trust (Esaiasson et al., 2012). The data collected from the interviews will be analyzed within the theoretical framework i.e. operationalization. Conversational interviews together with qualitative textual analysis will be used to gain deeper understanding about trust in an interim management context (Esaiasson et al., 2012). The interviews will be analyzed using the theoretical framework and analytical tool (Esaiasson et al., 2012).

### **2.1.1 Why qualitative?**

Qualitative research methods intend on interpretation through the understanding of the social reality (Bryman & Bell, 2010). A quantitative research method would make it difficult to get a picture of the underlying factors of how interim managers think of trust and its function in the workplace. Quantitative research methods are often used to determine frequency, and suits studies focusing on measurements (Esaiasson et al., 2012). A quantitative research method may therefore be a difficult, and not well-suited, way to understand trust since it forms in social situations and systems by social interaction between people (Bingley & Pearce, 1998). To find and explain causality, or the causal mechanisms to such a complex subject as trust, measurable variables need to be found since quantitative analysis requires results possible to code (Esaiasson et al., 2012). When studying social phenomena the underlying variables are difficult to determine and without reliable variables the validity of the study would decrease. For those reasons a qualitative research method was chosen.

## **2.2 Validity and reliability**

Validity determines if the study truly measures what it intends to measure and how truthful the results are (Bryman & Bell, 2010). In qualitative research, validity refers to the validity of the conclusion, to what extent observations reflect the phenomenon or factors intended to study (Kvale & Brinkmann, 2009). A theoretical research has to be applicable to operational indicators, i.e. operationalization. Operationalization can always be questioned as an incorrect correspondence between theoretical concepts and the result. Each time an inadequate measurement is applied, the validity of the work decreases (Esaiasson et al., 2012). To prevent decreased validity through operationalization in this research the theories and the analytical tools have been carefully studied. Validity determines the quality of the produced knowledge and has to be consistent throughout the

research. Theoretical assumptions, research method, implementation and analysis need to be valid in a reliable research, and the results have to be interpreted according to the theoretical framework (Kvale & Brinkmann, 2009). To ensure validity in this study, all research steps to complete the study were made with close attention to detail. The theories used had to be carefully read and understood to ensure an accurate analysis and consequently a valid result.

Reliability is the idea of repeatability of results and observations (Bryman & Bell, 2010). Reliability in qualitative interviews concerns to what extent the interviewees will change their answers over time, or give different answers to a different interviewer (Kvale & Brinkmann, 2009). Esaiasson et al. stresses the risks of negative effects in the interaction between the interviewee and the interviewer, which in turn affects the result negatively (2012). The interviewer may unknowingly have an impact on the interviewees by gestures or mimic. Selective listening also affects the quality of the results. Problems like these tend to increase if the interviewer is inexperienced. There is also a risk that the interviewee adapts answers to please the interviewer. Leading questions or questions posed in different ways may affect the result and lower the reliability. Another kind of leading questions is agreeing-response bias questions where the respondent rather answers yes than no. Agreeing-response bias appears often to statement questions; and 'how-questions' can be used instead to avoid agreeing-response bias (Esaiasson et al., 2012). How the results are categorized and presented i.e. operationalized is also important for the reliability of qualitative interviews. Focusing too much on the reliability however, might restrain the openness and flexibility of interviews as research method, a good balance is thus required (Kvale & Brinkmann, 2009).

## **2.3 Sample**

The sample method is purposive sampling where participants are selected according to preselected criteria relevant to the research question. The sample method used is a snowball one, where participants in the study contact other potential participants in their network (Bryman & Bell, 2010). Snowball sampling can be considered a form of purposive sampling. To get in contact with interim managers, a general email was sent to four large Swedish interim management-companies with headquarters in Stockholm. The agencies were chosen on the basis of size and engagement. The email was a short presentation of myself and that I intended to write my graduate work in the field of management, more specifically about leadership, trust and interim management. The idea was presented briefly and the company was asked to help me to get in touch with interim

managers for interviews. The intermediate supplier Brightmill responded positively. Since the thesis aims to investigate how interim managers experience trust and if trust is important in order to do a 'good job' within the client organization, one intermediate company was considered sufficient for the study. No other intermediate company was thus contacted after the arrangement with Brightmill.

Brightmill is an intermediate company specialized in Interim management founded in 2011. Brightmill hires managers and specialists in finance, Human Resources, sales & marketing, business management as well as in other areas. The company is a niche entrant focusing exclusively on conveying interim managers and specialists. They have currently a consulting network with 1100 candidates. (Brightmill, 2013)

The CEO of Brightmill provided three names and contact information of managers in his network, and also accepted to be interviewed. The first contact with the interviewees was by email, in which I presented outlines of the thesis and myself. The interviewees were informed and gave their approval as to how the interviews would be made and how I intended to use the material, according to the guidelines of the Swedish Scientific Council (Vetenskapsrådet), see research ethics. I also asked for permission to record the interviews. To get straight and honest answers they were promised anonymity.

## **2.4 Material**

### **2.4.1 Interviews**

The interviews were approximately 60 minutes and consisted of generally written questions, see Appendix I. Questions were formulated to be easy to understand without concepts that would have needed deeper explanation. Since conversational interviews were used, questions were open-ended and of a more general kind. The questions were related to the theoretical framework.

To enable analyzing the research question, all the interviews were recorded and relevant parts were transcribed. In total, four interviews were conducted. Three with Interim managers within the network of Brightmill, Stockholm and one was the founder and CEO of Brightmill. The founder and CEO was included to broaden the perspective of the topic and gain deeper understanding of intermediate supplying companies and how they looked upon interim management and their role in the recruitment of interim managers.

Regarding the time restraint, the sample was limited to four people to enable in-depth analysis.

### **2.4.2 Conducting the interviews**

To possible extent, interviews were placed at the managers' workplaces, in order to make it as easy as possible for the interviewees to participate but also to create a good environment for the interviews. In one case, one interview had to be held at a café in central Stockholm since there was no other opportunity. The café chosen was large and spacious enough to hold a private conversation. To minimize the risk of negative effects on the reliability during the interviews was the questions, to the most possible extent, posed in the same way in all interviews. The same information was given to the interview persons before each interview and I wore formal cloths at all four interviews to appear in a similar way to all the interviewees. For the interviewees to feel comfortable answering questions about their leadership and experiences of different working places, they were promised anonymity. This might implicate the credibility of the work and in some cases limit the analysis, as details may have to be removed for participants to remain anonymous (Esaiasson et al., 2012). For the fourth interview anonymity was not considered since the interviewee did not want anonymity. His request was agreed and since his contribution the study was manly objective towards the business of interim management the researcher concluded that anonymity was not needed, only de-identification in order to make the results appear consistent throughout chapters four and five.

### **2.4.3 Language**

The interviews are the base of the analysis. It is therefore important to make them as detailed as possible to understand the respondents view about the topic (Esaiasson et al., 2012). For the interviewees to be able to express themselves freely, and for me to capture the nuances of language and the choices of words, the interviews were held in Swedish. Expressing oneself in another language might be difficult and limit the interviewees' responses. The interviewee may use an incorrect vocabulary, which results in inadequate measurements, unreliable outcomes and as a result decreases validity. Relevant parts of the interviews were transcribed and translated to English. Key words has been translated as follows:

Trygghet – Security

Tillit – Confidence

Förtroende – Trust

#### **2.4.4 Presentation of results**

The material from the interviews was summarized to get a good overview of the results. To select which parts of the retrieved material to present, I listened to the recorded interviews several times. Parts were selected, transcribed and translated for being used in the analysis. The material was then categorized and analysed within the analytical tools.

The interviews are not literally transcriptions of spoken language, as these may be difficult to understand. The interviews are instead transcribed in a written language form with the intention to keep the interviewee's spontaneous spoken language.

### **2.4 Research critique**

A qualitative research with conversational interviews is a good way to understand behaviour, such as leadership and trust, since it is possible to receive a description of the interviewees' reality, for the purpose to examine a phenomenon in-depth (Kvale & Brinkmann, 2009). What could be seen as disadvantages however, are difficulties of replicability and possible biases in data collection and interpretations i.e. operationalization (Esaiasson et al., 2012).

The results are not possible to generalize. However, this thesis makes no such claims. If generalizable had been the theses' aim another research method would have been chosen.

### **2.5 Research ethics**

The interviewees were informed according to The Swedish Scientific Council (Vetenskapsrådet) guidelines (Vetenskapsrådet, 2002). The guidelines cover four main aspects to protect individuals participating in research: information, consent, confidentiality and usage. The guidelines have been complied during the research. All of the interviewees have been informed about their role and participation in the study. They were also informed that they can terminate their participation at any time, without implications. Furthermore, the aspect of confidentiality in this study is important since the gathered data from the interviews consists of the interim managers views on their relation to client organizations and employees, who has worked or are currently working with them. The names of the Interim managers or the companies where they have worked or currently works are not relevant for the study. Gathered material will not be used by

anyone except the author, and in no other context but in this research. Critical and alternative interpretations of the interviewees' answers may conflict ethical aspects of the relationship to the interviewees. The human interaction in the interview situations affects the interviewee and it is important to balance the integrity of the respondents and the scientific purpose of the study (Kvale & Brinkmann, 2009).

# 3. Theory

Scholars claim trust to be an important element for effectiveness, employees' attitudes towards their job, for their willingness to perform and to be essential in interpersonal relationships and cooperation. But, what is trust? This chapter will present the definition of trust set for this thesis as well as the thesis' theoretical framework.

## 3.1 Understanding trust

Lester (2006) outlines three aspects of trust that will be taken into consideration to understand and define trust. First, trust involves expectations about “that the truster (the person making trust attributions) will act in a particular manner.” (p. 14)

Second, “ a trust relationship is by its very nature an interdependent one that involves the willingness by the truster to take risks and be vulnerable and a willingness by the trustee not to violate this trust” (Deutsh, 1960, in Lester, 2006, p. 14). This one-dimensional definition have difficulties to explain multi-dimensions of trust, but stresses two important aspects of trust: vulnerability and risk, which merges in a third aspect: uncertainty (Lester, 2006). A person cannot be certain that another person is worthy of trust, and the truster thus depends on the trustee not to violate his/her trust. The risk perceived by followers plays an important role in trust decisions (Lester, 2006). This aspect of risk will be explained later. Finally, the third dimension of trust refers to trust as a “construct” (Lester, 2006, p. 15).

### 3.1.1 Definition of trust

Expectation, vulnerability, uncertainty and risk are important aspects of trust and they bring clarity to important dimensions of trust (Lester, 2006). Trust is in this thesis defined as:

“ [T] he willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the truster, irrespective of the ability to monitor or control that other party.” (Mayer et al., 1995 p. 712)

## 3.2 Theoretical Framework

Three theories are chosen for the theoretical framework to study trust in the context of interim management from different aspects. The first aspect is the theory of expert systems presented in Anthony Giddens (1990) "*The Consequences of Modernity*". Giddens focuses on social structures of trust and will be applied to understand the context of interim management in light of the modern society i.e. trust as a construct. The second theory, Niklas Luhmann's (2000) "*Familiarity, Confidence, Trust: Problems and Alternatives*" focuses on underlying mechanisms and the function of trust. Finally, Diego Gambetta (2000) "*Can We Trust Trust?*" focuses on the benefit-aspect of trust. These theories are chosen to enable a multidimensional analysis of trust.

## 3.3 Anthony Giddens

Giddens distinguishes between two major mechanisms involved in the development of modern social institutions: symbolic tokens and expert systems (p. 22).

### 3.3.1 Expert systems

Money is, according to Giddens, as a symbolic token, an essential part of "the nature of property ownership" (p. 26) of which today's modern society consists. The other important mechanism in modern social institutions is "expert systems" (p.27), i.e. systems of professional expertise that organize large areas of the social environment integrated in aspects of what is done constantly in society. These systems of knowledge are integrated and constantly influence the aspects of every day life. Giddens argues that expert systems provide "guarantees" (p. 28) of expectations leading people to have "faith" (p. 29) in these systems. We trust the architects and the builder that constructed our house, and we feel safe to live in it, even if we lack the knowledge of house building. Trust however, is not the same as confidence or faith. Trust is a link between the two. This concept, according to Giddens, distinguishes trust from "weak inductive knowledge" (p. 33) i.e. areas where confidence is normatively accepted. Trust in expert systems lies in the faith of the good intentions of others and in morality.

Trust in persons is relevant to the faith in systems, but concerns the persons proper work rather than the task as such. Trust in modern society exists in the context of social interaction and not in the nature of things; trust is a social construction. Both symbolic tokens and expert systems depend on trust not trust in individuals but in conceptual capacities. If activities were continually visible, processes were transparent "and systems working wholly known and understood, there would be no need to trust anyone." (p. 33)

### **3.3.2 Risk**

According to Giddens, risk and trust intertwine. Patterns of risk exist within today's society e.g. the stock market. The degree of risk can be diminished with skill and chance, but is always calculated in trust settings. As a result, trust serves to decrease the danger of activities. Giddens differs between danger and risk, where danger is understood as a threat to desired outcomes. What is seen as acceptable risk – 'the minimising of danger' varies in different settings and is according to Giddens central in sustaining trust. In "environments of risk" (p. 35) – elements in which theoretically everyone are at risk – are these sets of dangers calculated in the degree of security, where security balance between trust and acceptable risk. Trust thus provides security.

## **3.4 Niklas Luhmann**

Luhmann focuses mainly on the problem of the function of trust, which he claims is connected to expectations and causes of disappointment. To gain further conceptual clarification, Luhmann uses Barber's distinction between different dimensions in which "trusting expectations" (p. 94) may fail: "the continuity of the natural and the moral order, the technical competence of actors in roles, and the fiduciary obligations of actors, that is, their duty and their motives to place the interest of others before their own." (Barber, *The Logic and Limits of Trust*, 1983, 1985, pp. 94-95). These different dimensions refer to the content of expectations at each dimension. He tries to define the social mechanisms generating trust despite possible disappointment. Luhmann wants to avoid confusion between familiarity and trust.

### **3.4.1 Familiarity**

Familiarity, Luhmann claims, is an inevitable fact of life whereas trust is a solution for problems generated to risk. The distinction between familiar and unfamiliar is possible to cross. The unfamiliar can only be described in familiar terms. Trust has to be established within a familiar world since we are only able to operate in familiar terms. Luhmann uses the concept of "symbols" as forms of self-reference presuppose the difference between familiar and unfamiliar. Confidence and trust are experienced in a familiar world represented by symbols. They are thus at the same time sensitive to these symbolic events as they could, if changed, end the basis for their existence. (2000, pp. 96-97)

### **3.4.2 Confidence and trust**

Luhmann proposes a distinction between confidence and trust. Confidence and trust are both related to expectations and the possibility of disappointment. They also differ in the level of risk and in attitudes considered the alternatives. It is not, however a matter of probability or improbability, but of the possible disappointment “depends on your own previous behavior” (p. 98). Confidence, he claims, is had in systems and “emerges in situation characterized by contingency and danger” (p. 99) which can make it meaningful to consider on “pre-adaptive” and “protective measures” (p. 99). An important aspect of confidence and trust is their roles in particular systems such as modern society. People depend to a greater extent on confidence relations than on trust relations. Results may increase confidence in the system, which in turn makes it easier to place trust in other relations. Hence he says “it may be possible to build up trust on the micro-level and protect systems against loss of confidence on macro-level.” (p. 104)

### **3.4.3 Trust**

Trust compared to confidence is vital in interpersonal partner relations and foregoes a commitment and a presumed situation of risk. Decisions without risk, where the damage is not greater than the advantage are simply questions of rational calculation. Risk emerges out of two components: decision and action, neither decision nor risk can exist without the other because “if you’re not willing to take action you run no risk” – the risk of non action (p.100) In modern society increased freedom means greater risks. According to Luhmann risk appears only in situations where “the possible damage may be greater than the advantage you seek” (p.98). Trust is an attitude allowing risk-taking decisions and lack of trust withdraws activity and changes the way people decide important issues - lack of confidence leads to alienation, lack of trust leads to withdrawn activity

## 3.5 Diego Gambetta

Trust, according to Gambetta, is a subjective probability with which an agent judges another agent to perform a certain action. He explains trust as a “threshold point” (p. 218) suspended between complete distrust (0) and complete trust (1), centered between a mid-point (0.5) of uncertainty. The extreme values blind trust (1) or distrust (0), are places unconditionally over and above the evidence. Loyalty in this context is seen as the maintenance of “global-trust” (p.218) in a person or institution, in situations of local disappointment.

### 3.5.1 Uncertainty

In conditions connected to uncertainty and the unknowing of other peoples’ actions trust is especially important. Here, the author refers to conditions that concern future actions that influence our present decisions, which excludes situations where trust in a person doesn’t influence our decisions. Ignorance and uncertainty relate to our ability to achieve full knowledge of others, and are thus considered as important notations of trust. Gambetta claims further that trust only is important where there are possibilities of exit, betrayal, defection and for something important to be lost. Trust is a way for individuals to assert expectations and deal with what Gambetta defines as the limited freedom of others. If a person is dependent on someone there is hope instead of trust. Consequently: to trust a person means that when offered a chance, the person is not likely to behave in a way damaging to the other party.

### 3.5.1 Cooperation

Cooperation here is used in a broad way as a set of rules or a contract, which is intended being taken into account in further interaction (p. 213). Cooperation is explained through game theory and Prisoner’s Dilemma:

“[T]he mere expectation that the second player might choose to defect can lead the first player to do so, if only in self-defense. The first player’s anticipation of the second’s defection may be based simply on the belief that the second player is unconditionally uncooperative. But, more tragically, it may also be based on the fear that the second player will not trust *him* to cooperate, and will defect as a direct result of this lack of trust.” (p. 217)

Even if both parties intend to cooperate, they still need to know the motives of the other. Communication is essential here. It is thus necessary both to trust others before acting and to know that others trust you. The lack of believes shall not be confused with lack of motivation to cooperate. The level of trust depends on the degree of restraint, risk and interest, and the level of trust affects the level of cooperation. Cooperation makes thus some demands on the level of trust, depending on the mechanisms that govern the cooperative decision. A higher level of trust increases the likelihood of cooperation, but cooperation is not always depending on trust alone. People need to know about each other's motives to trust. Gambetta also stresses the importance of mutual trust. Demanding less of our trust in others reduces at the same time, the trust others have in us (p. 220) leading back to game theory and Prisoner's Dilemma.

### **3.5.3 Decide to trust someone**

“[F]ormal structures and social reality have a distressing tendency to diverge, sometimes sharply” (p. 230). People cannot just decide to trust someone if they don't. These situations can be handled by, what Gambetta refers to, as the “as if game” (p. 230), where trust begins with being open to evidence, acting as if there is trust, until more stable believes are established on the basis of further information (p. 234). In a situation with no history of cooperation the first move is essential to establish the right relation, the strategy tit for tat. “If one group of soldiers for some reason believes itself to be facing a mob of unrestrained warriors and trusts neither the latter's time preferences nor their rationality, ‘peaceful’ signals are more likely to be interpreted as a trap.” (p. 227) This shows the importance of making the first move in the right way thus demands the first move to be “right” and then being “correctly” interpreted (p. 227). Cooperation is thus conditional to believing that the other party is willing to act friendly towards us if we make the first move right. The survival of a group is dependent on its signals fostering cooperation.

To create a multidimensional picture of trust in the context of Interim management, trust will be conceptualized through three main aspects: 1) expert systems 2) uncertainty 3) risk. These aspects are derived from the theoretical framework, and organized to form the analytical tools.

## **3.6 Analytical tools**

The theoretical framework is used in this thesis to study trust in the context of interim management. Based on the theories presented above three main aspects have been derived from the theoretical framework to create three analytical tools 1) expert systems: 2) uncertainty: 3) risk. These aspects will be considered throughout the study and are defined accordingly:

### **3.6.1 Expert systems**

The first aspect is expert systems defined by Giddens (1990). Expert systems are systems in which we place our reliance and in which we have “faith” and we accept the risk because we rely upon the expertise of these systems. Trust lies in the faith of the good intentions of others and in moral and trust in persons is relevant to the faith in system. Trust in modern society exists in the context of social interaction and not in the nature of things; trust is a social construction.

### **3.6.2 Uncertainty**

The second aspect is uncertainty. Uncertainty is a result of the freedom of others to let us down by failing our expectations. According to Gambetta (2000), for trust to be relevant, instead of confidence, there must be a possibility of exit or something important to be lost. Trust is thus a tool for coping with the freedom of others i.e. uncertainty. It is important to stress that Gambetta (2000) uses the words “limited freedom of others” (p. 219) because if uncertainty is predominant, we are considered to be more dependent, and it would not be a question of trust but instead of hope. Moreover, Gambetta argues that trusting a person means believing that when offered the chance, he or she is not likely to behave in a way that is damaging to us (p.219). This freedom of others is also described by Luhmann claiming that the freedom of today’s society increases the risk, making trust more important than confidence.

### **3.6.3 Risk**

The third aspect of trust is risk. A system needs trust, according to Luhmann, “as an input condition in order to stimulate supportive activities in situations of uncertainty or risk” and the lack of trust “reduces the range of possibilities for rational action.” (2000, p.104) Risk is about being exposed to situations where “the possible damage may be greater than the advantage you seek” (p.98). Decisions characterized by risk are thereby out of

decisions of rational choice. Luhmann distinguishes between confidence and trust, both relating to expectations but in different ways. We are confident in systems because we cannot live without forming expectations about contingent events. The solution would be to live in a state of uncertainty, which according to Gambetta is not possible. Luhmann (2000) claims that relations of confidence can turn into relations of trust, if it becomes possible to avoid that relation (p. 98). This works the other way around as well and a decreasing level of trust leads to a decreasing level of confidence.

The analysis of trust in the context of interim management will be made alongside the theoretical framework and the analytical tools.

# 4. Results

The aim of the thesis is to understand trust in the context of interim management. The primary objective is to understand how interim managers view trust. The results have been categorised in three main categories, and to sub categories, alongside the analytical tool:

- 1) Interim management 1a) loyalty 1b) organisational culture
- 2) The process of introduction
- 3) Openness

The interviewees are hereby referred to as Interview Person (IP) followed by a number, 1 to 4.

## 4.1 Interim management

The ‘interim management’ category consists of results related to the concept of interim management i.e. intermediate suppliers. The category is composed to better understand the concept and to broaden the perspective of the topic.

Companies nowadays need to be more adaptive to a rapidly changing environment and that competitiveness is higher today, compared to only 10-20 years ago. As a result, everyone has to act faster: “[I]f you lack important positions within the company ... you might lose something, which perhaps you can’t afford. You can’t afford to lose tempo.” (IP 4, CEO of Brightmill, April 5, 2013)

Someone quits and the organization is unable to solve the problem internally. Intermediate companies provide organizations with managers on short-time basis (2 weeks), a manager often over qualified for the job. To recruit someone on two weeks notice is often difficult, it takes normally up to 6 months to make a long-term recruitment, he says. Organizations turn to intermediate companies for help. The expectations from the client organizations are very important. The mission for an intermediate supplier is to identify the clients’ need, providing them with an interim manager corresponding to their expectations and needs. Client organizations have higher demands on consultants [interim managers] than what they have on employees, as a result the risk they take by hiring an unknown person on a short-term basis. Interim managers are often considered on the

verge of over-qualified he says. When you recruit a person you make a long-term investment and you don't want that person to leave. With interim managers on the contrary, you want someone experienced nearly over qualified, a client doesn't want to pay to educate someone. The client organization has higher demands when hiring interim managers because they expect fast results. If an interim manager is hired for a 6 months assignment and you get the wrong person, the client organization loses 2-3 months. Time the client organization normally can't afford to lose. (IP 4, CEO of Brightmill, April 5, 2013)

#### **4.1.1 Loyalty**

During the interviews was another aspect - the relationship to the client organization – stressed and explained.

It is imported to clarify not being a threat, especially towards the closest manager. Even if he doesn't always agree with her he has to state that she doesn't need to be afraid of him playing a political game, positioning internally to create a better job. He is loyal to her: “It is important that she has confidence in me, feeling that she can be completely transparent.” (IP 2, interim manager, April 3, 2013)

As an interim manager, is it always important to determine, with the client organisation what the assignment consists of. The interim manager is part of what will be achieved, to meet the expectations and do what has to be done, that's a way for an interim manager to be loyal to the client organization. I am there for them and I have results to deliver, “ [I] t's always good if the group is with me, but my lifeline within the organization is the client.” The groups may not always like the assignment, or me, because they have different ideas about what should be delivered. (IP 2, interim manager, April 3, 2013)

To have support from the group is as important as having support from the top management. It is very important never to betray a manager and to show whom you're loyal to. As CFO I'm loyal to the CEO. Always report results to the CEO for example, never leave information out, and speak directly to those it concerns. (IP 1, interim manager, Mars 22, 2013)

#### **4.1.2 Organisational culture**

One aspect that was highlighted of all the interviewed interim managers was how important it is to understand and be a part of the organizational culture.

”I need to know what works here, how to communicate with people and to be tactic getting fast results, because it’s a short-term assignment.” (IP 3, interim manager, April 3, 2013)

To know the organizational culture is every important. It wouldn’t be possible to work without a good connection with the group and without knowing the organizational culture. It may work for some time, but not in the long run. (IP 3, interim manager, April 3, 2013)

Similarly, to understand the organizational culture and how things are done in the organisation is vital. It’s not possible to work in a completely different way if you work in a function cooperating with other departments of persons. You have to follow normal procedures and not cause unnecessary confusion. It’s easier to enter the assignment to know whom to contact with which questions etc. It’s also easier for the group, they feel at home knowing that they’ll continue as usual, without too many changes and the same routines. To change the culture would cause confusion in the group. It depends to some extent on the assignment. If the assignment has a negative impact on the employees, it may be better to keep a little distance and not getting to close with the group. Instrumental or functional hiring and assignment of that kind require more contact with the group and to build trust, he says. (IP 2, interim manager, April 3, 2013)

A large part of the work is informal; all of the information is not given in meetings, but in informal relations in the workplace. Not being a part of a group would result in lack of knowledge, informal knowledge. If you don’t know what happens you can’t do a good job, it’s as simple as that. If you’re not a part of the group you don’t know what is wrong: “[Y]ou have to be a part of the flow of information.” (IP 1, interim manager, Mars 22, 2013)

## 4.2 The process of introduction

The process of introduction, the entire segment is from the interview with IP 2.

Interview person 2 was introduced to an organization by something called “New Manager Assimilation” (NMA). He started by introducing himself to the rest of the group: who he was, where he had worked before etc. Afterwards, while waiting in another room the group wrote questions for him. When he gets back in to the room someone reads the questions out loud:

“They may ask me any question, but I have the right to refuse to answer if I don’t feel I want to, but it opens up, you get a pretty quick start, the group gets a pretty quick start. ... It’s usually a good way, an icebreaker to enter a group, where you open up: ask whatever you want! I reserve the right to- if there is something I don’t want to answer I let them know but otherwise it's just – shoot! ... When I did this, because I'm pretty interested in food, and I like chicken very much. I think it's fantastic to cook chicken at home, and we started to talk about that. Then, one day later, they served chicken in the lunchroom. ‘Oh but come on, it's your favourite today!’ Which they would never have said without such a practice for example: are you coming with us to eat? And everyone knew it was chicken for lunch. It will probably not affect the results on the whole but it gets a lighter and easier communication, not that formal.”

The atmosphere around an interim manager in the beginning of an assignment is very uptight and people are reserved: “[A]n exercise like this breaks down quite a lot of barriers and it's a little more ‘hey, hey’ afterwards.”

The atmosphere in the office becomes easy-going NMA leads to a faster decision-making process it facilitates discussions and communication, and to dare. People don’t have to walk around wondering, feeling uncertain and the situation where people don’t dare to ask disappears. It is however, important to not be too personal he says, it is after all you as a manager who will have to take a lot of decisions, more or less pleasant. (IP 2, interim manager, April 3, 2013)

## 4.3 Openness

What came up repetitively during all of the interviews was the importance of openness and to allow mistakes.

IP 3 doesn't want her employees to feel uncertain, walking around wondering what she really thinks about them, if they're doing a good job etc. They shall know that if there is anything that matters, she will tell them and if she hasn't said anything, there is no problem. This is a matter of trust. "You don't have to go and ask, you could, but there is no hidden agenda or something, I don't tell one thing to you and another to someone else." If there is no such security, she claims, the results will drop. "[P]eople get scared and start to calculate on risks instead of working. It's a part of the manager's role to carry other people's risks." (IP 3, interim manager, April 3, 2013)

"I have power and I lend it to you, and it can't be conditional by you borrowing it only when you make perfect stuff. Because then you can't use it, nobody is perfect a whole day, not even one hour at the time. That's security." (IP 3, interim manager, April 3, 2013)

An important aspect of a relationship is that people should dare to lean on her: "[T]hat they don't look at me as a temporary consultant, but to dare opening up and use me as a leader and manager." This is possible through trust building. (IP 3, interim manager, April 3, 2013) You build trust by being available, especially today when people are supposed to be reachable almost everywhere, calling back immediately if someone has tried to reach you for example. Trust is built through transparency, clarity, follow-ups, to set a good example and: "[T]hat a person inside the group dares to feel that you belong there, that you feel that you dare to take decisions, dare to help themselves". (IP 2, interim manager, April 3, 2013) It is about enlarging the room, openness makes them be who they are; the result becomes better that way. To be open is not a goal in itself, the goal is the results that comes with openness. (IP 3, interim manager, April 3, 2013) Leadership is like sports coaching, everyone is working together and if someone is doing something wrong that person will not be hanged out to dry because if you are hanged out to dry you'll get scared to take decisions and you won't do anything. To dare taking decisions you need to feel safe and that the manager stands up for you. (IP 2, interim manager, April 3, 2013)

The organizational climate is much better in organizations allowing mistakes and focusing on correcting. "If there are problems, everyone has to dare emphasising these problems, that is really important. Not hiding the problems or try to solve them themselves. It's important being allowed to make mistakes." "I take problems directly with my employees, I never pass them to a higher level, I solve the problems with my

employees, and that they know. I have to show that they can come to me without getting problems, that I'll pass them on to a superior.” (IP 1, interim manager, Mars 22, 2013)

# 5. Analysis

The results presented earlier in chapter four: Interim management, loyalty and organizational culture, as well as “the process of introduction” and “openness”, will in this section be analysed alongside the thesis’s analytical tool.

## 5.1 Interim management

The concept “interim management” is analysed alongside “Expert systems”, “loyalty” and “familiarity”, contributing to a better understanding of trust in the context of interim management in its entirety.

### 5.1.1 Expert system

Applying Luhmanns distinction between confidence and trust means confidence that is had in management systems and trust in the manager. The system can be described applying Giddens theory of expert systems. Interim management belongs to the consultancy branch (system), which is growing in todays’ market environment. The client organizations have confidence or to use Giddens words “weak inductive knowledge” in interim management as a consultant system, thus the initial confidence is already there. Similarly, according to Luhmann, people do depend to a greater extent on confidence relations than on trust relations. Relations of confidence can, according to Luhmann, change to a relation of trust. When the relationship between the client organization and the interim manager is possible to avoid. Applied to interim management the relation changes when an interim manager is hired. As soon as an organization gets in a situation where a manager is needed on a short-term basis, and considers hiring an interim manager, the relationship has become possible to avoid and the client organization may eventually regret the trusting choice. The organization can chose to solve the problem within the organization or to make a long-term recruitment. By choosing the interim management solution, the relationship has thus turned to a relationship of trust. The increased freedom (here: the choice) means greater risks. Risk emerges out of two components: decision and action. As a result, taking the decision and action to hire an interim manager means taking a risk. Trust, according to Gambetta, begins with being open to evidence and to act, as if there were trust, and wait for more stable beliefs to be established. Trust is an attitude allowing risk-taking decisions, and lack of trust hinders

activity. There is thus a degree of trust in the decision to hire an interim manager.

This however, is the intermediate supplier view of interim management and it may be difficult to apply their view on client organizations. It's also difficult to estimate the level of risk client organizations experience when hiring interim managers. The level of risk taking assumed in the analysis is based on demands and expectations of client organizations have on the interim manager when turning to an intermediate supplier.

### **5.1.2 Loyalty**

IP 2 and IP 1 both chose the word loyal describing how they describe their relation to the client organization. Loyalty according to Gambetta is “global-trust” in a person or institution in a situation of local disappointment. To show loyalty to the client organization is a part of the social structure of the expert system, the interim managers’ loyalty is somewhat taken for granted and expected. As stated in the introduction chapter, interim managers are supposed to act as insiders, interim managers need commitment. Their job is to be loyal to the client organization, providing them with whatever help they need. Structures and social reality may diverge, according to Gambetta, and the interim manager has to act according to social mechanisms that generate trust as explained by Luhmann, i.e. meet the contents of their expectations: loyalty. Gambetta states that cooperation makes some demands on the level of trust, depending on the mechanisms that govern the cooperative decision. Cooperation in an interim management context is, based on the relationship of confidence and trust discussed earlier, considered to demand a relatively high level of trust. The client organization has no history of cooperation with the interim manager and must handle the situation as if there were trust. What IP 2 and IP 1 describe is what Gambetta defines as mutual trust; it is important not only to trust but also to be trusted. Mutual trust is important not only to know the motives of the other but also because demanding less of our trust in others reduces the trust others have in us. If one party lacks trust in the other, there might be difficulties interpreting the first approach, and a peaceful sign can be misinterpreted as something non-peaceful. This however is not completely the case for the interim manager. A certain degree of confidence between the interim manager and the client organization is already established through the faith in the expert system, the loyalty guarantee.

It's difficult to know what meaning the word loyalty has to different individuals. This analysis is based how the interim managers described their view of their relation to the client organization, and their use of the word loyalty. That client organizations expect

interim managers to be loyal is assumed on the basis of what expert systems guarantee. An interim manager should act like an insider, which means showing loyalty.

## **5.1 Organisational culture**

The concept of organizational culture will be analysed alongside the concept of familiarity. Familiarity was not one of the three pre-existing concepts of the literature but proved to be another important aspect that determined the building of trust and the relationship between the interim manager and the client organization.

### **5.1.1 Familiarity**

Luhmann states that trust can only be stabilised within familiar terms. Trust has to be established within a familiar world because we are only able to operate in familiar terms (symbolic basis for trust) (Luhmann). Trust is based on symbols of trust, these symbols are known to people operating within this system. Consequently IP 3 states that it wouldn't be possible to work without a good connection with the group, knowing how the workplace functions or to communicate with people. Similarly, as stressed by IP 2, it wouldn't be possible to cooperate with other departments or persons without being able to communicate in "their way". As a result, communicating and acting according to normal procedures and to the client organizations organizational culture, trust can be established within familiar terms with symbols of trust known to the permanent employees. "Unnecessary confusion" mentioned by IP 2 would appear in an unfamiliar environment. IP 1 talks about the importance of being a part of the flow of information because a large part of the information in the workplace is achieved in informal relations. This however, depends on the assignment. As IP 2 states: if the assignment has a negative impact on the employees, it may be better to keep a distance to the group. This could mean that if the assignment is not supposed to be completed in cooperation with the group, trust building is not needed. Gambetta states that cooperation fails if there is distrust, but in cases with assignment of non-cooperation, distrust is not a problem, since cooperation isn't necessary.

## **5.2 The process of introduction**

The process of introduction sets the ground rules and familiarization with the client organization and is important to the interim manager, the relation to the client organization and the group. The process of introduction is analysed alongside the analytical tool “uncertainty.”

### **5.2.1 Uncertainty**

Interim managers often have to make difficult decisions, commonly affecting the permanent employees. In conditions related to uncertainty and not knowing about other peoples’ actions, trust is especially important according to Gambetta. Luhmann and Gambetta both state that for trust to be relevant there must be possibilities of exit, betrayal or for something important to be lost. Gambetta states that uncertainty relates to the ability to achieve full knowledge of others, which is considered to be an important aspect of trust. Making the uncertain certain (or at least more certain) makes trust easier, which IP 3 describes as the importance of not letting the employees know what she things about them. Another example is New Manager Assimilation, a way to surpass the distinction between familiarity and unfamiliarity. To build trust in the uptight and reserved atmosphere around the interim manager in the beginning of the assignment is difficult because the unfamiliar feeling causing uncertainty. New manager assimilation is a way to familiarize the interim manager, and to make it a smaller risk to trust him. Trust according to Luhmann has to be established within a familiar world. Uncertainty is considered being important for trust because it relates to our ability to achieve full knowledge about others. New Manager Assimilation breaks down barriers and IP 2 describes the atmosphere as more easy-going after practising NMA leading to a better communication when having achieved more knowledge about someone. Uncertainty, or certainty (familiarity) is a social mechanism leading to trust - the function of trust as Luhmann describes.

## 5.3 Openness

Openness is analyzed along the analytical tool “risk.”

### 5.3.1 Risk

According to IP 3 uncertainty causes employees to calculate risks. IP 3’s statement can be described and understood through Luhmanns discussion about risk. Risk emerges as part of decision and action; if you refrain from action you run no risk. Lack of trust diminishes activities and if employees feel uncertain and vulnerable because of the freedom of the interim manager, they will not act e.g. work. Moreover, trust according to Luhmann presupposes a commitment and a presumed situation of risk. Risk emerges in the decision to trust (“to lean on”) the interim manager and that decision (to trust) presupposes certainty. Applying Giddens: trust is sustained by calculating the probability of risk. When people are in situations of risk, i.e. an interim management context is danger calculated by the degree of security. The calculation is a balance between trust and acceptable risk where the managers’ ability to carry the employees’ risk builds a certain level of trust. What IP 2 describes: “ that a person inside the group dares to feel that you belong there, that you feel that you dare to take decisions, dare to help themselves” is not how trust is created but a consequence of confidence. Trust is to feel that you dare make decisions. To dare something presupposes a certain degree of danger and the feeling of belonging in the system, described here, as “the group” confidence. Confidence and trust coexist (Luhmann) in the interim management context. Confidence and trust are both related to expectations but differ in the level of risk. To trust the manager means a greater risk than to trust the group. IP 2 experienced that being reachable is a way to build trust, which was also the case with IP 3.

# 6. Conclusion

Based on the empirical evidence provided trust seems to play an important role in interim management. Conclusions drawn from the empirical research are however not generalizable to interim management in general. Interim managers need to create trust due to uncertainty and risk linked to hiring interim managers. They need to show expected loyalty to the client organization and to cross the distinction between the unfamiliar and familiar within the organization. Familiarity was not perceived by the researcher of such a great importance as the interviewees claimed. This suggests that familiarity, as a separate aspect needs to be taken into consideration as well. Interim management is about action, and interim managers capability to create an atmosphere in the workplace where the employees dare to take action – dare to take the risk to trust. The atmosphere is created by acceptance, openness and allowing mistakes. This atmosphere has to be created relatively fast for the short-term assignments to be productive, which is explained by the underlying mechanisms uncertainty and risk. Interim managers need to create an atmosphere where people feel safe enough to act. Trust thus plays an important role in interim management and the interim managers themselves in this study seem to be aware of that.

## 6.1 Further research

Further research on a larger number of interim managers from different intermediate organizations is encouraged. It would be a good research opportunity to investigate in the future as the sample in this study only contained subjects from one interim management organization. This in order to draw more general conclusions and to confirm the results in this study and also to be able to generalize the results in a greater extent than before. Moreover, conducting interviews with the client organizations and the groups that meet the interim manager would provide a more descriptive and perhaps truthful picture of the relationship and trust building between interim managers and client organizations.

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# APPENDIX I

## **Questionnaire I - interim managers**

1. To be accepted in a group might be widely recognized as slightly difficult: what is your opinion about that?
2. How do you feel about that?
3. According to you, what is most difficult/ easy? What is a good solution?
4. How are you coping with entering a new group?
5. Why is that important, why these things particularly?
6. If you don't get accepted in a group, would that affect your work?
7. If yes/no, in what ways?

## **Questionnaire II, - CEO of Brightmill**

1. How would you describe Interim management?
2. Why, according to you, has Interim management become an increased trend?
3. How would you describe your mission as an intermediate company?
4. What qualities do you look for in an interim manager?
5. Why these qualities?
6. How do you match interim managers and client organizations?
7. How do you determine the match?

Stockholm University School of Business  
106 91 Stockholm  
Telephone: +46 (0)8 16 20 00  
[www.fek.su.se](http://www.fek.su.se)

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