

**STYBEL
PEABODY &
ASSOCIATES, INC.**

SUMMARY OF THE THEORY OF ACTION PERSPECTIVE:

For over thirty years, Donald Schon of the Massachusetts Institute of Technology and Chris Argyris of Harvard University have been working on what they call a Theory of Action Perspective. A brief reference to some of their published books on this subject is enclosed with this draft. Their list of research papers would be at least twice as long.

That Perspective is based on the following empirical observations:

There is a gap between what people say (espouse) versus what people actually do (in-use).

Sometimes actors are aware of this gap and are deliberate about it. Observers label this gap “hypocrisy.”

More often, actors are unaware of this gap. Argyris and Schon believe it is due to the fact that we have one program in our brain that taps into what we espouse. We have another program in our brain that taps into what we actually do. And the two programs do not talk to each other. They are separate programs, much like different programs residing on the hard disc of a 386 DOS-based PC.

Most employment interviews tap into espoused theories only. Paper & pencil tests also tend to pick up data at the espoused level.

Because current interview techniques only focus at the espoused level, there is often a disappointing gap between the person you think you are hiring and one you actually find yourself dealing with. Psychologists call this predictive validity. The predictive validity of job interviews is low, according to studies on this subject at the University of Michigan.

Poor predictive validity in job interviews translates into higher turnover costs and lower productivity.

In our retained search work, we have adapted the Theory of Action Perspective as an adjunctive tool in classic job interviews to improve predictive validity.

Argyris and Schon developed a simple technique involving realistic vignettes that lead to dilemmas for job candidates. The technique creates a setting where job candidates have the opportunity to articulate their espoused approach for managing these dilemmas. And then we put them in a situation where they have to implement their espoused approach. This allows us to identify the "in use" approach.

The proceedings are audio taped, allowing decision makers to have data about candidates that are standardized for all candidates.

The identification of such espoused and in-use management behaviors is a distinctive value we bring to each retained search.

PROCEDURES

Stybel Peabody will work with the selection committee to develop 2-3 cases that are based on what we call Evergreen Dilemmas. Two sample cases are enclosed with this proposal. Each is evergreen in the sense of being timeless. Each is a dilemma. How do job candidates propose to manage such dilemmas?

Once the cases are developed, they can be recycled for several purposes: introducing the corporate culture to new hires, developing a framework for employee performance evaluation, explaining the corporate culture to outsiders, etc.

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ANALYZING A BUSINESS PROBLEM The Case of the Promoted Account Rep

In the following exercise, you will be asked to read about an actual problem that occurred in another company.

There are no right or wrong answers. We are interested in how you would deal with the problem.

You are the Marketing/Sales Director of Company A. Subordinate X is your best Account Representative but wants to move into management. Indeed, you have long been afraid that unless X is promoted you would lose this talented individual.

An opportunity has finally come about and Subordinate X is being promoted. A new Account Rep has been hired and will be assigned to Best Customer, Inc.

Best Company, Inc. is only one of 350 accounts but it represents 20% of gross sales.

Based on your past experiences with the President of Best Company, you expect the President will be very upset with Subordinate X's departure. Subordinate X sold the product to the President. The President has mentioned that if it wasn't for Subordinate X, Best Company would have moved to a competitor long ago. The President has mentioned that Subordinate X is far better than the

Technical Support people that normally trouble shoot for your company.

You are afraid that the President might even cancel the contract when the news is delivered.

How would you deal with this issue?

1. Describe your objectives; how you intend to achieve them; why you selected those goals.
2. Describe some dialogue that you might expect to occur if you implement the action plan listed in your response to question 1.

ANALYZING A BUSINESS PROBLEM: The Case of the Corporate Discount

In the following exercise, you will be asked to read about an actual problem that occurred in another company.

There is no right or wrong answer. We are interested in how you would analyze the problem and its consequences.

You are the chief human resource officer of a company with corporate HQ along Route 128. Many of the corporate HQ employees live in Rhode Island, and some commute from as far away as New Hampshire. One third of employees work at operating divisions located in the following cities: Austin, Texas; Osaka, Japan; and Reading, UK.

An employee named A has a good friend who is President of Mass Glass. The President of Mass Glass has authorized Employee A a discount of 10% towards any eyeglasses purchased at any Mass Glass store. There are five stores in Massachusetts only. Employee A comes to you and says that the President of Mass Glass will provide a 10% discount for any employee of the company who purchases eyeglasses at a Mass Glass store. Given the costs of prescription lenses and frames, the potential savings to employees could be \$15-35 per frame.

Employee A says that all you have to do is to pick up the phone and call the President of Mass Glass. If you request the discount, he will grant it to all employees of the company.

What do you say to Employee A?

How would you deal with this issue?

1. Describe your objectives; how you intend to achieve them; why you selected those goals.
2. Describe some dialogue that you might expect to occur if you implement the action plan listed in your response to question 1.

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