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A Workplace View of Drivers and Barriers to Developing Human Capability

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Abstract

This paper reports recent research in New Zealand workplaces investigating institutional, organisational and individual influences on the development of human capability. The concept of human capability is used as a counterbalance to the organisationally instrumental view of individuals and institutions prevalent in contemporary skills debates. Drawing inspiration from Sen's capability approach, the research examines drivers and barriers to capability development reported by workers, managers, unions, business owners, and industry commentators. In conclusion, the paper presents a summary of a framework to assist managers, union organisers, and policy makers to analyse conditions impacting on human capability development in and for workplaces.

Introduction

In recent years, skills have been much discussed in the academic and policy literatures, and many OECD countries have advanced 'high skills, high wage' economic visions. Skills have been portrayed as somewhat of a silver bullet for economies lagging in the productivity stakes, and as a natural corollary of the knowledge economy. Yet we know that skills, although necessary, are not a sufficient condition for economic growth and prosperity (Brown, Green & Lauder, 2001; Keep, 2003; Ryan, 2007). Recent thinking on workplace productivity takes a more multi-faceted view of the ingredients for economic growth and success (Department of Labour, 2008; Fabling & Grimes, 2007; Ryan, 2007). The seven drivers of workplace productivity identified by the tripartite Workplace Productivity Working Group (see: www.dol.govt.nz/workplaceproductivity/drivers.asp) typify the micro economic view of the organisational factors impacting on performance. These also reflect much of the thinking in the high performance work systems literature. Even so, the contributing academic literatures, such as work and organisation studies, labour economics, and human resource management, treat features of individuals and workplaces (such as skills) as purely instrumental to organisational success, and thereby economic prosperity. Humans involved in work are portrayed as resources or capital at the disposal of organisations and employers benevolent enough to utilise them. Few discussions place the human as the central concern. Nor do these discussions acknowledge that the human contribution to society is one not solely derived from work, and that the organisational contribution is not solely an economic one.

This paper reports on research which has been analysed using Sen's notion of human capability to examine how the institutions, organisations, and individuals associated with workplaces, both drive and constrain the development of human capability: that is the opportunities, freedoms and social arrangements which enable people to live lives they

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have reason to value. By taking a human capability starting point it attempts to move the debate to a more holistic view. This focus on human capability development permits: i) a view beyond purely organisationally instrumental notions of individual skill; ii) examination of not only workplaces and individuals but also the institutional environments in which they exist: social, economic, labour market, and so on; and thus iii) a consideration of the impact on human capability of social arrangements associated with employment. The paper proceeds by briefly outlining some of the academic debates surrounding skills and workplaces, and the consequent appeal of the perspective of Sen's capability approach. It then describes case study research conducted in a range of New Zealand organisations investigating the development of human capability. The paper concludes by presenting a framework of the main factors which drive and undermine developing human capability in and for New Zealand organisations.

From human capital to human capability

Our research project focused on human capability development in and for the workplace, and the various influences on that institutionally, organisationally and individually. Thinking about this drew us to research literatures which addressed skills, learning, human capital, human capability and achievement, in work related contexts. We found that the ever expanding commentaries on learning organisation, human resource development (HRD), human resource management (HRM), workplace learning, and adult education were largely underpinned by an implicitly instrumental view of skills and human capability as a tool for the achievement of organisational goals. The pervasiveness of this assumption is due in no small part to the popular uptake of human capital theory and resource based views of the firm. These perspectives, which have travelled variously from economics to strategic management and to human resource management, provide appealing logic for organisations to behave in a short-term, self-interested manner. For instance, human capital advocates would argue that it is not reasonable to expect employers to act in the development interests of employees who may then leave the organisation, or who may not use all their skills for the benefit of the organisation. On this basis, narrowly defined firm-specific skills are the most an employer would invest in – with an expectation of gaining all the pay-off from these skills. Similarly from a resource based view, skills and knowledge and other attributes of certain employees are regarded as the organisations strategic asset to be utilised and retained through various HRM practices.

However, the small but growing critical strands of these literatures (particularly in workplace learning and adult education) are an informative counterbalance. In recent years, human capital theory as the dominant school of thought in HRD has been widely criticised. These include suggestions that it commodifies learning (Baptiste, 2001), ignores power relations, is fixated on individualistic market relations and is unable to deal with the general problem of underutilisation of investment in learning (Livingstone, 1999). Others claim it only generates an efficient amount of HRD and training activity under very restrictive assumptions (Kaufman, 1994; Wang & Holton, 2005) that it ignores that HRD is embedded in work processes, and that it distracts attention from other processes by which HRD resources are allocated in organisations. Thus, although human capital theory has some explanatory power, it also has shortcomings and is certainly not a universally appropriate guiding principle.

These critical literatures also show that workplaces can be characterised as more or less supportive of learning, and that various factors are influential in this including: job design, the context in which workplace learning takes place, access and opportunity, particular organisational strategies and goals (Billett, 2002a; Billett, 2002b; Billett, 2004; Fuller & Unwin, 2004, Keep, 1997). It also shows that there remains a persistent gap between the haves and have-nots in access to development opportunities (Rainbird, Munro & Holly, 2004). Our own cases (Bryson, Pajo, Warm and Mallon, 2006) confirm these findings, showing that opportunities may be differentially experienced according to level in the organisational hierarchy or type of job. This critical perspective in the literature has seriously questioned the assumed mutuality of purpose and outcome of learning activity for the individual and the organisation (Thomson, Mabey, Storey, Gray & Iles, 2001; Fenwick, 1998). The amount of choice and self-direction individuals have in their own learning and career is arguable (Grimshaw, Beynon, Rubery & Ward, 2002) and the assumption that individual learning and knowledge are commodities, useable for organisational competitive advantage is still pervasive (Casey, 2003; Gherardi, 2000). In a critique of learning organisation and the knowledge based economy, Casey argues that "economic discourses of work and organisations, and of adult education, have precluded significant attention to the cultural dimensions of work – the non-material, personal and relational aspects of productive activity – which defy economic and productivity measures" (2004: 620). She appeals for education and skill acquisition to be directed towards goals of self and community development for living and working in participatory democratic society.

Another strand of the HRM and management literature which is highly influential for organisational practice and discourse is that pertaining to high performance work systems. This literature debates the emergence and shape of new forms of work organisation which have appeal as the high-wage, high-skill productive base upon which contemporary social and economic development aspirations can be met. Proponents of high performance work systems argue for bundles of HRM practices which feature: performance based pay, team work, firm specific skill selection and development, employee involvement and flexible work arrangements. Research is mounting to prove the link between these practices and their goal – increased firm productivity (Department of Labour, 2007; Fabling & Grimes, 2007; Huselid, 1995). The, not unreasonable, logic of the link between high performance work systems and productivity is that such practices "raise employee productivity by raising employee skill levels and motivating and engaging workers more effectively" (Department of Labour, 2007). Indeed, in a recent survey of employee experiences of high performance work systems in New Zealand workplaces, Macky & Boxall concluded "empowerment levels look healthy...but if links between empowerment, training, rewards and communications were stronger, employee productivity and commitment would likely be higher" (2008: 14). However, one could also argue that, from a worker's perspective, there is a fundamental tension whether, in this emergent model of high performance work systems, employee relations are constructed so as to empower them and increase their intrinsic rewards through work or whether they are constructed to simply extract greater effort. There is a tendency in the high performance work systems construct to exaggerate the rationality and effectiveness of HRM practices to 'create a social system in support of the technical system' and to underplay the agency of management and workers in resolving the social tensions and technical constraints that occur in work.

In summary then, the range of skill, HRM and productivity debates are largely constrained by narrow conceptions of the role of workers, managers and organisations (focused on

short run productivity), and do not acknowledge or fully explore the possibilities of human capability within organisations and society. Drawing on the work of Amartya Sen, we characterise capability as a positive freedom to achieve things in order to live a life which one values and has reason to value. We utilise this broader notion of human capability to provide an alternative starting point from which to examine institutions, organisations and those that are part of them.

Sen's use of the concept of 'capability' originates in debates within welfare economics and is principally applied in the context of economic development. Sen's thought has been widely summarised and presented in the literature (see for example, Pressman & Summerfield, 2000; Osmani, 1995; Gasper, 2002). Sen, himself, has provided many summary accounts of his thoughts (see for example Sen, 1984; 1985;1987; 1992; 1995; 1999). Whilst Sen's 'capability approach' raises complex philosophical issues and is developed out of a detailed critique of mainstream economic approaches to welfare, the essential point of departure of Sen's work is his focus upon human well-being and within that his arguments that the purpose of development is the expansion of people's well-being and freedoms so that people have the opportunity to expand their achievements.

As Sen himself (1993) and other commentators (Robeyns, 2000; Sehnbruch, 2004) emphasise, the capability approach operates at several levels, but is mainly a framework of thought, or a mode of thinking. The major constituents of the capability approach are the concepts of functionings and capabilities. In *Development as Freedom*, Sen offers a set of definitions of functionings and capability:

> …the concept of "functionings"… reflects the various things a person may value being or doing. The valued functionings may vary from elementary ones, such as being adequately nourished and being free of avoidable disease, to very complex activities or personal states, such as being able to take part in the life of a community and having self-respect… A capability [is] a kind of freedom: the substantive freedom to achieve alternative functioning combinations (Sen, 1999: 75).

Functionings are, thus, the 'beings and doings' of a person, whereas a person's capability is the various combinations of functionings that a person can achieve. The two concepts are related but distinct in that:

> …a functioning is an achievement, whereas a capability is the ability to achieve. Functionings are, in a sense, more directly related to living conditions, since they are different aspects of living conditions. Capabilities, in contrast, are notions of freedom, in the positive sense: what real opportunities you have regarding the life you may lead (Sen, 1987: 36).

A key point that Sen makes is that the availability of a commodity (such as a money wage, or a job, or training) does not necessarily or automatically imply that people can achieve an intended act or state of being. With the concept of 'functionings', Sen is trying to capture the notion that what 'doings and beings' a person achieves depends upon command over a particular set of commodities, one's individual circumstances, the physical and social environment one lives in, and all other factors that may impact on the conversion of commodities into achievements.

Finally, crucial to the capability approach of Sen, is what Browne, Deakin, and Wilkinson (2004) refer to as the conversion factors which facilitate freedom or capability. These conversion factors are the characteristics of people and the society and the environment they live in, which together determine a person's capability to achieve a given range of functionings. Personal characteristics in this sense include such things as a person's metabolism, age and gender. Societal characteristics would include such things as societal norms, legal rules and public policies. Environmental characteristics would include such things as climate, physical surroundings, infrastructures and legal-political institutions.

Thus, to contrast human capital and human capability, and the ways in which they fit together, is illuminating. According to Sen human capital refers to "the agency of human beings, through skill and knowledge as well as effort, in augmenting production possibilities" (1997: 1959) On the other hand, human capability is about the ability of human beings to live lives they have reason to value. Sen discusses the nature of the two concepts and some important points of comparison. First, both concepts focus on human beings and their abilities. In this respect, they have a common reference point. Where they differ, however, is that human capital is often viewed in terms of its contribution to productivity within an organisation whereas human capability looks at its contribution in a much broader way in terms of the extent to which these abilities enhance people's lives in general. It could be argued that it is the same distinction that separates employers and employees. Employers want to grow people's abilities for use in production whereas employees are developing their abilities not only for work but also to contribute to their wider wellbeing. To some extent the definition of capability depends on whether you perceive individual capability as the end goal or whether you view the individual as an input to the overall goals of organisational capability.

In summary, a focus on human capability can provide a more integrated way of considering organisational ends, individual needs, and societal outcomes. It forces a more strategic view of human development, one which accepts the connection between individual, society and organisation. The capability approach of Sen provides an important alternative lens through which to identify the factors that lead to the optimal development of human capability in New Zealand organisations. It asks, what are the social arrangements that lead to the ability of people to do or be something? Whilst not denying the relevance of the concept of human capital, its focus upon skill and its individual rational acquisition misses the point that the individual also needs the effective means to apply such skill into an achievement. Skills are only a part of a wider concept of a person's broad capability to achieve his or her goals. Our research explores how this capability develops or declines depending on daily circumstances in life and work, at least as much as on formalised periods of education and training.

Investigating views from New Zealand workplaces

The Foundation for Research, Science and Technology (FoRST) provided funding for our research to identify conditions for the optimal development of human capability in New Zealand organisations. We utilised a multi-level, multi-method approach to conducting the research in order to capture the breadth of perspectives and factors influencing human capability. After an extensive literature review, data were derived from 3 main sources: 1) an examination of collective employment agreements held in the employment agreements longitudinal database of the Industrial Relations Centre at Victoria University of

Wellington; 2) a series of case studies in 4 industry sectors; 3) a series of targeted focus groups with expert groups.

What we examined in the database

The database contains collective employment agreements which are coded, and can be searched, according to specific clauses or contract provisions. Thus, early on in the research project we were able to instigate coding of provisions related to training, workplace learning, flexible work, and other capability development opportunities that had been bargained into agreements. The database also contains annual union membership surveys which allow us to estimate levels of union density in New Zealand.

What we did in the case studies

The case studies were our main instrument for qualitative investigation of influences on human capability in and for the workplace. Participants in the case studies were drawn from what might be regarded as the wider capability community associated with each of the four industry areas we investigated (wine making, furniture manufacturing, mental health services, and Maori businesses). We conducted over 200 semi-structured interviews with employers, workers, unions, industry associations and Industry Training Organisations (ITOs), local education providers, regional authorities, and other organisations in the supply chain of each industry. The interviews were designed to look at individual, organisational and institutional issues. We found that for most workers the term 'capability' had limited meaning, thus we focused on obtaining a development history from each worker in order to understand how they had got to where they currently were job-wise, why certain choices had been made along the way, and what had been helpful and what had hindered them achieving what they wanted. This proved to be very helpful in identifying drivers and barriers to the development of human capability. Interviews with managers and owners covered similar questions and also asked how they developed workers and how the organisation and industry in general approached skill and capability development. Interviews with education providers and industry representatives canvassed opinion on human capability development practices and issues (driver and barriers) for the industry.

What we did in the focus groups

The final phase of the research involved a series of focus groups with 45 subject matter experts in order to test the framework of developing human capability that emerged from the case study, database and literature review phases. The subject matter experts included: a group of government policy advisors; a group of organisational consultants and researchers; a group of unionised workers; a group of non unionised workers; a group of managers from both unionised and non unionised workplaces; a group of union organisers and delegates. A final verification of the practical utility of the framework was conducted with two further focus groups: a group of Human Resource Managers; and a group of union educators. The focus group discussions explored drivers and barriers to human capability development, in particular what workplace and job characteristics facilitate capability development and what workers want in a job in order to add to their capability.

Within this paper we focus on the institutional, organisational and individual factors that enabled or constrained the freedom of opportunity for workers to achieve things they valued.

Findings

A key result from examining the collective employment agreements database showed that despite the permissive nature of the Employments Relations Act, 2000 provisions within collective employment agreements remain limited largely to complying with the minimum standards of new legislation. For instance, the amendment of the Holidays Act in 2006 to extend the social right for annual leave for full-time employees from three weeks to four weeks per year has been reflected in agreements (Blackwood, Feinberg-Danieli, Lafferty, O'Neil, Bryson, Kiely, 2007). In addition, the database showed that union density in the private sector remains low and barely keeps pace with increased labour market participation. The reality of the limited results of collective bargaining within a permissive framework led us to think more seriously about human capability as the ability to achieve things and how an institutional framework such as the employment relations system helps or hinders the positive freedom for people to achieve things.

The case studies, collectively, shed further light on the impact on human capability of such institutional arrangements. Although, the qualitative findings of the case studies have been reported in detail elsewhere (Blackwood, Bryson & Merritt, 2006; Bryson et al. 2006; Bryson, 2007; Bryson & Merritt, 2007; O'Neil, Bryson, Cutforth & Minogue, 2008; O'Neil, Bryson & Lomax, 2008), in this paper we present a summary of key findings. The case study interviews yielded a breadth and depth of information on both formal and informal influences on development. In particular, while identifying the development influences (positive and negative) within the organisation, a capability approach also helped us to focus on the influences from outside the organisation, and a far wider range of the informal but highly significant capability development activities within the organisation. We used the analytic device of drivers and barriers to summarise the key influences on the development of human capability following analysis of all the case study interviews. These two categories were then subdivided according to the level they were reported as occurring:

- Institutional: Broad societal arrangements such as policy, regulation, legislation and social attitudes
- Organisational: Factors relating to practices within organisations
- Individual: Factors personal to the makeup of an individual

Table 1 presents a condensed summary of key themes identified in the case studies. Following the table we discuss some of those factors in terms of their impact on human capability.

Table 1: Summary of drivers and barriers to developing human capability

	Drivers	**Barriers**
Institutional	Role of the state - infrastructure, policies, norms which endorse industry and organisational practices Economic conditions	Lack of coordination between different incentives in infrastructure and policy; contracting out of service provision; schools and other influences
Organisational	Supportive employers, managers and supervisors; pay systems; work design and practices; occupational recognition and professional standards	Beliefs and values of board, senior management team, owner and/or general manager; short term focus; organisational strategy; small size of organisation; lack of mechanisms for genuine employee input/union absence and/or a transactional focus in the employment relationship
Individual	Aspiration to improve; proactive individual behaviour; confidence; community connections	Lack of awareness or confidence or pro-activity; mode of employment and bad jobs; poor schooling, life and work experiences

Although we were able to isolate institutional, organisational and individual factors for analytical and presentational purposes in Table 1, this does not mean to imply that they are unrelated or unconnected at the different levels. Institutional factors influenced organisational and individual choices, just as organisational practices influenced individual choices and (in some cases) vice versa. Below, we report on some of the interesting connected flows of influence between these levels, in particular: economic conditions and business strategy; nature of the 'employment' relationship; industry-wide responses; influence of those with power; individual experiences and confidence.

The uncertainties of competition in an open economy and in export markets drove differing business strategy responses which in turn impacted capability development. These strategies were usually focused on achieving production flexibility in various ways - for instance, through an emphasis on quality, or alternatively a focus on cost competitiveness. This was also evident in the public sector where state agencies drove funding contracts requiring efficiency and quality of service provision. We found that a common practice to achieve flexibility in both the private and public sectors was the contracting out of service or production to contractors and subcontractors. This practice operated as both a driver of and barrier to capability development. In the private sector, such contract arrangements more often constrained capability development of contractors who were tightly resourced to deliver with no margin for development. In the public sector, although this was in part the case, the contracts also often specified requirements for the contractor to meet certain professional development standards and cater to other development needs.

This also highlighted that the nature of the employment relationship (core employee through to sub contractor or temp) impacted significantly on whether capability development was acknowledged as the concern of the organisation or not. We found, paradoxically, that some workers having moved to independent contractor status in order

(they hoped) to access the freedoms they needed to live the type of life they valued, discovered other significant constraints they had not anticipated. For instance, the need to maintain cash flow led to acceptance of sub optimally resourced contracts. On the other hand we also spoke to some workers for whom seasonal employment provided the (social) arrangements which enabled them to live as they wanted. In the off-season, they pursued other lifestyle options ranging through creative activities, to physical pursuits such as skiing, hunting, fishing and generally 'going bush'.

Also, at an institutional level, vocational education infrastructures and industry responses were influential. The presence of industry-wide responses to economic and other pressures often encompassed a concern for capability. Industry strategies acted as drivers and served to ameliorate the tendency to very short term focus of many of the organisations we visited. The reputation of apprenticeship training or other qualifications, the perception of availability of work in the industry, the experience of secondary school, were all important.

A clear theme at the organisational level was the influence of the board, managers and supervisors. People in positions of power over others, whether it was formal managerial power, or power conferred by age, experience, or earned through respect, were consistently reported to be central to facilitating achievement of individual capability. For example, workers reported key capability development experiences due to the regular encouragement and support of certain managers, supervisors and colleagues, and also from any key person, such as 'Mum' or a respected friend. These were important in increasing individual confidence, feeling of value, and thus willingness to develop. This was further emphasised in reflections by employees on their capability development being hindered by unsupportive bosses and "guys in the past who've been narrow minded about sharing knowledge or skill development" (worker). In addition, deliberately short term business strategies combined with a lack of desire to engage with workers at any level other than hierarchically based direction and control, both proved to be massive barriers to capability development of any sort. As one worker noted: "If you don't have a good employer, it makes it harder ". This inability or unwillingness of owners and managers to acknowledge and utilise worker knowledge in its broadest sense was detrimental to workers and ultimately, one surmises, the organisation. A number of themes around the individual's freedom to act (or not) also emerged. These included tensions over job security, how 'skilled' workers are 'made', and an absence of occupations or career paths in the workplace.

Focusing on capability also enabled researchers to discern the fine line between the worker classified with a 'good' attitude and those labelled with a 'bad' attitude. Beneath the 'bad' attitude often lay literacy issues, poor education and/or family experiences, poor employment experiences, and in some cases just immaturity or fear of commitment. In the workplace, people who have had these experiences sometimes appeared to lack confidence, or not be motivated. One worker summed up a common view saying: "Self confidence – a lot of people are very unconfident about their ability to undertake training and achieving". On the employer side, this manifested as: "It is hard to find young guys with [a] work ethic and sense of responsibility and good social skills".

Capability development was dependent on employers, supervisors, proactive employees and their wider social networks, and on industry and institutional initiatives. As one worker put it: "You really have to do it yourself… [the company] expects people to ask, to

be proactive". Workers who had the awareness, confidence and interest to ask, make time, shape the work environment to suit their needs, were more likely to get the capability development they desired. Access to, and take up of, opportunities through work were positively influenced by proactive individual behaviour. Individuals are not without some agency in most work situations, the question is whether they exercise it or not. Interviews with workers revealed that numerous factors determine this including awareness of rights and possibilities in work and life, issues of identity (cultural, occupational, etc), confidence and self efficacy. These, in turn, are linked to educational and family experiences, presence of role models or supportive facilitators at work and outside of work.

Building a framework for developing human capability in New Zealand organisations

In the final phase of the research, we discussed the drivers and barriers and other factors from the literature with expert focus groups. Several iterations of these discussions helped refine a detailed framework outlining the factors which drive and undermine developing human capability in New Zealand organisations. Table 2 presents a summary of the framework of factors. The detailed framework, which is reported in full in Bryson (forthcoming), describes the conditions in which these factors act to drive human capability development and the conditions in which they undermine it. Following, as an illustration of the full framework, is explanation of just one factor from each of the levels (institutional, organisational, and individual) and the conditions which make the factor drive or undermine human capability.

The institutional factor "nature and state of the product market" drives human capability development when there are collaborative, networked employer responses (across industry or region), for example through ITOs or other sector groups, or government initiatives focused on specific sectors. On the other hand, uncoordinated, fragmented responses are associated with a spiral downwards in human capability.

An example of the impact of differing conditions on the organisational factor "philosophy of economic and working life" shows that an encompassing approach by organisations including ethical, sustainable approaches, and /or in some businesses the Maori philosophy of 'production for use', drives human capability. Other driving conditions were management belief in the goals of the organisation, and facilitation of team work and reflective practice. Employers, managers and supervisors supportive of capability development were highly influential, as was a respect for workers as a 'whole' person with citizenship rights in the organisation. A long term view of the business and developing human capability was an important driving condition, and in Maori organisations this was sometimes expressed as a vision of iwitanga with iwi economic self determination. On the other hand, conditions under which 'philosophy' undermined human capability development included the existence of instrumental commercial visions based on a definition of value defined by the extent it can be bought, sold and turn a profit. Associated with this are boards and senior management teams which prioritise shareholder return ahead of workforce development. In SMEs, the beliefs of the owner or general manager can work either for or against human capability. In all organisations, a short term focus of business owners and business strategy can seriously undermine capability development for the business and the industry. An absence of management of the relationship between employer and employee, and between employee and employee also compromised

capability. Similarly a focus on the employment relationship as purely transactional undermined capability development.

An example of an individual factor is that of "attitude, confidence and self efficacy". Attitude was consistently found to drive capability, in particular the willingness and desire to learn, and interest in the work. Aspirations to improve one's lot in life or that of one's family drove capability development, as did personal beliefs and interests which influenced career choice and desire to foster personal development or well being. Proactive individual behaviour was also a key driver which led to shaping of one's work environment or asking for the development one required. However, undermining capability was lack of awareness, confidence, pro activity or organisation based self esteem which led to unwillingness to push for improvements. The absence of confidence, motivation and no way to access it, and poor attitudes to work and capability development were all powerful undermining conditions.

Table 2: Overall factors identified as driving or undermining human capability development in different conditions

Institutional	**Organisational**	**Individual**
Economic • Nature & state of the product market • Nature of the labour market • Nature of the legal form of employment • Geographic setting Role of the State/public policy • Publicly defined standards • Public funding • Policy concerning indigenous community Educational arrangements • Infrastructure • Integration of different elements • Sensitivity/engagement with local condition Cultural/ideological legacies	Philosophy of economic & working life Key structures & practices • Scale of operation • Work organisation & design • Skill formation arrangements • Workplace (industrial) relations & cultures	Attitude , confidence & self efficacy Educational experience Perception of work arrangements & culture Life, capability & experience beyond work

At the outset, we noted that a human capability perspective encouraged us to examine the impact of opportunities, freedoms and social arrangements associated with employment on people's ability to live lives they value. The research has clearly indicated the importance of this broader notion of human capability. Each of the factors identified in the framework has sets of conditions in which they drive human capability, and other conditions in which they constrain it. These conditions reflect the changing pattern of opportunities, freedoms and social arrangements to which people are exposed. The research has reinforced that

what happens in workplaces influences human capability, that institutional arrangements also matter, and the interplay between them.

The full framework goes some way to explicating what arrangements make a difference. The organisational practices that make a difference for human capability are not dissimilar to forms of good human resource management practice. For instance, high performance work systems could have value in developing human capability but a reorientation is necessary in order to achieve change to the status quo. Such a reorientation, inspired by Sen's capability approach, is to acknowledge and encourage organisations not only as economic contributors to society but also as capability enhancing institutions in society.

Work organisations are the providers and guardians of good quality jobs and work environments essential to the development of human capability. There is an imperative for them to support and encourage the reorientation of industries, boards, business owners, employers, managers, trade unions, workers and shareholders, to a longer term focus on the balance between the dual goals of enhancing human capability and economic wellbeing. Only through this will the limitations of the human capital approach and resource based view of the firm be overcome.

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