

**STRATEGY**

## The capability approach to organisational development

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Organisations have an onus to enhance the capability of their members to achieve the kind of life they value

What is the moral obligation of an organisation towards its members? Is it limited to a mere extraction of economic value in return for just and fair rewards?

In this context, one could look at the Capability Approach to human development, which was developed by Amartya Sen. In summary, this approach measures human development through the lens of the capability of individuals to achieve the kind of life they value. For instance, the mere presence of a school in a locality, does not guarantee that a potential student has the ability to take advantage of it.

Numerous factors may come in the way, including lack of economic resources, social attitudes towards education, gender, caste and so on. Therefore, one role that a state could play is to ensure not just the availability of resources, but to also ensure that the capabilities of its citizens are enhanced to avail of those resources as per their desires.

Within the smaller context of an organisation, it could be argued that the organisation has a similar moral obligation to its members. Not only is it expected to merely derive economic value from its members' skills, but also on a reciprocal basis to enhance the capability of its members to achieve the kind of life they value. As things stand today, while a lot of progress has been made in the arena of rewards and recognition, the capability enhancing dimension is often missing.

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A capability enhancing perspective may require some amount of reorientation of thinking. A few such shifts required are indicated below.

### Matching desires to roles

The traditional approach is to match existing skills or experiences to available roles. This strategy wrongly assumes that existing skills match existing desires in an individual. Too often skills may well be acquired without sufficient desire behind them – perhaps to match the realities of market demands.

A capability enhancing organisation would need to create ways in which existing desires of its members can be matched against available roles. This is not as hard as it sounds. Except for highly specialised fields, this sort of flexibility is actually a low risk experiment, particularly with younger people who are starting out. As for more experienced people, latent desires may need to be matched by some real world evidence of aptitude for those areas of work. Thus, there needs to be a recognition that what a person brings to the table is not just existing skills, but potentialities. In sum, the organisation becomes a vehicle for self-discovery, not just immediate contribution.

### Reduce prejudicial barriers

Additionally, it would be important to do away with prejudicial barriers that prevent people from accessing the roles they desire – for instance, college degrees, proficiency in a certain language, years of experience, and so on.

The removal of prejudicial barriers, should be matched by the creation of capability expansion infrastructure within the organisation. Investment in capability expansion would entail many building blocks, beyond just training. It may include, for instance, funding of skill acquisition in the form of formal college degrees.

It could include formal apprenticeship programmes within the organisation for members to spend time working in self-chosen areas of interest under 'masters'. It will also include the creation of an organisational culture that recognises that while the starting position of different individuals may be different, their 'ending' positions need not be arbitrarily capped.

### Factor in delayed value creation

Any organisation that subscribes to a capability enhancement worldview will need to prepare for latency in value creation by its members. However, it may well be said that individuals who have discovered their potentialities, and who are matched to roles that exploit those potentialities will significantly outperform on a longer term basis.

Additionally, such people are likely to stay committed to the organisation over a much longer period of time, thus driving down 'replacement' costs. Thus, the 'cost' of delayed value creation should easily pay for itself.

The knowledge economy demands a higher moral responsibility from organisations. However, working towards fulfilling these higher moral purposes is not really at odds with capitalistic outcomes. Enhancing human capability will quite likely deliver magnified rewards relative to investments made by any organisation, albeit over a longer period of time than what the present mindset demands.

Challenging this mindset will be the starting point in reframing the moral purpose of organisations to one where they create spaces for individuals to discover themselves, while being effective contributors.

*The writer is a corporate strategy professional*

(This article was published on November 4, 2014)

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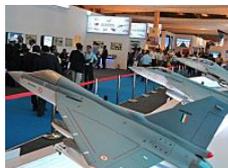
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**D.V. RAMA** from CHETPUT  
Article is very good !!! I may tend to agree with the retired professional who commented, "such write-ups are intended for academic purposes, nothing beyond". If really Organisations sincerely feel that they have an onus to enhance the capability of their members, great things can happen in India. Almost all Organisations are focussing on short term and not caring the individuals for long term improvements. Strictly speaking Organisations should try to find extra roles for those individuals and give them proper support & training if required by playing mentor role. If some training is given it may be purely to satisfy some quality system or the other!!! If an individual by nature wants to / can contribute more than what he is hired for, he/she should be lucky to get such organisation that encourages. May be in some government non-profitable organisation, it may be happening purely based on any specific senior's nature that too not as a regular policy, commitment of the organisation.  
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**Kanthimathinathan** from DUBAI  
This article is a timely one as most organisations who have lot of faith in Training and development of their employees from shopfloor to Senior Vice president level have started eliminating this expenditure itself due to rising cost of manufacturing. Moreover the shifting of loyalties from the capability enhanced personnel also forces the Management to think twice before enhancing the capability of its employees.  
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**Dr** from KUKATPALLI  
Its true that individuals who have discovered their potentialities, and who are matched to roles that exploit those potentialities will significantly outperform on a longer term basis. It is said that any body can get in to the bus and start driving but the direction in which it is being taken and whether right person has been put in right place at right time is important. Any organisation which adopts this approach will reap immense benefits interns of improved employee engagement and productivity.  
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Should one have the intelligence not to oversight or bypass the wisdom as may be found available in abundance from past experience (i.e. in hind sight), the need of the times is to lay greater stress on individual's 'credibility' , in comparison to 'capability'.  
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"Challenging this mindset will be the starting point in re-framing the moral purpose of...." The write-up, as so concluded, undoubtedly makes for an interesting, rather absorbing reading, but only so long as it is believed that such write-ups are intended for academic purposes, nothing beyond. For the point noted is, even if were to "create spaces for individuals to discover themselves, while being effective contributors." it is the very same individual 'mindset', not only being the starting point, but eventually, might turn out or prove the inevitable end (ing) point as well. This is a topic worth a further study by eminent psycho analysts.

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