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### Original Citation

Downs, Yvonne and Swailes, Stephen (2013) A Capability Approach to talent management. *Human Resource Development International*, 16 (3). pp. 267-281. ISSN 1367-8868

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## **A Capability Approach to organizational talent management**

### **Abstract**

This paper takes a fresh and radical look at organisational talent management strategies. It offers a critique of some of the prevalent assumptions underpinning certain talent management practices, in particular those fuelled by the narratives of scarcity and metaphors of war. We argue that talent management programmes based on these assumptions ignore important social and ethical dimensions, to the detriment of both organizations and individuals. We offer instead a set of principles proceeding from and informed by Sen's Capability Approach. Based on the idea of freedoms not resources, the Approach circumvents discourses of scarcity and restores vital social and ethical considerations to ideas about talent management. We also emphasise its versatility and sensitivity to the particular circumstances of individual organisations such that corporate leaders and human resource practitioners might use the principles for a number of practical purposes.

Keywords: talent management, employee development, capabilities, evaluation, ethics

## Introduction

This paper has two aims. The first is to argue for a new ethical paradigm in conceptualising and practising talent management. The second is to present the Capability Approach (CA) as a starting point for the development of such a paradigm and to do that in such a way that will provoke further debate. Putting this ambitious argument across in one paper inevitably requires some compromise. Firstly, there is no intention to supply a ready-made, one size fits all model that that could be universally implemented across different kinds of organization. We do not speak directly to practice but, through the introduction of a distinct set of antecedent ideas, to the thinking that informs it. The Approach cannot be used in a generalised way as Sen insists that its practical applications must be developed with due regard to its specific context. Robeyns' (2007) examples of the practical ways in which CA has been applied show how it is used as a framework that can help to (re)conceptualise and evaluate and evidence the futility of expecting CA to provide solutions. We argue that it is worth engaging with it because the implications of the ethical 'dark side' of talent management are not only intrinsically concerning, they also have the potential to undermine the effectiveness and sustainability of talent development strategies, to the detriment of both organizations and individuals. We will show that CA is a useful framework precisely because it restores vital social and ethical considerations to conceptualisations of talent. That notwithstanding, we address the need for practical relevance by outlining five broad principles as a starting point for further discussions about the development of talent programmes within the new Capabilities paradigm.

Secondly, we are proceeding from a specific departure point, confining ourselves to that elitist conceptualisation of talent and talent management which is sustained by narratives of scarcity and metaphors of war in relation to the high level skills that organizations think they need (Beechler and Woodward 2009; World Economic Forum 2011). We justify our focus here on the grounds that this is a recognisable discourse within which thinking about, and practices of, talent

management are articulated. It is also one which raises clear ethical and moral questions. Conceptualisations of talent that proceed from these narratives tend to lead to talent management strategies and programmes that are largely lacking in important social and ethical dimensions. Our treatment of the topic is mindful that understandings of talent and the practice of its management sit in a broader and more diverse landscape than that which we are able to cover here. Proceeding on the basis of only one model therefore serves not as a representation of a monolithic truth, but heuristically, as a device for the consideration of our arguments and to provide a bold and distinctive counterpoint to our proposed alternative.

The paper starts by considering talent and talent management to identify some of their ethical flashpoints. We then go on to focus on CA, highlighting those aspects which might most usefully serve a restorative ethical project which still requires attention within talent management discourse. We confront the challenges in proceeding from CA, some of which are inherent in its nature and genealogy and some of which pertain to its potential application to talent management, arguing that it provides a robust and radical starting point for the evolution of alternative ethical practices. The final section of the paper addresses the relevance of the practical application of CA to talent management and elaborates the principles referred to above. The main contributions of the paper are to extend CA into an evolving area of the organization-employee relationship, to introduce social and ethical considerations to conceptualisations of talent and its management and hence to position talent programmes in social and ethical contexts.

### **Talent and talent management**

Macro-level considerations of talent typically examine the flows of skilled knowledge workers in international labour markets (Marin and Verdier 2012) and talent management in specific countries (Guerci and Solari 2012). Micro-level studies typically look at how talent is identified (Huang and Tansley 2012) and the ways that

talent strategies are designed and implemented (Farndale, Scullion and Sparrow 2010; McDonnell, Lamare, Gunnigle and Lavell 2010). The mainstream view of talent management, which we confront in this paper, is characterised by a focus on the management of high performing and high potential employees (Bjorkman, Fey and Park 2007; Iles, Preece and Chuai 2011; Lewis and Heckman 2006; Lubitsh, Devine, Orbea and Glanfield 2007; Ready and Conger 2007) deriving from organizational responses to the growth of the neo-liberal knowledge economy, discourses of which are sustained by narratives of talent scarcity and metaphors of war. Much of the mainstream research has focused on the design, implementation and operation of talent programmes in multinational enterprises (Mellahi and Collings 2010; Tarique and Schuler 2010). While this philosophy of workforce differentiation may rest easy in Anglo-American profit-seeking contexts, the approach of identifying and management employee talent is applicable to a much wider range of organizations and national cultures where differentiation may be far more problematic.

Although people possess different qualities, skills and competences, some innate and others acquired, talent must nonetheless be seen as a socially constructed phenomenon that takes on different meanings in different contexts. As a simple example, a talent for writing crime fiction would be meaningless in the kitchen of a Michelin-starred restaurant. The idea that talent can be 'identified' is therefore similarly problematic and is hardly a neutral or value-free activity. The gendered nature of leadership (Miller 2009), gendered speech practices (Baxter 2011) and personal attractiveness (Biddle and Hamermesh 1998) are examples of factors that influence the ways in which talent is construed. As a socially constructed phenomenon therefore, the definition of talent is subject to different professional and managerial cultures (Tansley 2011) and can also be seen in relation to the strategic position and challenges facing an organization. The extent to which talent can be identified fairly is, moreover, linked to the ways that employees manipulate their organizational reputation (Martin 2005) as well as their popularity and likeability.

Engaging fully with complex problems of identification is beyond the scope of this paper but it is necessary here to emphasise the socially constructed nature of talent and its definition and our view that there are serious ethical implications inherent in monolithic ideas about talent and its identification. For the purposes of the discussion that follows it is important to emphasize that we are proceeding from the following assumptions in relation to talent management.

Firstly, whatever the sector or position of the organization, the talented are believed to deliver or have the potential to deliver a disproportionately higher contribution than other employees (Lubitsh *et al.* 2007). The Chartered Institute for Personnel and Development for example defines talent as 'those individuals who can make a difference to organizational performance either through their immediate contribution or in the longer term by demonstrating the highest level of potential' (CIPD 2009: 2). Although talent exists in all sectors of a workforce, organizational talent programmes usually focus on management and leadership capabilities (Farndale, Scullion and Sparrow 2010).

On these definitions, therefore, the 'talented' make up only a small percentage of a workforce. 'High performance' and 'high potential' underpin definitions of talent (eg., Collings and Mellahi 2009; Farndale *et al.* 2010; Lubitsh *et al.* 2007; Makela, Bjorkman and Ehrnrooth 2010, Tarique and Schuler 2010) and, while it rests with each organization to define what 'high' means, it usually captures the top few per cent of employees in a particular grade based on performance appraisals. A more qualitative definition of talent is that it is the current capability or future potential of an employee to deliver exceptional performance in relation to what the organization wants to achieve. If this small group was to leave the organization then its departure is assumed to have a disproportionately adverse effect on organizational performance.

In contrast to talent *per se*, talent management relates to a set of processes concerning 'the strategic management of the flow of talent through an organization'

(Iles *et al.* 2011: 127). Collings and Mellahi (2009) also emphasized the importance of identifying key positions that have a disproportionate influence on the business, filling those positions with high performers and creating a 'differentiated human resource architecture' (p.304) that ties the talented to the organization. Talent management typically manifests therefore as an elitist and exclusive process that focuses on the few per cent of a workforce identified as having 'star quality'.

While we acknowledge that talent management can take other forms, our literature review revealed very little on how organizations run talent programmes without deviating from the mainstream approach. Research in the British National Health Service found evidence of a more inclusive approach to talent (Ford, Harding and Stoyanova 2010) and a survey of 900 organizations across five countries found that only 25% included all staff in their talent programmes with the majority focusing on high potential employees, talent pools and senior management succession (Taleo 2009). We are not, therefore, attempting to critique all and every talent programme here, rather to challenge the ethicality of often found elitist and exclusive aspects of talent management and show how CA can critically intervene. Before we look specifically at CA, however, the application of some business ethics frameworks to talent management is considered.

### ***Ethical theories and 'the dark side' of talent management***

Although widely used in large, profit-seeking organizations, there are grounds for theorising a 'dark side' to talent management. Not long after the 'war for talent' rhetoric took hold, Pfeffer (2001) warned that talent programmes can unleash hazardous social forces stemming from the glorification of outsiders above existing employees, the valorisation of a few individuals over teamwork, and the failure to correct deep cultural problems that affect the performance of the majority of employees. The selection processes at the heart of talent identification are prone to biasing effects (Buckley *et al.* 2001; Lefkowitz 2000; Wayne and Liden 1995) which

also derive from the gendered nature of leadership (Baxter 2011; Billing and Alveson 2000) and personal factors (Robins et al. 2011).

Although many employees may not be aggrieved that they are not selected for talent development, the singular act of selecting a minority because of their differential contributions can be seen as dehumanising in relation to the majority in its emphasis on a person's worth as human capital rather than as a human being. Exclusion from programmes could be interpreted as a signal that others are somehow inferior which might lead to lower self-efficacy. Drawing on agency theory, if excluded employees read exclusion as suppressing their opportunities to flourish, then they are harmed by the action and there is an ethical problem (Haslam 2006). The problem raises the question of whether talent management can be ethical in itself or whether, regardless of its intentions, it is ethically problematic. Kantian duty ethics (Altman 2007) question talent management because of the organizational self-interest that motivates it and the potential for treating people as a means and not as ends in themselves.

These difficulties are less of a concern for Utilitarian ethics which offsets harms done against the good that results to different stakeholders (Collett 2010). However, within Utilitarianism the individual becomes 'lost' in the notion of the greater good. Taking a Rawlsian distributive justice perspective also allows certain inequalities, so long as they are based on genuine contributions to organizations and so long as those who benefit are not doing so because of the efforts of others. Distributive justice also requires everyone to benefit in some way; that is, inequalities need to work for the benefit of all employees. Virtue ethics (Hartman 2008) shifts the emphasis to the development of character for the betterment of the organization. In contemporary businesses, virtues can be equated to, among others, technical competence, morality, hard work and caring (Whetstone 2003) which manifest in the abilities to assess complex situations and take difficult decisions, the ability to develop and motivate others and to withstand regular tests of character. There are



thus clear links to the ways organizations construct and describe talent in competence frameworks. However, this approach may not mesh with organizational culture, as the means to achieve it are somewhat vague and it may be difficult to identify the exact ways in which it aligns with organizational objectives. The emphasis is also on the development of generic virtues that do not account for individual predilections.

This brief insight from ethical theory reveals a range of problems and dilemmas. We now turn to CA to consider how it deals with these problems and how it can inform the design of talent programmes that go further in reach and depth both socially and ethically. We do not imply that CA can overcome all the problems inherent in each ethical framework. We show instead how CA can offer a radically alternative yet practical framework that resonates with concerns for socially responsible management and leadership.

### **The Capability Approach**

The review of CA given here is brief for two reasons. Firstly, the Approach is in essence very simple. Secondly, Sen cautions against disembodied theoretical discussions, dismissing them as a 'misunderstanding of what pure theory can do, completely divorced from the particular social reality that any particular society faces' (Sen 2004 :78). It is also the case that, unless an initial outline confines itself to the basics in order to orientate contextualised discussions, a full philosophical treatment may be required (Nussbaum 2011). The various concepts of CA are therefore applied and expanded here to specific aspects of talent management as needed.

The Capability Approach (CA) was originally developed by the economist Amartya Sen as a way of thinking about and measuring human wellbeing, but one of the reasons it has caught the imagination of academics, policy-makers and activists 'on the ground' is that it also accommodates social and political analyses (Deneulin and McGregor 2010). The Approach shifts the focus from resources to individual

freedoms and its main point of departure from much economic theory is that, unlike Utilitarian approaches that proceed from ideas about 'the greater good', on Sen's terms it is the well-being of each person that counts. Therefore Sen would not, for example, consider an increase in a country's GDP to be sufficiently sensitive in indicating the well-being of its people, highlighting how women often fail to benefit from overall increases in GDP (Sen 1999). Even more radically, within the capability framework no person is told what should matter to them. It is for each person to decide that for themselves, even to the point where that may have an adverse impact on their well-being (Sen 1992 :56). An example might be the whistleblower who decides to follow their conscience regardless of the material costs to themselves because staying silent would go against the grain of maintaining their own sense of personal integrity.

His dissatisfaction with theories that do not focus on the well-being of the individual, or which focus on the provision of resources does not arise because in reality some individuals will lack resources or material wealth as such. For Sen, monetary and material resources are important only inasmuch as they often provide a clue to the presence (or absence) of certain substantive freedoms that individuals may or may not enjoy. Sen calls these freedoms 'capabilities' and they are to be understood in a particular way. They are not abstract or negative freedoms (the freedom from something), but are instead freedoms that lead to a person being able to be what they have reason to value being, and to do what they have reason to value doing (Sen 1992, 1999). Sen calls these beings and doings 'functionings'.

Therefore, having money, resources and material goods may provide one way among others to assess or measure whether people have capabilities, but it does not amount to well-being in itself. Well-being is both a measure and a function of the real freedoms that people enjoy. Deneulin and McGregor (2010) capture the essential purpose of CA in maintaining that it makes a significant contribution to shaping 'an alternative framework which seeks to liberate our understanding of the

relationship between human and societal development ... from an economist paradigm over-focused on material growth' (2010, p.502).

As CA has attracted considerable attention from philosophers, there has been much debate about it at a conceptual level, This in turn has cast CA in a certain light, as something inaccessible to non-philosophers, except perhaps to political economists, and certainly not something that might inform practice on the ground. There has for example been much argument about the distinction between capabilities and functionings. However, much of the philosophical debate need not concern us here. On the difference between capabilities and functionings, Martha Nussbaum (2011: 25) uses an example that helpfully clarifies the distinction. Nussbaum states that a starving person and a fasting person both have the same functioning in respect of nutrition (they are both going without food) but they have different capabilities because the fasting person has a choice about whether to eat or not and the starving person does not. The starving person therefore does not have capability. What is more, in many situations and cases, capabilities and functionings are interdependent (Gandjour 2008; Migheli 2011). Their relationship is like that existing between a person's potential and that same potential being effectively realised (Robeyns 2005). Talent for example might be seen as a capability and being talented as a functioning (a point that we return to later). The most important point to bear in mind is that these concepts were always intended to be applied to actual situations rather than to remain as philosophical and abstracted debates or as theories of political science. We are talking about the existence of real freedoms and their translation into actual achievements here.

## **Capabilities and talent management**

To apply what is an essentially economic theory to talent management we draw upon two arguments to support its transposition to this arena. Firstly, Sen's concern is primarily with human development and, on one conceptualisation at least, so is talent management. Secondly, Sen (1993, 2004) deliberately and steadfastly refuses to specify how it might be used, insisting that it can be used for a number of purposes. Paradoxically, however, these very arguments for its application to talent management pose some of the greatest challenges to doing just that. Sen's concerns with human development lie largely with its location in conditions of, often extreme, deprivation and he is joined in these concerns by Nussbaum.

Although she and Sen disagree on a number of points, not least the fact that Nussbaum has provided a 'list' of ten basic capabilities which Sen takes issue with, together they set up The Human Development and Capability Association which focuses on these issues. Even when CA is used in settings of affluence, it is more readily applied to analyses of disadvantage within those settings (Wolff and de-Shalit 2007). On the one hand, therefore, we have a broad and unspecified set of ideas and no guidelines as to how they might be operationalized in a specific context. On the other, we see them applied in settings that are completely removed from the context of organizational elites. The mainstream view of talent and talent management not only removes CA from the arena of deprivation and disadvantage it brings it into conditions of extreme advantage. Nevertheless, the approach has been used perceptively to analyse a range of management situations including workplace equality (Gagnon and Cornelius 2000), human resource development (Kuchinke 2012), employability (Orton 2011), careers of senior managers (Cornelius and Skinner 2008), disability policy (Trani, Bakhshi, Bellanca, Biggeri and Marchetta 2011), health care (Gandjour 2008), entrepreneurship (Gries and Naude 2011) and business ethics (Bertrand 2009). This pinpoints its greatest strength, namely its potential to open up new evaluative spaces (Robeyns 2007) in which matters can be

viewed from different standpoints and perspectives. This does entail some pre-emptive work that focuses on the approach itself, as CA cannot be seen simply as an alternative 'system' that could be superimposed over, or fitted round, existing talent management structures (which is not to say it cannot be reconciled at all). It is to this we now turn and in doing so we surface the real challenges that this entails. We do so to emphasise that these difficulties are not insurmountable and may at times even be reframed as strengths.

The next task is therefore to consider CA as an alternative to prevailing approaches to managing talent before going on to look at why, despite the complexity involved, it provides a solid platform on which to site talent management programmes and policies.

### ***Capabilities and new perspectives on talent management***

The Approach is often conceptualized as a space in which one must take a radically different perspective and ask different, often counterfactual, questions. The most basic of these would be, for example, to question the very meaning of talent itself. Whilst this is still debated in the field of talent management, with some organizations claiming to take an 'inclusive' view of talent rather than adhering to a Paretoesque 'law of the vital few' (Ford, Harding and Stoyanova 2010; Taleo 2009), it is still the organization that decides whether to adopt an inclusive or exclusive view for the benefit primarily of the organization. The Approach would ask instead how any definition of talent would increase the freedom of the individuals concerned. In other words, the power of CA lies in its transformative potential and its ability to generate new meanings and understandings that offer real alternatives to the conceptualisation of talent and its management. Therefore 'alternative' here is a more radical notion than one that merely implies a range of options. What is being alluded to is a far-reaching and deep-seated troubling of some basic assumptions, processes and rationales commonly attaching to conceptualisations of talent and

talent management which are expanded on below. The underlying idea is that the transformative potential of CA arises in turn out of the ethical quality of its composition.

Most fundamentally, CA transforms a managerial view of human resource management that positions it primarily as a means of serving organizational effectiveness into one in which the focus is shifted away from the needs of the organization to the freedoms of the individual. It must be emphasised that the individual here is not the separate, self-interested being of neo-liberal discourse. Individual here means a *human* being who is distinctive and valuable in their own right but who recognises and acts in accordance with their interdependence with other individuals. In this sense CA is also antithetical to a Darwinistic view in which the most talented employees are those that are deemed to be adapting most successfully to their changing organizational environments (Brown and Hesketh 2004). The Approach is also opposed to processes in which an individual's distinctive behaviour and attitudes are relegated to and subsumed within some organizational ideal that could be expressed in competence frameworks used to assess employees. Human diversity is at the heart of the Capability Approach such that, if it were not, the approach would add little to Rawls' (1972) theory of justice or to Dworkin's (2000) theory of 'equality of resources', both of which CA claims to transcend.

Finally, the evaluative criteria of CA transform the meaning of 'working for the greater good'. Unlike Utilitarian tests, in which the success of a talent programme could be judged in terms of whether it has produced good leaders who have generated new business and thus ensured job security for others, within the capability space the 'greater good' is encapsulated in the notion of agency achievement, a qualitatively different idea to that expressed in Utilitarianism and articulated trenchantly in the examples of the fasting person and the whistleblower mentioned earlier. There is a sense in Utilitarianism that some individuals will not count, indeed they may be sacrificed for the benefit of a greater number of

individuals. In the capability space, each individual counts equally. This means on the one hand that no one person will have a surfeit of freedom as appears to have happened at Enron where a few 'talented' individuals were arguably allowed too much freedom without the responsible leadership needed to control the risks to others (Bolchover 2010). On the other hand, it means creating conditions in which the freedom of each person to work towards the achievement of goals they value and have reason to value is assured. In an organizational setting it is worth noting that this is likely to include working for the greater organizational good, not only to ensure their continued livelihood but also because employees will have a sense of loyalty and commitment to an organisation in which they are able to flourish and function in the Capability sense.

In short therefore, there seems little about CA that suggests easy complementarity with some conventional elitist conceptualisations of talent and how to manage it. Most notably CA does not rest easy with the 'war for talent' analogy (Michaels, Handfield-Jones and Axelrod 1997) for a number of reasons. Firstly CA is not compatible with the idea that only some people 'count', indeed within the approach we all count equally, no less and, importantly, no more than anyone else. Secondly the discourse of the 'war for talent' relies on an instrumental conceptualisation of the individual (the motivation in the 'war' for talent to get results *through* a person) rather than seeing each person as inherently valuable, as an end in themselves. Thirdly, war for talent narratives are also sustained by discourses of scarcity (Beechler and Woodward 2009; Ready and Conger 2007; Towers Watson 2011; World Economic Forum 2011). The Approach is built on a discourse of abundance calling on organizations to provide the conditions in which their employees can function and flourish; everyone matters. Finally, CA is fundamentally about the expansion of freedoms rather than the battle over resources. The important point to remember, however, is that the underlying purpose and motivation for action

and how this will impact on the concept of capabilities must also form part of the deliberations about that action.

Designations and labels such as ‘human capital’, ‘A player’ or ‘star’ are also out of kilter with CA which assumes that people are ends in themselves, that they matter for who they are and not for what they can be used for. Sen states categorically that, ‘the bettering of a human life does not have to be justified by showing that a person with a better life is also a better producer’ (Drèze and Sen 1995: 184). Moreover, although human diversity is at the heart of the approach there is no sense that this implies differential status or a hierarchical evaluation of the worth of individuals based on the differences between them. These points of departure between talent management and CA are summarized in Table 1.

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Despite these differences, CA has much to offer in the way of ideas about talent management that can be operationalized in real world settings.

### **Bringing capabilities and talent management together**

So far the focus has been on the challenges arising from applying CA to talent management. This was necessary, not only because it brought inherent difficulties out in the open but also because it introduced the idea from the start that these challenges were not insurmountable and could be re-configured as strengths. Secondly, we argued that the qualities of CA form a transformative space that can offer a radical alternative to existing conceptualisations of talent management. This was necessary to provide a platform on which to bring CA and talent management into closer proximity. This now done, we will move to a focus on how CA might be of practical use in the arena of organizational talent management.



It is important to emphasize that this will not consist of a ready-made recipe checklist of 'do's and don't's'. Not only would this be impractical, given the diversity of the organisational landscape, it also runs counter to Sen's ambitions for the Approach and his own aversion to the application of theory that takes no account of its location in specific contexts. We position CA instead as providing a set of antecedent ideas which might inform thinking about talent management and guide the development of specific programmes that are pertinent to the individual needs of organisations. This is not to avoid engaging with the 'real world' relevance of CA but to acknowledge the way in which it might be most effectively operationalised. Indeed the report of the Sarkozy Commission (Stiglitz, Sen and Fitoussi 2009) on *global* economic performance and social progress used CA precisely for this purpose which evidences its fitness for such real world applications.

### ***Defining capabilities for talent management - Sen or Nussbaum?***

Does the Capability Approach of Sen or the Capabilities Approach of Nussbaum lend itself more readily to an association with talent management? The main difference between them is that Nussbaum specifies a list of what she calls 'combined capabilities' whereas Sen is against the idea of a list for all time, although he is not against *lists* of capabilities in specific contexts if they are arrived at through a process of democratic deliberation (Drèze and Sen 2002). Because Sen has not specified a list of capabilities, one is faced with the problem of first establishing such a list, one that could inform talent management policy and against which management of talent might be evaluated.

Sticking to the letter of Sen's ideas, this would involve a process of 'democratic deliberation' that included everyone in the organization, although it could reasonably be argued that a truncated process might be adopted provided it adhered to the spirit of Sen's intentions. Even so, the usefulness of the selected capabilities would need to be tested before they might be considered operational and even if this

project were to be configured as a root and branch evaluation of the goals and mission of the organization, it is probably a costly and time consuming exercise. Against this it could be argued that the costs would be recouped if everyone in the organization were more fully realising their potential.

In contrast, Nussbaum has specified a list of capabilities some of which might also be seen as applicable to at least some degree to talent management. Of particular interest are being able to: use senses, imagination and thought to produce 'works and events' of one's own choice; have emotional attachments and not have them compromised by fear and anxiety (as might arise in a high pressure development programme); conceptualize what is good and reflect on how this affects the 'planning of one's life'; experience self-respect and the absence of humiliation (which could derive from inclusion or exclusion from a talent programme); and, enter meaningful relationships of mutual recognition with other workers' (Nussbaum 2011).

On the other hand, there are also difficulties in simply adopting or even adapting Nussbaum's (2011) list of capabilities. Quite apart from the drawbacks of any 'one size fits all' approach, Nussbaum's list has been criticized on the grounds that it has more *immediate* salience to situations of deprivation and to the field of human development (Nussbaum 2000), although Nussbaum herself has argued it is universal and cross cultural, and even applicable to the realm of non-human species (Nussbaum 2011). Sen's primary focus is also on deprivation and human development but, as an economist, his ideas also connect with many others working in so-called developed or affluent societies and whose concern is to re-integrate political and moral economies, to restore values and ethics to economic and political life and to re-embed economic life into life itself (Sayer 2011). Thus the underpinning rationale for his development of the approach lends itself more readily to studies of situations where some of the basic freedoms of the kind Nussbaum proposes (such as bodily health and being adequately nourished) are generally taken for granted.

Nussbaum (2011: 21) has also made further distinctions between different types of capability. The first of these are *internal capabilities* which are not the same as 'innate equipment' but which, Nussbaum states, can be trained and developed in interaction with the various environments in which a person may find themselves and she attaches great importance to this. On these terms, any kind of talent, skill or competence could arguably be regarded as an internal capability. The second are basic capabilities which are innate powers that can be nurtured. She is not implying here that basic capabilities are 'hardwired in the DNA' insisting that they are also 'environmentally conditioned'. However, '(b)asic capabilities are the innate faculties of the person that make later development and training possible' (2011: 24).

It does not take a leap of faith or imagination to see the usefulness of these categories of capabilities in formulating inclusive talent programmes that seek to eliminate the current waste of talent. In many ways they simply provide a conceptual language to express the underpinning ideas of such programmes. However, they also operate at a practical and procedural level because they mesh with ideas that are already embedded in many talent programmes, particularly the emphasis on development and self-awareness. However, the main difference here, and that which appeals to the ethical aspects of CA, is that it would be up to the individual to decide what mattered to them in terms of their own development. Whilst this may seem antithetical to the importance of organizational well-being, it is worth recalling that the latter is often closely bound up with the well-being of the individuals in it.

### **New principles of talent management**

Having now set out the main ideas inherent in CA and how they might provide a starting point to inform policy-making we now suggest that these coalesce into a set of five inter-linked principles that could be applied for this purpose. We reiterate that they do not constitute a blueprint for the formulation of policy so much as they encapsulate a set of set of ideas which provide the parameters for it. These

principles are infused by the importance within CA of the individual and of its simultaneous regard as to the ethical, social and human aspects of organisational life.

First and foremost, talent identification should not focus simply on a 'vital few' who are deemed to be uniquely valuable. Talent identification processes must be democratic in terms of deciding what being talented means and the unique contributions of all employees need to be considered to inform the organization's understanding of talent. Furthermore, talent identification needs to ask in what ways the organization sees those unique contributions as valuable in themselves, and to those who make them, as well as to the functioning of the organization. Talent identification should encourage people to consider and to realize what matters to them in-line with the interests of the organization. In light of the above, the second principle is that the expansion of one person's freedom cannot be done at the expense of restricted freedom for another. The implication is that talent programmes need to be inclusive; all talents should be nurtured. This is not saying that programme design must follow a 'one size fits all' approach, but the overall design should give opportunities to those who want to take them. Organizations should ask how far the talent programme provides opportunities for everyone to develop basic and internal capabilities.

The third principle is that individuals exist and function in a society where they count and are valuable but also exist in relation to others. Hence, the focus on the individual as an end in themselves and on their capabilities does not equate to a 'free-for-all' approach to training and development or to the management of talent in which employees can have whatever development they want. There has to be a structure. The Approach insists that every person matters but also insists that they are ethical individuals. The ethical individual, far from being completely self-serving, sees themselves as a social being with obligations to others. Hence it assumes they would want to work in ways that would benefit others. Selfishness has no place here

and organizations must scrutinize their programmes in the light of this. It would be legitimate for the organization to stop giving resources to the selfish employee who continues to consume them but who is unwilling or unable to perform differently as a result.

The fourth principle is that external talent pools must not be seen as an instrumental means to an end in which new hires simply bring something to the organization. It is essential that organizations consider how they will benefit the individual in relation to what the person values; perhaps pay or more time with their family. When an organization recruits people that it deems talented from outside it must evaluate how far the new employee is being seen as an instrument to realize a particular objective, perhaps to increase revenue, and how far it will be providing the conditions in which the individual might flourish in a way they could not in their former organization. How far are they capable to be and do what they value and have reason to value as a result of the opportunity afforded them by moving organizations? Note that CA is not incompatible with organizational self-interest here as long as these individual freedoms are being addressed.

The fifth and final principle is that in any evaluation the focus must be on capabilities and not on performance. There is a difference here between the notion of capability as potential and capability as the freedom to realise the beings and doings a person has reason to value. Organizations must consider what they are doing to help the employee move to an environment where their talents will enable them to function in a way they want to, in other words to flourish. This may involve evaluating what the organization is doing to recognize latent talents and to (re)locate them inside or outside the organization, again to enable human flourishing. If it is concluded that an individual's personal goals are adrift from the organization, then it should support those individuals to move on. Evaluation must also ask whether the conditions are being created to develop particular functionings given that employees will fall into three categories; those with no talent of value to the organization, those

with talents of value but which are not being appreciated (eg., the employee who is in the wrong job in the organization) and those who have been identified as talented.

These five principles together with the implications can translate into a plan of action although it is not possible to provide a blueprint because, as we have emphasised, a key feature of CA is its context specificity. Nevertheless, we offer a set of potential applications that will be of potential interest to corporate leaders and human resource practitioners. The principles could be used to assist in setting out how 'talent' is understood within an organisation and the capabilities that are being promoted. These must be capabilities that expand individual freedoms *and* meet the needs of the organisation. The principles can act as a catalyst for a root and branch evaluation of human resource policies and provide the starting point in the development of specific training programmes. They can support the design of talent programmes in organisations where there is currently no policy for its identification or deployment and to move away from the elitist practices of 'naming' talent rather than truly 'identifying' it. They offer criteria that can guide the evaluation of new and proposed talent programmes from a practical and ethical standpoint. As such they can steer the implementation of programmes and assist in developing programmes concerned with the wider social responsibility of the organisation.

Our suggested applications are neither comprehensive nor exhaustive. The unifying thread running through them, however, is the extent to which being in a talent programme enhances an individual's capabilities and this underlying rationale should inform all activities connected to the design, implementation, management and evaluation of talent programmes within the capability space.

## **Conclusion**

This paper argues that CA offers a critically different take on traditional managerialist approaches to the development of high performing employees. Discourses of scarcity and metaphors of war are replaced by the importance of the way in which all

individuals are able to flourish. In this sense the evaluation of organisational policies is undertaken from the perspective of the individual and not the organisation. However, in the capability space the two are not distinct. The individual is a human being that does not act, and should not be encouraged to act, selfishly in their own interests but to recognise that their own well-being is connected to that of others. The Approach therefore offers a radically different way of understanding the role of individuals in the organisation. What this means, amongst other things, is that that the notion of talent within an organisation is expanded to include everyone whilst acknowledging that only some people will have the competence or the desire to make an above-the-norm contribution. It also means that employee development programmes must be differentiated to accommodate the different things that employees 'value and have reason to value' in their working lives.

A fundamental question to ask is how far organizations should go in providing development opportunities beyond the bounds of organizational self-interest and the boundaries set by the skills and competences of individual employees in relation to the particular job they have. We have tackled this question by setting out the qualities and history of CA and addressing rather than glossing over the challenges that attach to its application. In doing so, we have applied CA to examine a widely used employment practice. Although the paper has considered how CA might be put to practical use, it can do no more than make suggestions and give a flavour of what this might entail because part of the quality of CA is that due consideration has to be given to how it fits in specific circumstances. A limitation of using CA is that it does not lead to a theory and propositions that can be tested through empirical research. As such, there can be no general blueprint that everyone can adhere to, as each organization will have a particular and specific set of conditions and circumstances into which CA must be incorporated. However, organizations are under increasing societal pressure to show more responsible leadership. Organizational responses can, in part, look to the ways that they are selecting and developing employees and

our argument is that CA does provide a way forward if more ethical approaches to employee development are sought. We do not claim to provide a complete ethical solution and there is no pretence that we have done so. However, we have set out a first step in what might be a more protracted engagement between employers and what CA has to offer.



Table 1. Points of departure between Capability Approach and mainstream talent management

<b>Aspect</b>	<b>Talent management</b>	<b>Capability approach</b>
Beneficiary	The organization	Freedoms of the individual employee
Benchmark	A set of competences accepted and adopted by the organization	Human diversity
Underlying ethical position	Utilitarianism; benefiting the majority of stakeholders counts	Human agency; everybody counts
Scope	Narrow, often developing an elite who will benefit the organization and, through them indirectly, other employees	Inclusive, developing all employees to achieve what they value.
Democracy	Workforce differentiation on the basis of actual or potential contribution	Recognition of individual diversity

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