

Re-examining workplace equality: the capabilities approach

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The primary focus of this article is a paradox fundamental to many approaches to workplace equality: why do the traditionally disadvantaged so frequently feel that such actions do little to address the material reality of their experiences of discrimination, unfair treatment and marginalisation? Our interest here is not in those organisations that pay lip service to addressing inequality. Rather it concerns those employers who for the right reasons, such as being a genuinely good employer, valuing difference and seeing that equality is morally right, still fail to generate actually fair or 'felt fair' equality.

Attention is turned to workplace equality in practice, through reference to recent survey evidence, and in theory, through a brief review of the literature. Recent applications of ethical theory to considerations of workplace equality are included in this review and are found wanting in their potential for better understanding why many equality programmes seem to be failing. The alternative ethical framework, the capabilities approach, offered by economist Amartya Sen and philosopher Martha Nussbaum is then introduced and forms the platform on which workplace equality is re-examined in this article. Through this approach, these scholars have developed what can be viewed as an explicit ethics of equality, which they and others have applied in the context of international development. They have undertaken their work in an internationalist and culturally-sensitive vein, in order to understand and promote the valuing of human dignity and personal freedoms. The work of these researchers has led to the development of a range of new understandings and approaches to the evaluation of equality and inequality, which may help move the workplace equality debate forward.

Sen and Nussbaum's building blocks of equality and the resulting quality of life that we draw on in this account, are capabilities, instrumental freedoms and agency both individual and collective. Each of these elements provides specific information about particular aspects of equality and inequality, although together they form an interrelated and interdependent ensemble. These building blocks are described in the article and their implications for work organisations are considered. Further, the importance of the nature and quality of evaluation and measurement is considered, and new ways in which organisational equality and inequality can be measured are proposed, again drawing on the work of Sen.

Finally, the article suggests ways in which a capabilities-based approach to workplace equality may assist policy-makers in government institutions, organisations and trade unions.

Workplace equality in practice and theory

Perhaps the most obvious development in 'theorising' workplace equality in the past 25 years has been the introduction of diversity management as a second major approach in addition to equal opportunities. In its traditional form, the latter can be described as rights-based, liberal, rooted in legal compliance, based on equality through 'sameness' and merit with a focus on non-discrimination, and geared towards increasing the proportion of women and other under-represented groups in senior roles in organisations; 'radical' equal opportunities approaches focus on positive action to meet these goals (Kirton and Green,

2000; Ledwith and Colgan, 1996). Diversity management on the other hand occurs through organisational initiative, focuses on valuing difference ('equality through difference') in addition to non-discrimination, concerns itself with both under-represented groups and respecting diversity at an individual level, and uses business case arguments within its rationale (eg Gentile, 1994; Cornelius, Gooch and Todd, 2000 (a), (b); Thomas Junior, 1993, 1996). Academic studies have tended to present the two as being in opposition to one another and perhaps even incompatible because of the differing reasons for which they are pursued (Lorbiecki and Jack, 1999; Webb, 1995). Table 1 sets out the main tenets of each approach as they have been commonly presented in the literature.

TABLE 1 *Equal opportunities and managing diversity: a comparison*

Equal opportunities	Managing diversity
● Workplace programmes derive from legal framework outlawing discrimination ● Compliance, eg with recruitment targets ● Melting pot result? 'Equality through sameness', based on merit ● Aims to increase proportion of under-represented groups in senior roles ● Main focus has tended to be gender ● 'Liberal' approach ● May include positive action to redress past discrimination ('radical approach')	● Depends on organisational initiative; ● Internally driven, proactive ● Business case arguments part of rationale ● Taking equality further through contribution of ethnic minorities, the disabled and other groups ● Moving beyond statistics: valuing differences, recognising organisational benefits diversity can bring ● Maximising employee potential ● About groups as well as individuals ● Mosaic result, equality through difference

In practice, there is evidence that the terms equal opportunities and diversity management are used in various ways to refer to different types of approaches and initiatives in different workplaces (IRS Review 691, 1999). The 'language in use' in some organisations may include both terms, sometimes applied interchangeably for the same set of policies and practices. However, there are accounts which imply that equal opportunities and diversity management co-exist within organisations as distinct and complementary approaches (eg Opportunity 2000 'examples of best practice' as cited in Liff, 1999). Thus it may be that practice is ahead of theory in this area: organisations have seen fit to join what the literature, with a few recent exceptions, has tended to treat as separate and compatible. In spite of this, however, real problems persist in practice in achieving workplace equality, fairness and non-discrimination.

According to a recent survey of FTSE-100 companies sponsored by the Runnymede Trust, for example, ethnic minority groups remain seriously under-represented at senior management level in private sector organisations in the UK (Sanglin-Grant and Schneider, 2000). Black African and Caribbean workers experience even greater under-representation than ethnic groups generally. Yet nearly all companies participating in the survey reported that their recruitment, retention and employee development policies do not discriminate against ethnic minorities. Importantly, however, the study also collected responses from ethnic minority employees themselves. Here there was a 'yawning gap' between companies' beliefs about their equality policies and how individuals perceived their employers' treatment of them.

In terms of workplace equality theory, the literature appears to be riddled with a series of dichotomies. Extending our discussion relating to equal opportunities and diversity management, these dichotomies include:

- liberal versus radical approaches
- equality of opportunity versus equality of outcome
- equality through 'sameness' versus equality through difference
- equality for social justice reasons versus equality for 'competitive advantage' or business case reasons.

One might argue given recent evidence that the role or effectiveness of these conceptual dichotomies in promoting action in the workplace requires questioning. Certainly there have been recent suggestions that melding in theory some of these dichotomous propositions could bring improvements to current conceptualisations. Some writers have called for combining approaches (Liff, 1999; Kirton and Greene, 2000) and these contributions can be viewed as moving theory forward. Liff (1999) argues that the tensions between 'equal treatment' and diversity approaches themselves lead to greater achievements in practice. A further example is the 'three-pronged approach' to equality advocated by Dickens (1999), in which robust legal regulation in combination with social regulation through committed trade unions and strong organisational commitment are viewed as providing a promising way ahead.

As we have argued, such melding does appear to happen in practice. Moreover, there have been seminal and still influential conceptualisations of the pursuit of equality in organisations that have focused on a dynamic approach and thus look for commitment over time at the organisational level. Here Cockburn's work on the 'long agenda' has perhaps been most significant (1989). She argued persuasively that legal compliance approaches are insufficient on their own because they do not necessitate commitment from the organisation to transform itself, which requires that disadvantaged groups have access to power beyond a 'numbers game', and that a powerful check on managerial priorities in the form of collective action through trade unions (who as organisations also need to transform themselves) can bring the equality agenda forward.

Nevertheless the evidence cited above suggests that current approaches to workplace equality continue to be out of step with the grievances of members of traditionally disadvantaged groups who do not believe that their interests are being protected and promoted in organisations.

Ethics and approaches to equality

Applying ethical analysis to this problem, to the extent that recent literature on workplace equality has appealed to ethical theory, the debate has centered on whether social justice or business case reasons underlie the pursuit of equality. It has been argued for example that this juxtaposition is axiomatic of the equal opportunities/diversity management comparison (Lorbiecki and Jack, 1999; Storey, 1999). This can be viewed as stemming from the non-consequentialist/consequentialist divide within classical ethical theory. Applied to this area of inquiry, this divide posits that equality in organisations is pursued either for social justice reasons, a non-consequentialist or deontological (Kantian) position, or it is pursued as a means to some other end, such as competitive advantage, a consequentialist or utilitarian position – see Table 2 for a summary of major ethical theories.

In such a conceptualisation, for equality programmes to be ethical, that is to live up to the Kantian ideal, they must be grounded in law which has at its core the principles of equal rights and non-discrimination. This article does not question this view but argues that the

counterposing of Kantian and utilitarian arguments has limited scope for guiding practitioners and policy makers. Indeed, Liff and Dickens (2000) have argued that this business case/ social justice divide may pose a 'false dilemma' in that the two can coincide in organisations, and may be reconcilable in theory, for example through some stakeholder approaches. It may underplay the efforts of those within organisations working for change. We certainly agree that a debate which centers on this juxtaposition, this declared antinomy, seems to be somewhat sterile in terms of its ability to affect practice. Further it can engender a kind of fatalism about the Kantian ideal ever being achieved. The 'by-proxy' application of ethical theory in the case of workplace equality, therefore, seems to us to be of questionable value (Cornelius and Gagnon, 1999).

TABLE 2 *Summary of major ethical theories*

Kantian philosophy (Immanuel Kant, Germany, 1724-1804) ● Deontological (from Greek for duty); 'non-consequentialist' ● Says: do it because it is the right thing to do, on principle ● People are ends in themselves, must not be treated as means to ends, 'respect for persons' ● Motives are what counts, having a 'good will', a sense of duty, makes an action right ● Linked to Natural law (Thomas Locke, 1632-1714); precursor to 'universal human rights'	Utilitarianism (Jeremy Bentham, Britain, 1748-1832; John Stuart Mill, Britain, 1806-1873) ● Teleological or goal-oriented; 'consequentialist' ● Actions can be judged by their consequences, 'ends justify means' ● Goal is the common good, maximizing happiness ● 'The greatest good for the greatest number' ● Co-history with economics, cost-benefit analysis ● Egoism – another consequentialist theory
Rawls' theory of justice (John Rawls, US, 1921 –) ● Distributive justice ● Fair and equitable treatment of all based on a social contract ● Asks: what would you prescribe from under a 'veil of ignorance'? ● Any costs or consequences are secondary to this basic focus ● 'Do as you would be done by' ● Link to stakeholder analysis	'Virtue ethics' (Aristotle, Greece, 5th Century) ● We become good by practising good, not by following external rules ● Human nature ethics ● Aristotle's human 'potentialities' ● Actions that enhance inherent human capacities are good ● Can be linked to theories of moral development (eg Kohlberg)

There are powerful counter-arguments to this fatalism found in the work of Amartya Sen, who asserts that organisations can and do engage in social change (Sen, 1999). Organisations have this ability; they are social entities. Support for this view is offered by Solomon (1993) who makes reference to Aristotle's conception of the 'polis', which posits that there is no ultimate split or antagonism between business, the public good and the individual interest (as cited in Winstanley and Woodall, 2000). Virtue and human potentiality mean that virtuous behaviour, ethical behaviour is possible in a market society.

Sen's arguments may provide an advance over the either/or, fatalistic implications of applying ethical theory to workplace equality only in terms of the non-consequentialist/consequentialist divide. The remainder of this article concerns Sen's 'alternative ethical framework' developed in part with Nussbaum, as it may be applied to understanding equality and inequality in organisations. The framework builds on a broadly Aristotelian approach.

Introduction of the capabilities approach

We have turned to the work of Nussbaum and Sen in our attempt to develop an alternative approach to workplace equality and inequality. Sen's work on capabilities forms the basis of the now highly influential United Nations Human Development Index which assesses quality of life; Nussbaum with Sen has directed international research projects the remit of which was to identify a 'universal', cross-culturally sensitive approach to understanding inequality and what contributes to it. Importantly, the ethical insights of Sen and Nussbaum provide a fundamentally different approach to understanding equality and inequality. Though developed primarily for international development work, we believe this thinking has important potential for application in work organisations.

No summary could really do justice to the depth and detail of this work, but we would like to highlight what we see as the essence of their thinking. An important starting point is that of human dignity, the dignity of individuals to live a life that they value. It should be stated emphatically that Nussbaum, Sen and colleagues are not calling for rampant individualism. It is a plea for the inclusion of all members of a community or a society, and that they are fully equipped to share in fundamental entitlements of that society and lead the lives that they would wish to lead.

For the purposes of this article, there are certain ideas that are important building blocks to the work itself, but are of particular importance in understanding the potential of this thinking in the context of work organisations. The basis of this thinking is that capabilities enable the full exercise of freedoms. These in turn promote freedom of choice of action and quality of life, and thus determine which rights need to be enshrined in policy and law. These ideas are explored more fully in the next section.

First, however, it is important to set out in more detail the idea of capabilities. As we have said, this forms the basis of what we are labeling here an explicit ethics of equality. In its focus on human potentiality, it is broadly Aristotelian in approach. We suggest that it provides a foundation for going beyond the current dominant discourses of workplace equality.

Equality of what?

The capabilities approach helps to answer the question, 'equality of what?' The answer is: equality of capabilities. But what does this mean specifically? The authors in this field, sensitive to the potential to 'impose' culturally-biased, absolutist or 'colonial' definitions of particular capabilities, have defined capabilities in terms of what freedoms they afford individuals, rather than in terms of what they are (Nussbaum, 1999). The dilemma here can be illustrated by an attempt to compare the situation of a poor black man in the US with that of his equivalent in a poor country in the developing world. Both are clearly disadvantaged, albeit that the man in the US is richer in absolute economic terms, literate, well fed and adequately housed. For both men, it is their freedom to lead the lives that they would wish to lead that is the issue, and their inclusion or exclusion within their host societies.

Sen (1999) argues that capability equality is a primary feature of wellbeing (physical, economic, social and self-actualising). Capability equality concerns how a person can 'function', what a person can and wishes to do or be. He argues that freedom consists in the expansion of the capabilities of people to lead the kind of lives they value and have reason to value. He also makes the distinction between realised functioning (what a person actually does) and the capability set she has (her real opportunities). The two give different kinds of information: '... the former about the things a person does and the latter about the things a person is substantially free to do'

Nussbaum's views on capability have been shaped through the avenue of her interest in women's development (1995, 1999). Like Sen, she agrees that societies limit the likelihood of full development and freedoms for all, if women are not permitted full and equal expression of capabilities and freedoms. She proposes three fundamental types of capabilities (Nussbaum, 1999).

Basic capabilities These refer to the innate abilities, the 'equipment' that individuals possess, that forms the basis for developing more advanced capabilities. Put another way, these are the innate gifts, talents and pre-dispositions that people possess but may not have the opportunity to express or develop (eg an aptitude for working with numbers, a talent for writing, an aptitude for working with others).

Internal capabilities These are 'internal' or personal states of readiness to act or function. These may be secured through for example, literacy, numeracy, education or training. In other words, individuals may have developed levels of competence that potentially enable them to undertake a variety of roles, jobs or decisions.

Combined capabilities These can be defined as internal capabilities operating in combination with suitable external conditions, for example laws within the society or structures within a public institution or work organisation. This can be referred to as the socio-political environment required to enable the person to function fully as s/he would wish to. The ways in which it is possible to conceptualise environment, in a manner that allows us to clarify what organisations can shape or create is a vital aspect of combined capabilities.

Nussbaum (1999, 240) writes further about combined capabilities in a critical passage:

To secure a capability in a person it is not sufficient to produce good internal states of readiness to act. It is necessary to prepare the material and institutional environment so that people are actually able to function... Capability is thus a demanding notion. In its focus on the environment of choice, it is highly attentive to the goal of functioning (but)... it does not push people into functioning: once the stage is fully set, the choice is theirs.

Thus the notion of agency can be viewed as being of central importance within the capabilities approach. Crucially, however, this agency cannot simply be taken for granted: rather, it can only flourish if all three types of capabilities are present, if an enabling environment, combined capabilities, are present. This is illustrated in Nussbaum's (1999: 233) example of the profound difference between fasting and starving. She writes: 'The person with plenty of food may always choose to fast, but there is a great difference between fasting and starving, and it is this difference that we wish to capture'. Or, another example: 'A person who has opportunities for play can always choose a workaholic life; again, there is great difference between that chosen life and a life constrained by insufficient maximum-hour protections and/or the "double-day" that makes women unable to play in many parts of the world'.

Sen has written extensively on the importance of individual and collective agency as important in achieving equality. For example, his highlighting of the importance of women's 'wellbeing' and women's 'agency' in the development context (1999: 189) is helpful in our conceptualisation here. A focus on wellbeing is geared to ensuring better treatment for women, 'a squarer deal, a much needed corrective' to discriminatory conditions, but a focus on 'rights aimed at the free agency of women' is also to be welcomed in the overall desire to promote freedom and capability-equality. Thus ensuring wellbeing for groups who have been the recipients of discrimination must come first, but once this is ascertained, members of these groups can collectively or individually become 'dynamic promoters of social transformations' that can alter their lives and the lives of others. This agency, according to Sen, is essential for the full achievement of freedom. The relationship between capabilities, freedoms and equality is discussed and illustrated more fully below.

An additional important point about capabilities in particular is Nussbaum's (1999: 235-6) assertion that capabilities cannot be addressed differentially, all must gain equal attention in order for freedoms to be secured.

We cannot satisfy the need for one of (the capability types) by giving people a larger amount of the other. All are of central importance and all are distinct in quality. The irreducible plurality of the list limits the trade-offs that it will be reasonable to make. So for example, to secure a capability to a person it is not sufficient to produce good internal states of readiness to act.

If in a fictitious society a woman could train to be a teacher (as education of women is permitted) but was discouraged or debarred from pursuing the profession she loved because it was forbidden for women to work, internal capabilities are met, but the environmental aspect of combined capabilities, is not.

Thus, for Nussbaum, as indeed for Sen and others who have worked with them, availability of opportunities matter but freedom of opportunity precedes it, and it is capabilities that provide the bedrock of this freedom: equality of opportunities starts primarily with equality of capabilities.

Implications of the capabilities approach

So what are the implications of the capabilities approach for theorising workplace equality? Let us take a familiar example. A city-based organisation wishes to promote equality and fairness towards those from traditionally disadvantaged groups and recruit more from these groups into its organisation. It has 'multi-cultural' and inclusive imagery in its advertising, is a positive action employer, and has developed EO fair recruitment and selection. But, new and existing staff either become, or remain, disenchanted with the 'seriousness' of the organisation towards these issues, respectively. There are many possible reasons, but applying the capabilities concept, the focus becomes:

- 'feels fair'
- 'feels unfair'
- 'what is the organisation really doing for me and for my aspirations?'

Recently, an example in the media which highlights these concerns is that of Coca Cola (see Table 3). An organisation regarded by many as an exemplary equal opportunities employer, it was recently issued with a lawsuit by 1,500 of its African American employees who claimed company-wide discrimination and who felt 'humiliated, ignored, overlooked or unacknowledged' by their employer. Crucially, a sophisticated equality programme, which set diversity targets for managers and promoted more ethnic minority staff into senior jobs, does not appear to have substantially solved the difficulties.

The Coca Cola example is an important one for a number of reasons, but not specifically because it is Coca Cola. The company is no worse, indeed, is likely to be better, than many organisations in dealing with equality issues. One main interest in the context of this article is that it is African Americans who demographically are unlikely to reach real critical mass (eg near majority status) in work organisations in the US or, indeed, in Europe, who have voiced their grievance. Secondly, the failure of equality initiatives at companies like Coca Cola can be viewed as a failure to achieve 'felt fair' equality. This is so despite a 'best practice' equality programme, and despite the fact that African Americans are one of the specific ethnic minority groups that has been targetted in US employment law and work organisations for nearly 50 years. It would appear nonetheless that Nussbaum's 'combined capabilities' may not be present.

Instrumental freedoms

The importance of the institutional 'environment', including the legal framework and policies and structures within an organisation, is highlighted in the notion of combined capabilities. To further analyse this situation, it is useful to turn to Sen's concept of freedoms and in particular, instrumental freedoms.

Sen (1999) argues that freedoms should be considered both in terms of the processes that allow freedom of actions and decisions, and the actual opportunities that people have, given their personal and social circumstances. Freedoms are viewed by Sen as both 'the ends and the means of development.' Moreover, freedoms should be subject to systematic evaluation, and the effectiveness of any intervention should be assessed against the freedoms that it affords.

The dilemmas that faced Sen when deciding how to develop a more concrete account of freedoms is similar to the ones for capabilities: sensitivity to the potential to 'impose' culturally-biased, absolutist or 'colonial' definitions of what constitutes a 'freedom'. Thus in this literature, freedoms are often described as 'substantive' and discussed in terms of what they afford individuals.

Thus, based on a desire to be able to measure the output of processes, action and the nature of opportunities, Sen has further explained the idea of freedoms and what he calls instrumental freedoms. Sen and others have recognised the power of creating greater clarity of understanding of freedoms: first, in order to inform the actions of policy makers and better enable shaping of a capabilities-supportive society; and secondly, as they can act as a guide to action, evaluation, and understanding of the application of capabilities-based equality.

Sen has developed five instrumental freedoms that he asserts are universal in nature and sensitive to cross-cultural concerns. As stated earlier, these ideas were developed for economies and societies as a whole, but have important resonance and potential application in work organisations. The five instrumental freedoms are (Sen, 1999):

Political freedoms Some examples of political freedoms include civil rights, determining who should govern, the possibility to scrutinise and criticise authorities, freedom of political expression, opportunities for political dialogue, dissent and critique, voting rights and participatory selection of legislators and executives. In work organisational terms, political freedoms include freedom of association for example in trade unions, other 'choice' and 'voice' mechanisms, access to decision-making power, or to what Nussbaum (1999) calls agenda-shaping power; in short, agency expressed through formal collective action.

Economic facilities What is referred to here includes opportunities to utilise economic resources for the purpose of consumption or production or exchange. In organisational terms, these have their equivalence in fair wages, equal pay and fair reward.

Social Opportunities Key examples of social opportunities are education and health care. Within work organisations, important parallels are with an organisation's duty of care, access to training, to advancement and to similar treatment rather than different, unfairly discriminating treatment in these areas

Transparency guarantees Transparency guarantees are concerned with the freedom to deal with one another under guarantees of disclosure and lucidity, as a basis for creating demonstrable openness and trust. In work organisations, this is very important for feeling that one has been dealt with fairly. For example, if the question is asked 'how do I get to the top in my chosen career?', the rules of the game need to be commonly known and require transparency of action as there is less likelihood of a feeling of, or actually being, wronged. For example, though they may be few in number organisations which use well-designed, cultural and gender-fair assessment center methodology for transitions for management staff (including senior levels), are making clearer, 'open to scrutiny' rules of the game, than organisations that, on the other hand, depend on more idiosyncratic approaches.

Protective security This instrumental freedom is concerned with how social safety needs are addressed, in order that those in financial difficulty do not become marginalised from the society as a whole with their life chances systematically and dramatically reduced. Central here is the prevention of the reduction to abject poverty, which requires both fixed institutional arrangements such as unemployment benefits and *ad hoc* arrangements such as a legislated minimum wage and other social policy provisions. Much of this lies more within the province of the law than that of work organisations. However, an organisation's actions, for example as a 'socially responsible' employer, can also be vitally important.

Like Nussbaum, Sen regards fragmentation and concentration of effort on securing one freedom over another as undermining the necessary ensemble of instrumental freedoms. So for example, in a work context, having the opportunity of access to advancement (social opportunities) is compromised if the method of promotion is largely hidden and opaque to those from traditionally disadvantaged groups (as transparency guarantees are thus violated).

Capabilities, instrumental freedoms, agency and rights

What is the relationship between the building blocks of capabilities, instrumental freedoms and agency? How do these building blocks differ from the more traditional concern with rights and opportunities? Once again, the Coca Cola example can provide some insight. The organisation's environment, as suggested by the concerns raised in the extract about policy, informal exclusion from senior positions and social segregation, does not appear to be 'equality fair' in a situation where African American employees are capable and willing to be promoted. This clearly suggests that combined capabilities are weakly developed. Moreover, four of Sen's instrumental freedoms: political freedoms, economic facilities, social opportunities and transparency guarantees, it would appear, are all compromised to a greater or lesser degree within the organisation.

TABLE 3 *Bursting the bubble*

In April 1999 four Coca Cola workers brought a lawsuit against the company for racial discrimination, their lawyers applied for the suit to be given 'class' status, which would extend the action to cover 1,500 employees across the US. This will be decided later this year.

In December, the claimants' lawyers asked for four more names to be added to the suit on the grounds that Douglas Ivester and his senior managers knew about 'company-wide discrimination against African-Americans' since 1995.

In a 1995 memo to Ivester, Carl Ware had stated that black employees felt they were seen as incapable of succeeding in certain fields and felt 'humiliated, ignored, overlooked or unacknowledged'.

Ware made eight recommendations, including that US managers' compensation be tied to diversity targets and that more ethnic minority staff be promoted to the position of executive assistant, a springboard for more senior jobs. But the problems were not to be so easily solved.

In a 1997 letter to Ivester, Ingrid Saunders Jones, vice-president of corporate external affairs and a black American, complained that she had suffered from 'invisibility driven by chauvinism, power and, sometimes, pure and absolute disrespect'.

And a 1997 audit by the US Department of Labor found that Coke's managers were unclear about the firm's affirmative action programmes, and diversity goals were not part of performance reviews. The company had also failed to survey its staff to find gaps in recruitment and promotion procedures, Coke remedied these failures and the case was dropped.

It was not until last year that the firm established a diversity advisory council of the kind that already existed in other Fortune 1,000 companies.

Note This table was reproduced with permission from People Management, June 2000.

The relationships between capabilities, instrumental freedoms and rights are represented in Figures 1, 2 and 3. While the details of these relationships are intricate, their essence may be understood as follows:

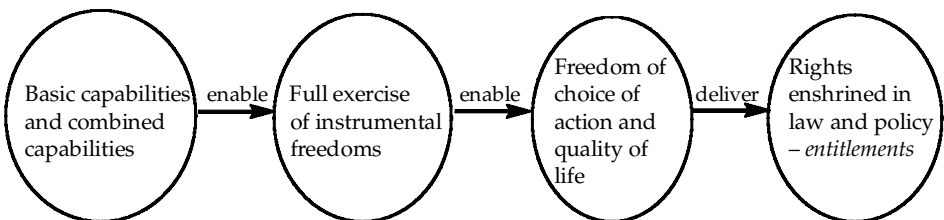
FIGURE 1

FIGURE 2

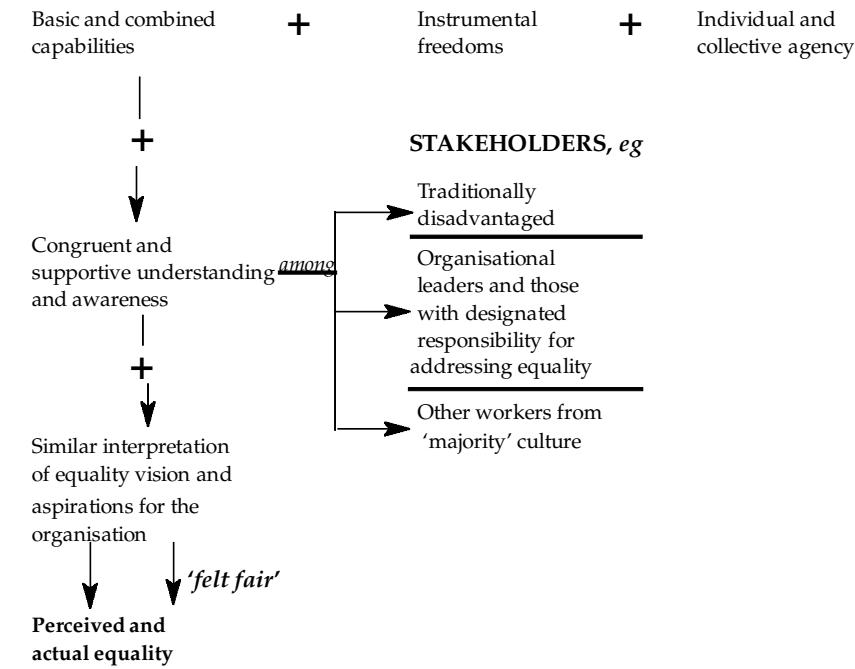
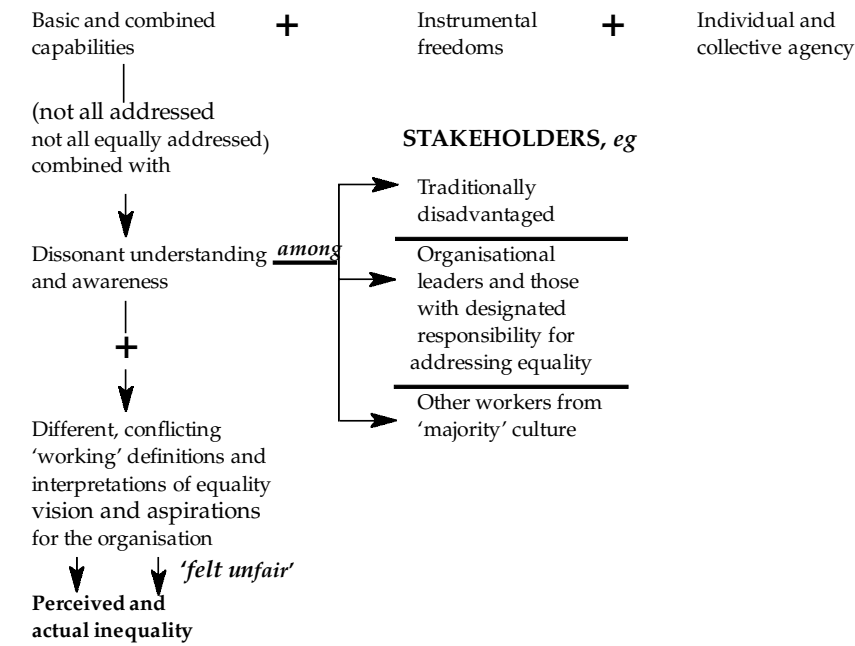


FIGURE 3



- Capabilities enable the full exercise of freedoms. These in turn promote freedom of choice of action and quality of life, and thus determine which rights need to be enshrined in policy and law.
- Capabilities, instrumental freedoms and individual and collective agency where addressed fully, in combination with congruent and mutually supportive understanding and awareness among organisational members and similar, consonant interpretations of equality vision and aspiration, are more likely to 'feel fair' and result in perceived and actual equality.
- Where capabilities, instrumental freedoms, agency and perceptions are not addressed fully, equally or indeed, one or all are not addressed at all; or if understanding and awareness are dissonant, not shared; or if there are different or conflicting interpretations of equality; – or some combination of these occurs – the organisation will 'feel unfair', and perceived and/or actual inequality is likely to result.

TABLE 4 *Comparison of types of equality initiative*

Approach	Principle	Strategy	Method	Type of equality
Liberal	Fair equal opportunity	Level playing field	Policy statement, equality proof recruitment and selection procedures	equality of opportunity
	Positive action	Assistance to disadvantaged social groups	Monitoring, pre-entry training, in-service training, special courses, elevate EO within management	Equality of opportunity
	Strong positive action	Give positive preference to certain groups	Family friendly policies, improve access for disabled, make harassment a disciplinary offence	Moving towards equality of outcome
Radical	Positive discrimination	Proportional representation	Preferential selection, quotas	Equality of outcome
Managing diversity	Maximise individual potential	Use diversity to add value	Vision statement, organisation audit, business-related objectives communication and accountability, change culture	Equality means profit aligned with organisational objectives*
Capabilities	Human dignity-centred equality through the freedom to do what one wants to do and be what one wants to be	Establishment of a) the five instrumental freedoms based on b) combined capabilities and c) agency	Multi-method, multi-domain, multi-stakeholder interventions, through line-informed policy	Equality of choice and outcomes resulting from the 'free' exercise of freedoms

Notes The table is from Kirton and Greene (2000), based on Miller (1996); our additions are in bold.

* The authors note that this presents a narrow characterisation of diversity management.

Using the analysis in this table as a basis for comparison, how might a capabilities approach to workplace equality differ? For a capabilities-based approach, the principle would be: 'What is a person actually able to do and to be?' A capabilities approach would also be centrally concerned with the things a person is substantially free to do, the real choices that they have. Methods would centre on facilitation of 'internal readiness' combined with creating a political and social climate to enable full use of one's capability set. So for example, development of potential is important, but creating the environment in which that potential can be freely used, and enabling all members the opportunity to shape the official and unofficial rules of the game fully, what we might call full agency, are core organisational responsibilities.

In terms of methods employed, equality action typically centres on human resourcing policies, monitoring, quotas or targets, and fair and transparent recruitment and selection, largely from the external labour market (though the 'glass ceiling', described widely in relation to women's advancement, would suggest that different, more opaque recruitment and selection processes often operate internally). The enabling of internal states of readiness is not considered, except in part through the methods within diversity management, such as training and culture change. The predominant measures of whether equality is being reached fall directly out of the methods employed, such as density of representation of traditionally disadvantaged groups in an organisation, the simplicity or sophistication of equality policies, compliance with equality action-centred recruitment and selection.

Sen writes extensively about agency (1999). Although his arguments are detailed, we can simplify the essence of his ideas with the term full citizenship. Moreover, second-class citizenship, where a sub-set only of capabilities or of freedoms or little or no real agency, operate, is the basis for limited and partial citizenship, and sows the seeds of an organisation which is not addressing inclusion, which is thus another important measure of addressing capabilities-based equality.

Further, the material reality of employees' frustrations of lack of real equality and real opportunities, as highlighted by the Coca Cola case, is at the heart of shaping a full understanding of the sources of inequality. In other words, employees' perceptions, feelings and construing provide vital information and measures (Cornelius and Gagnon, 1999). Therefore it is not only the ensemble of capabilities, freedoms and agency that are the pre-requisites for capabilities-based equality, but these in combination with employee perceptions, vital for real inclusion.

In order to more fully make the distinction between a capabilities-based equality and more familiar forms, the following propositions are suggested.

Proposition 1 measurement is determined by method is determined by principle. The underlying equality principles determine the methods employed and in turn, the measurements that are regarded as fair and appropriate.

How might one assess or measure equality initiatives? Consider where the emphasis would lie, on the basis of the Kirton and Greene table (based on Miller, 1996).

- For fair equal opportunities - the table states that the focus is on policies and fair recruitment and selection procedures;
- For positive action, the focus is on monitoring, 'special' training and management awareness;
- For strong positive action, the focus is on constraint -lifting policies and human resourcing policies for countering 'negative', discriminatory behaviour;

- For radical equal opportunities, the focus is on preferential selection and quotas;
- For managing diversity, the focus is on top and line management vision, measures and managing accountability, culture change and communication.

None of these focus specifically and explicitly either on what individuals or groups are free to do, or on what the organisation is doing to enable this freedom to become a reality. Nussbaum's combined capabilities concept would demand that attention be paid to (a) how the organisation was enabling internal capabilities, and (b) how the organisation was creating the conditions in which the internal capabilities could be fully and freely employed, in other words, combined capabilities. Further, what will feel fair and feel right is what materially affords personal dignity and freedom of choice.

Moreover, this may suggest that there is insufficient attention addressed to empowerment through agency, in order to facilitate agenda shaping by traditionally disadvantaged groups. Even a more industrial relations-based pluralistic approach, which Miller does not outline in the table, which may afford more voice than some of the other approaches, might nonetheless, underplay agency, and indeed, unions are as susceptible to inequality problems as any other organisation. From this emerges our second proposition.

Proposition 2 agency is central to 'felt fair' equality. Within capabilities-based equality, individual and collective voice and agency for the traditionally disadvantaged is central to shaping organisational equality action – it cannot be engaged 'by-proxy'. Thus, again, within this framework, organisations and support institutions are duty bound to create the mechanisms within which agency can be fully exercised. A contemporary account of the wants of the traditionally disadvantaged is imperative also, as there are limits to what the law and policy can deliver. First, this is because the law is often out of step or lags behind the material reality of peoples lives. It gives largely historical accounts of inequality (Annas in Sen and Nussbaum, 1995) rather than contemporary and forward-looking accounts, as it is easier to see where equality and inequality has travelled than where it currently is. Secondly, such approaches are subject to what Nussbaum (1999) refers to generically (and in a gender-neutral way) as 'paternalism', largely developed within the mindset of those who are the powerful in a society or an organisation, rarely the traditionally disadvantaged.

The importance of evaluation and measurement

In the previous section, Nussbaum's and, in particular, Sen's views of the importance of consequences and measurement in order to evaluate processes and action were introduced briefly. The reason that scholars like Nussbaum and Sen highlight such an approach centres on the importance of information base and evaluation. For example, Sen's development of the human development index used by the United Nations changes the criteria by which development and quality of life are measured at the international level, from income only to a much broader set of measures. Similarly the capabilities approach suggests that through the use of a wider information base, through information broadening, it is possible to have consistent, coherent criteria for social and economic assessment.

Sen writes in *Development as Freedom* (1999):

On the evaluative side, the approach used here concentrates on a factual base that differentiates it from more traditional practical ethics and economic policy analysis, such as the 'economic' concentration on the primacy of income and wealth (rather than on the characteristics of human lives and substantive freedoms); the 'utilitarian' focus on mental satisfaction (rather than on creative discontent and constructive dissatisfaction), the 'libertarian' preoccupation with procedures for liberty with deliberate neglect of consequences that

derive from those procedures and so on. The over-arching case (is) for a different factual base, which focuses on substantive freedoms that people have reason to enjoy.

For the purpose of a fuller transition of these notions into a workplace context, we have developed an approach that allows organisations to identify formal and informal indicators and measures that fit with their specific context. Any system of measurement and evaluation of equality, be it internally or by an outside agency, will need to be multi-dimensional, formal and informal, multi-domain and multi-stakeholder in orientation and contain a balance of long and short-term factors. The generic categories of measures that could be employed are set out below. They must address freedoms, unfreedoms and quality of life as indicative of the specific character of equality and inequality. Importantly, these are best evaluated through the breadth and depth of the equality informational base. What does the information tell us about the concept of equality behind the decisions made? Largely, this will be determined by the range, and depth of sources which the database draws on, including:

- the character, number, distribution and effectiveness of the strategies, policies, procedures and other actions, the equality processes, and the outcomes of equality processes, such as advancement and movement towards and achievement of freedom of choice of career options for the traditionally disadvantaged when compared with the choices available to the majority advantaged organizational members.
- the methodology and methods of evaluation of equality action, including review. The methodology and methods should be understood through the intellectual, behavioural and affective spheres ('head, hands and heart'). Because freedom and equality are acted out in the social and psychological domains, this broad approach is important. Climate and dissatisfaction surveys, and focus groups, are examples of methods that in combination with other 'harder' data, such as progression rates, may help to capture this range of information.
- an overall assessment of 'hard' and 'soft' strategic and change management equality inputs (including meta-systemic knowledge and the degree and nature of the movement created). These strategic measures are an indication of the organisation's commitment to equality and of the degree of integration into general strategic and HR management policy and practice.
- the degree of 'voice' and agency of the traditionally disadvantaged, and its role in shaping the decisions informing the equality agenda, eg, via trade union action or other representative means.
- the number of channels for expressing dissatisfaction, their frequency of use, the nature of the concerns unearthed and the courses of action typically undertaken, eg, via HRM policies and systems such as grievance procedures, or dedicated equality systems to highlight and tackle discrimination such as racial or sexual harassment procedures.

Beyond the capabilities approach, Sen has articulated other ideas that are useful in understanding equality in organisations. These include the following:

1. Challenging narrowly defined identities

The issue of identity is raised to ensure that this issue is addressed explicitly as potentially, narrowly defined identities undermine instrumental freedoms. In the most basic sense, narrowly defined identities often are associated with a narrow range of stereotypical attributes which can be employed knowingly or unwittingly, and which in

turn can result in limited opportunities reflecting the limited designated attributes. This is most obvious in the context of ethnic monitoring categories. The question should be posed: who determines these categories and further, to what extent are the categories determined by those they purport to represent? In addition, it is likely to become increasingly important to address those individuals and groups who wish to assert multiple identities, or further, not to have the complexity of their identity primarily reduced to equality issues.

Sen suggests that denying individual freedoms may result from the use of narrowly defined identities for certain communities and groups (1999). He argues that the resultant restriction of options designated by the majority for such traditionally disadvantaged groups not only limits freedom, but is often at the root of the injustices committed against minorities.

Another way of thinking about narrow identities in a more sociological vein is that disadvantaged groups may be viewed as of lesser value than the dominant group. Of lesser value, these 'others' identities may be so narrowly scoped and elaborated in a negative way that hostility, physical or psychological, is readily justified by the dominant group. In an organisational context, we can think of this in two ways. First, in the context of stereotyping, in which the traditionally disadvantaged will be viewed with reference to deviations from the stereotype, be they positive or negative deviations. The second concerns duty of care, which is enshrined in UK health and safety law, such that all organisations are legally bound to provide a safe system of work, both physically and psychologically. However, if identities are narrowly scoped, it may be that duty of care is not exercised uniformly, and is regarded as an entitlement of the dominant group while for the traditionally disadvantaged, it may be construed as within the gift of the dominant group.

2. Understanding 'historical' and current inequalities

Working with Sen's ideas on freedoms, Julia Annas' work on women and quality of life (in Nussbaum and Sen, 1995) highlights the importance of 'different social norms', where the norms of one group (typically the dominant group) are regarded and treated more favourably than those of another. She suggests that it is often easier to be aware of such differences in societies that are more 'traditional' in terms of gender segregation of roles and responsibilities, but at the same time, we may be less aware of how such differences play out in more progressive contexts. The reasons suggested are that:

we are often backward looking and confused or uncertain about our own society, but able to discern more clearly the wrongs in a society more traditional than our own... If we can more clearly discern the injustice of practices that we no longer suffer from, will we not always be one stage behind, unable rationally to criticise the injustices of practices that we do still suffer from. Our grasp of the injustice of sex-divided norms (is largely based on something) that we no longer live with.

Annas' thinking has strong implications for work organisations. First, it may be easier for those in more progressive organisations to observe the injustices in organisations which are less far along the path to addressing equality issues. However, it may be more difficult to make sense of inequalities in their own, relatively more progressive organisation. Identifying the causality of the 'felt unfair' nature of inequality as experienced day to day may be difficult as the nature and causes the injustice may be subliminal, and therefore difficult to identify and make tangible. Moreover, the nature of inequality may over time have migrated into other parts of the metasystem or surfaced around different issues. In part, this perceptual lag may explain some of the difficulties facing Coca Cola.

3. Different social norms as a source of institutional discrimination

There is another pressing need to pro-actively establish how such differences are embedded or emerge, given the pre-disposition organisations have, as suggested by Annas (in Nussbaum and Sen, 1995), to have a clearer understanding of historical sources of injustice and inequality than current ones. Different social norms are likely to be a powerful source of perpetuated different treatment, and thus, institutional discrimination. In part this is because unless sought proactively and systematically, the discrimination may not easily be discerned by those members of the organisation affected by it or indeed, creating it. Thus, although maintenance of power and status is likely to be a component of leaving largely in tact the systems and strategies that reinforce institutional discrimination, the less easily discernable character of different norms is likely to play a key role also.

4. The centrality of inclusion

Fairness in the equality field has largely been determined in terms of (a) equal access to opportunities (b) moving towards 'numerical parity', with under-representation given the availability of traditionally disadvantaged groups within the society and (c) similar treatment (in UK law, core to its identification of discrimination is different treatment). Great strides have been made towards enhancing these, especially through a combination of organisational will and the force of law.

However, it is such approaches that highlight that much current equality action is targeted at aspects of equality for which inclusion is not central, whether it is asserted or not as part of the aspiration of equality. Even diversity management, to which valuing difference is central, does not necessarily suggest an inclusive approach, though its greater attention to culture and other social psychological 'whole organisational' factors may make it more likely. In other words, many of the initiatives and measures of equality focus on presence, acceptance and tolerance, but not real inclusion. In part, we would argue that this situation has developed because securing real inclusion is far more difficult, and requires an organisation to challenge areas that are often regarded as too sensitive to challenge

We are using the term inclusion in a positive way. Much general discussion uses the term inclusion as the antonym of exclusion. When used in this way, it has connotations of marginality, underachievement, and a lack of stakeholding in important, capabilities-enhancing areas within a society, such as education, employment and law-abiding behaviour. Any inclusion must guard against the negative outcomes identified here, but we argue that such definitions are too narrow and too negative. Moreover, they ignore those from traditionally disadvantaged groups who are technical or professional achievers at the highest level but still fail to be seen and treated as a full and legitimate members of an organisation.

We consider inclusion to concern the freedom of choice of those in work organisations to be what they wish to be, to achieve what they wish to achieve. In inclusive organisations the majority group and traditionally disadvantaged groups have such aspirations incorporated and equally valued in the social, cultural and political fabric of an organisation.

The differences that many bring with them are neither 'neutralised', nor ignored either positively or negatively (*eg*, male domination or colour blindness), but need to become an integral part of the mosaic of the whole. Pro-active negotiation is engaged with to see which 'norms' permit such a mosaic and thus, in turn, which ones need to be set aside in order that a full range of capabilities and freedoms can be equally be pursued by organisational members. Thus all those entering and gaining membership of an organisation share a common rather than a two-tier 'citizenship', where the latter is characterised by distance from the full elaboration of the formal and informal mechanisms of social and political engagements.

Such an approach might also help to address one of the double-edged aspects of moving towards 'numerical parity'. For women, it is obvious that a successful outcome of numerical parity would be, for example, equal numbers of women and men at all levels in a work organisation, and an equal availability of women and men for those posts. Demographically, women are typically half of any population and approaching half of the available workforce. A clear benefit is that weight of numbers across a range of organisational levels increases the likelihood that women's voices will be heard, and that they will have more opportunity to shape organisational agendas.

However, demographics of this kind largely work against those from other traditionally disadvantaged groups, such as those from ethnic and religious minorities, the disabled and gays and lesbians. Even if a fair and accurate representation of these groups exists within an organisation, demographically they will never secure a comparable 'critical mass' to women. Therefore, the current dominant approaches to equality are unlikely to heighten the importance of the issues of concern to these groups and further, limit opportunities of their demands to agenda shape. If weight of numbers becomes a primary indicator of the need of organisations to act, then certain groups will simply never gain a voice that is really listened to. Further, the more marginalised and demonised a group has been, the less likely it is that the dominant groups will actively listen and acknowledge grievances.

CONCLUSIONS

The approach to addressing workplace inequality developed here based on Nussbaum and Sen's work can be thought of as adding to and going beyond the current dominant paradigms. Using Miller (Kirtton and Green, 2000) once again as our benchmark, it is useful to add some observations based on the work of Thomas and Ely (1996). They suggest that certain paradigms have predominated.

- Within the liberal tradition – the paradigm of discrimination and fairness
 - Within the radical tradition, the paradigm of access and legitimacy (for example, presence at all levels in the workplace)
 - Within the managing diversity tradition, the paradigm of learning and effectiveness
- To this, we would propose an additional paradigm,
- Within capabilities-based equality, the paradigm of quality of life, freedoms and inclusion.

One key aim of this article was to explore how, through the vehicle of ethics, workplace inequality could be better understood. The article has argued that a new ethical conceptualisation of how to evaluate equality and inequality is offered through the application of the thinking of Sen and Nussbaum. This thinking moves us beyond the fatalism of a focus on social justice versus business case juxtapositions suggested by recent ethical analysis in this area. This work helps to underpin the view that organisations are social entities, capable of contributing to social progress.

This ethical lens on equality management has not only helped us to better understand existing practice. Important ideas underpinning the application of the ethical framework developed by Nussbaum, Sen and their colleagues have helped us better understand how equality for the individual, and the role of organisations and institutions in making this a reality, can be understood differently. At the heart of this thinking is the concept of capabilities, which matters because it forces attention to be paid to traditionally disadvantaged groups and the roles of institutions and organisations in a different way:

Capabilities-based equality forces a focus on the whole; the enabling environment. Further, areas such as institutionalised discrimination, inclusion, felt unfair treatment and agency, are in our view, illuminated with greater clarity.

It is perhaps useful to return briefly to Dickens' (1999) persuasive argument that a robust and workable approach to addressing workplace inequality needs to be 'three pronged' in terms of policy development. She argues that three prongs of policy development, at the level of institutions (eg government and the law), the organisation (work organisational policy and practice, culture and climate) and social or joint regulation through trade unions, demand equal and co-ordinated attention. Dickens' work is an important development towards a more holistic account of the organisational environment. However, these approaches are likely to operate within the current dominant paradigms and while such an approach will afford progress, this will be limited. For a step change, we would argue that these three central policy making arenas would need to be re-cast around capabilities, if true agency and freedoms, if 'felt fair' equality, is to be achieved.

Finally, our work is clearly at the early stages of development, and has been developed primarily as a 'think piece'. Further conceptual development and empirical research will be necessary in order to understand fully the potential of the capabilities approach to advance equality in organisations.

Note

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