

The Human Capability Framework - An Important and Useful Framework for Understanding the Labour Market?

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Abstract

The Human Capability Framework (HCF) was launched by the Department of Labour in November, 1999. Since then it has become a key guide for the organisation and administration of the Government's employment, labour market and welfare policies. It has also become important for public policy and academic research, although its importance is probably only apparent to "insiders" and specialists. It is argued, however, that the Framework has wider research applications.

This article, therefore, explores perceptions of the original model and its origins and considers the outcomes that have flowed from the use of the model in the succeeding four years. After an initial explanation of the HCF, there is an analysis of its use as a policy tool at national and regional levels. Its use in various research projects is described in order to underline its importance as a research tool. The article concludes with a consideration of some limitations of the concept and some questions for further research.

Introduction

At the ninth Labour, Employment and Work Conference in 2000, Bartley, Dupuis, and de Bruin described the Department of Labour's Human Capability Framework as a useful concept that covered not just economic issues in the labour market but also social factors. They said it was "...on the one hand both complex and sophisticated and on the other disarmingly simple" (Bartley, *et al.*, 2001: 149). That was a revelation as this was the first indication that many had of the Human Capability Framework (HCF). Not only was it put forward as an important research model, but it was also picked up by a number of Ministers in the newly elected 1999 Labour-Alliance Government, as a valuable guide to developing employment and social policy.

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It is clear that the Human Capability Framework has quickly become an important phenomenon and therefore warrants attention. This article is essentially descriptive, tracing the developments of the framework and discussing some of its key components. In particular, it will illustrate how the Framework provides a more flexible and complex understanding of the New Zealand labour market, which integrates labour market policies, social policies and education and vocational training. It is also aligned with recent ideas promoted by international organisations (for example, the OECD), such as social integration, the knowledge society and how to further integrate disadvantaged groups in mainstream employment. The article highlights the influences of the Framework and its application by drawing on a number of studies, particularly those on the primary sector undertaken by the author as well as other researchers. Finally, the article raises some of the research issues that require further attention.

What is human capability and how does it go beyond the human capital notion?

The notion of “human capability” is well-established in the human capital literature and has common currency amongst policy makers. For example, Department of Labour notes that “human capability” is “... the ability of people to do things – both the capacity and the opportunities to do things” (Dol, 1999c, 4). However, the Human Capability Framework is a much more active and encompassing concept than ‘human capital’. Amartya Sen, the development economist, has also reflected on this distinction:

“In looking for a fuller understanding of the role of human capabilities, we have to take note of:

- 1) their direct relevance to the well-being and freedom of people;
- 2) their indirect role through influencing social change; and
- 3) their indirect role through influencing economic production.

The relevance of the capability perspective incorporates each of these contributions. In contrast, in the standard literature human capital is seen primarily in terms of the third of the three roles. There is a clear overlap...there is a strong need to go well beyond that rather limited and circumscribed role of human capital in understanding development as freedom.” (Sen, 1999: 296-7)

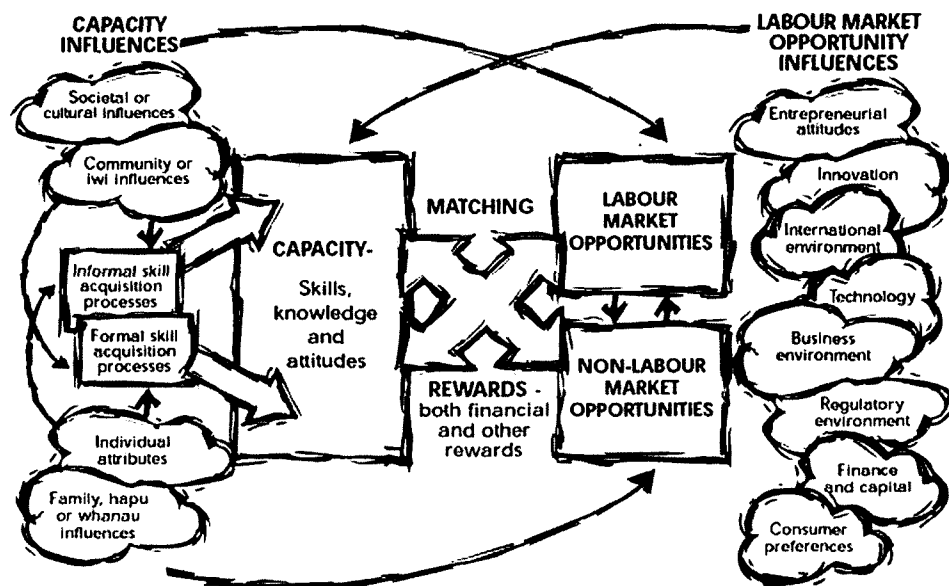
Bartley, *et al.* (2001) have suggested that one of the factors involved in the development of the HCF was a reaction against the influence of the OECD on policy development. The HCF provided an “...integrated view of key economic and social objectives, and an understanding of the role of the labour market in achieving them” (p. 149). It was an improved alternative to the dominant human capital paradigm advanced by the OECD for considering issues of employment and employability. Bartley, *et al.* (2001:150) express it thus:

“One concern about the human capital approach is its assumptions of individuals as rational maximisers of individual utility: that is, that people make decisions about maximising their own opportunities and develop their potential to maximise future opportunities based upon rational considerations of self-interest and unlimited choice. The HCF allows for a more holistic – and realistic – view of individuals as being embedded in a variety of social relations that affect their choices and aspirations in a way that human capital simply does not”.

In essence, the HCF has been presented as an holistic way to approach labour markets. It has three main components, *capacity*, *opportunities*, and *matching*, which provide a basis from which individuals may be seen as participating in a variety of social relations that affect their choices and aspirations. “Capacity” refers to the skills, knowledge and attitudes people possess and how in using these skills, they can take advantage of the labour market and other opportunities available to them. The HCF also illustrates the importance of the networks that people are involved in as an influence on their capacity in the labour market. “Opportunities” are the alternatives available to people to use their capacity (i.e., skills, knowledge and attitudes) as a way in which they gain financial or personal reward. “Matching” links people’s *capacity* and *labour market opportunity* and is a distinct set of processes that considers the influences on both these elements. Acknowledging each element as a process in its own right enables us to discover the breadth of each concept before analysing the impact each has on the other. As matching is the link between capacity and opportunity, it is affected by the quality of information that flows between the two. Matching allows us to explore what it is that increases capacity for the particular job skill required and the conditions under which this capacity meaningfully increases.

The HCF is based on the premise that a wide variety of influences affect human capability, both socially and economically. The matching process allows us to see each ‘cloud’ in the diagram as a contributing factor, with relatively flexible boundaries. The adoption of the framework ensures that subtle factors, which might influence the effectiveness of “capacity formation, opportunity creation...and the matching process” are recognised (DoL. 1999c: 20-24). However, the contributing factors will vary from situation to situation.

Figure 1: The Human Capability Framework



Source: Department of Labour, (1999: 19).

The 'capacity' side of the framework can also be described in more economic terms as the supply-side, in which, for example, inflexibilities in curricula, delivery systems and regulatory complexity reduce employer and employee investment in training. Correspondingly 'opportunity' may be described as the demand-side, which is strongly influenced by structural and institutional factors. For example, industry and firm economic pressures may adversely affect opportunities made available by employers. Where the supply/demand-side analysis falls down is that in economic theory the 'matching' mechanism is purely determined by the price of wages. That is clearly a simplistic view of the matching processes. The more nuanced approach of the HCF reveals the complex factors involved in bringing supply and demand together to increase the overall level of well-being of society (see Toner, 2003, for an application of supply/demand-side analysis in relation to declining apprenticeship training rates).

During 2000/01 a new mission statement for the Department of Labour was developed: "wired for work and wellbeing". "Wired" reflected the connectedness of developing policy between services providers, communities, businesses, government and internationally, and incorporating social and economic issues. "Work" reflects the primary role of labour and the responsibilities for "...building capacity, opportunities and matching in the labour market that promote fair, safe, satisfying work and balanced immigration". "Wellbeing" features in OECD documentation (e.g., OECD, 2001) and is also included in the mission statement as it covers the outcomes of Government policy resulting from its promotion of opportunities for social and economic development, and "...thriving, well-settled, inclusive communities", (DoL, 2001b: 7).

Policy use

In New Zealand, the genesis of Human Capability Framework as a policy tool began when the Department of Labour underwent major changes during 1998 and 1999. The New Zealand Employment Service and the Local Employment Co-ordination function were transferred to Work and Income New Zealand. These changes resulted in rethinking the Department's purpose, which became:

“We link social and economic issues to enable people to develop and utilise their potential for the advantage of themselves and New Zealand.” (DoL, 1998: 3)

This social aspect came to the fore during the period of the National Government after the ascendancy of the ‘new public management’ and the ‘economic rationalism’ of the 1980s and early 1990s.

The Chief Executive of the Department of Labour, John Chetwin requested his staff “to begin a project to establish a framework for developing policies relating to the development of New Zealand's human capability” (DoL, 1999b: 3). This began in late 1998 and resulted in a full paper published just before the 1999 General Election (DoL, 1999c). Writing subsequently, Chetwin describes it as a key dimension of the Department's strategic thinking:

“It is a framework that provides a way of thinking about the linkages between social and economic issues and is directly connected with the Department's purpose... The Department is now using the HCF as a context for all its policy advice and to facilitate connections between each of its Services at an operational level...The overall objective – the effective development of New Zealand's human capability.” (DoL, 2000b: 3)

However, the first significant appearance of the Human Capability Framework was in the Ministerial briefing papers after the 1999 General Election prepared by the Department of Labour for the incoming Labour-Alliance Government (DoL, 1999d). It again featured significantly in the Department of Labour's *Corporate Plan 1999-2000*, in the succeeding Strategic Directions documents (2000-2001, 2001-2002 and 2002-2003) and its Statements of Intent. HCF is also mentioned in the Department of Labour's *Annual Reports* to the House of Representatives from 1999 onwards. Furthermore, it was a central feature of Department of Labour's key policy document: *Workforce 2010 – a document to inform public debate on the future of the labour market in New Zealand* (DoL, 2001a), in which the HCF had obviously gained Ministerial support in the new Labour Government. The document appeared under the signatures of Steve Maharey, *Minister of Social Services and Employment*, Margaret Wilson, *Minister of Labour* and Lianne Dalziel, *Minister of Immigration*. It provided a critical framework for a range of

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social and economic initiatives which were advanced. While both Wilson and Dalziel were lawyers, Maharey had been a Sociology Lecturer, a factor which probably made him sympathetic to such a framework (see Maharey, 2003).

As a senior Minister, Steve Maharey held several responsibilities, including Social Services, Employment, Tertiary Education, and for the Community and Voluntary sectors. This was deliberate as he revealed in a speech to economists in August 2000:

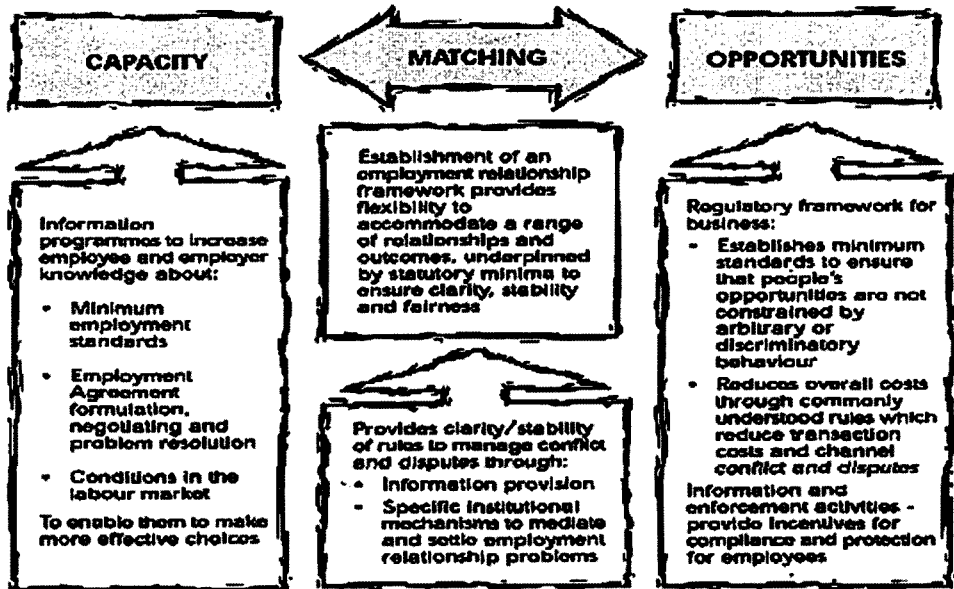
“It is not by accident that I have these portfolios – they all cohere around one principal objective, and that is the objective of building our human capability. Across my portfolios we use a very simple formula to capture that objective and challenge. In essence that formula is: Capacity + Opportunity = Human Capability ... New Zealand’s prosperity relies on the capability of its people, and the successful use of their skills and abilities to generate income and promote a thriving economy. The Human Capability Framework provides a way of looking at the various elements in this process, and how they work together. It emphasises the need to consider the factors that influence labour market outcomes in an integrated way, not just taking one issue and trying to find a solution to it.” (Maharey, 2000)

One of the more useful ways the Government has applied the HCF is as a key organising and analytical framework for the Government’s Employment Strategy. The strategy is designed “...to ensure effective government co-ordination of, and accountability for, a specific set of employment goals, activities and results” (Bascand, 2003). Recently, the Employment Strategy has been refined to place more emphasis on sustainable employment and productivity. This refinement was based around the factors suggested by the HCF. For example, Goal 4 of the *Employment Strategy* is “Developing community capability as a source of employment opportunities.” The challenges and opportunities this provides, as presented in the strategy, include the statement:

“Increasingly the government’s role in the labour market will concentrate on aligning its interventions, and fostering good connections and networks. These connections are not just the ‘matching’ between employers and employees, but also between government and training providers, regions, community organisations and employers.” (DoL, 2003c, (<http://dol.govt.nz/employment-strategy.asp>))

The Human Capability Framework has been applied to all aspects of the Department of Labour’s work and was recently re-affirmed by the Department’s Management Board as a central guiding concept (ibid.). In *Strategic Directions 2000-2001*, one form of the regular use of the framework was exhibited for each service area of the Department. To illustrate this use, Figure 2 applies the matching model to the Employment Relations field.

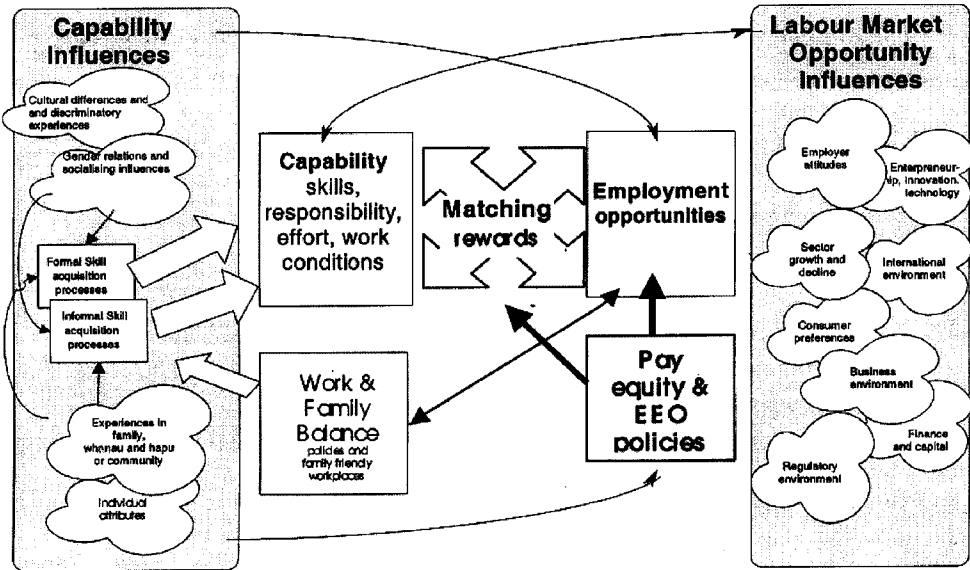
Figure 2: Applying the HCF to Employment Relations



Recent examples of the use of the HCF in matching the capacity of the individual to the job or other opportunities in New Zealand range from the Government's policy advice on new skilled immigration to the Department of Labour's attempt to match disadvantaged groups, such as Maori and Pacific peoples, youth, and people with disabilities, with employment. According to Bascand (2003), the Framework helps to explicate the situations of these disadvantaged groups. For example, although Pacific people are less likely to have formal education and training, the Department of Labour has used the Human Capability Framework to seek a balance between formal and informal education (Chetwin, 2001). Furthermore, the Department of Labour had a role in ensuring that the linkages between capacity and opportunities were accessible and suited the needs of Pacific people. If they were user friendly then they could make a contribution to the prosperity of Pacific people in New Zealand (Chetwin, 2001). To achieve the maximisation of human capability for New Zealand such inter-departmental collaborations are essential and key areas of work for 2003/04 (Department of Labour, 2003b: 10 and 24).

The Ministry of Women's Affairs has also used the framework in discussing the pay equity issue and women's employment, which adds another variant on the basic diagram (Figure 3).

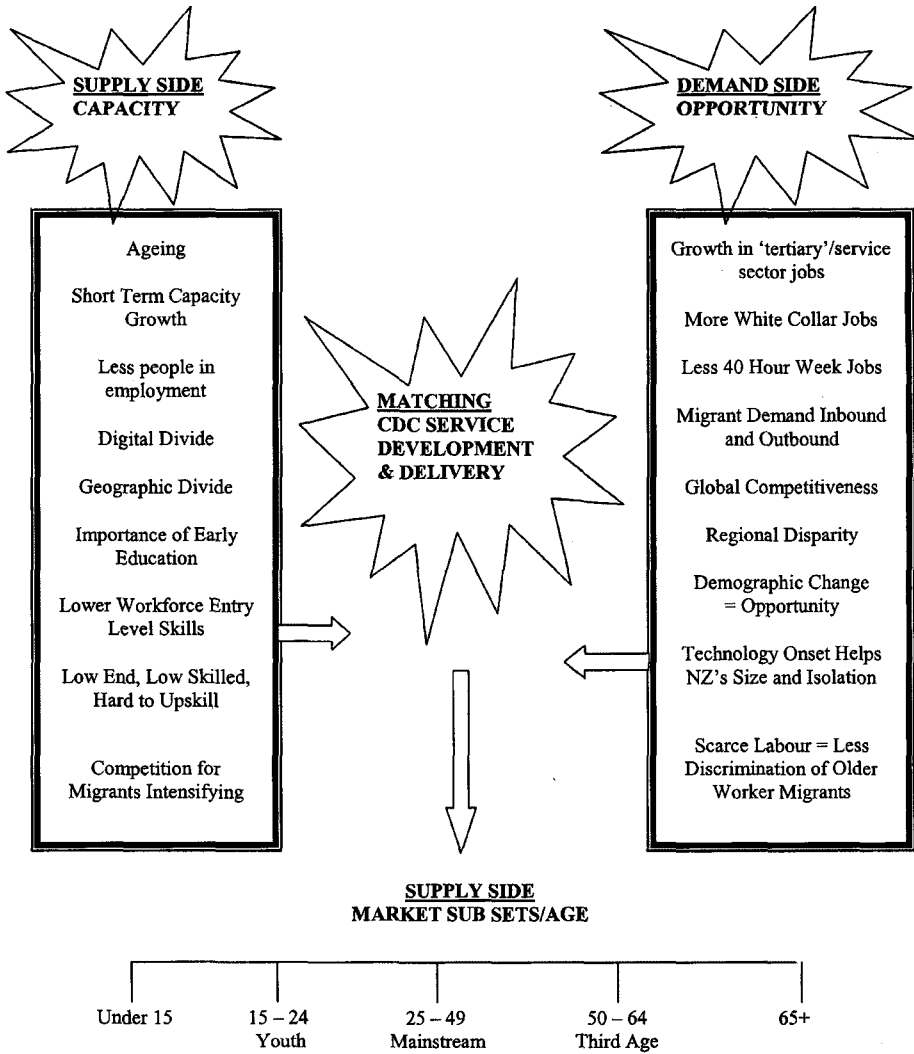
Figure 3: Pay equity within a Human Capability Framework



Source: Ministry of Women's Affairs, 2002

The Framework is not only being applied at the level of central government but it has also been utilized by regional governments. For example, the Canterbury Development Corporation has applied the framework and the other features of the *Workplace 2010* document to the Canterbury Region. The outcome of this application can be seen in Figure 4. Figure 4 looks at Capacity and Opportunities as the Supply and Demand sides of the labour market and maps out the key issues facing the Canterbury Development Corporation as a key service and delivery body involved in the matching processes in Canterbury. It provides another view of the framework with different headings under the Capacity and Opportunity captions, resulting from an analysis of the risks and opportunities likely to appear in the Canterbury labour market by 2010. Each of these is then considered as it affects each of the age subset of the supply side of the framework: Under 15, Youth 15-24, Mainstream 25-49, Third Age 50-64, and those aged 65 or more (Canterbury Development Corporation, 2002).

Figure 4: Key labour issues facing the Canterbury Development Corporation to 2010



Source: Canterbury Development Corporation, 2002

Another local use of the HCF in formal policy development can be found in the *Mayors Taskforce for Jobs*. Vivian Hutchinson, Community Adviser to the New Zealand *Mayors Taskforce for Jobs*, has lamented the failure of the Department of Labour to stimulate a serious debate about future employment and the 'waste of young people' with its rather bland *Workforce 2010 report*. However, he praises the Department for the introduction of its institutional philosophy based on building capability. He describes the HCF as a "...framework for thinking about labour market interventions..." and as "organised

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common sense” (Hutchinson, 2002, Part 4, 1-2). But, as he adds, “...there is no use having this common sense unless we get on with the job” (*ibid.*). He has identified one of the benefits of the HCF – the relative ease with which it can be used by key authorities and stakeholders to convert ideas and concepts about employment into real actions fostering jobs. This process of translating ideas into action by using the HCF in the area of local youth unemployment is currently being discussed by the Waitakere City Council and other stakeholders, including the Massey University Labour Market Dynamics team, based at the Albany Campus, (Spoonley, 2003, see below).

As the Department states in its *Annual Report 2002/03* (p.18), the HCF has provided a basis on which:

“...to formulate and understand policy to do with the labour market (and other situations involving people applying their skills for a purpose).”

Further,

“Part of the power of the Human Capability Framework is that it can be applied at every scale – from global to New Zealand to regional to enterprise level to one’s own career. It can also be used to think about specific types of industry or market...” (*Ibid.*)

Thus, we have a pictorial framework capable of expressing key linkages in employment from the individual employment relationship to the global economy. The structure of the individual employment relationship closely parallels that of the HCF. It has a supply side, the individual seeking work; a demand side, the employer offering a job; and a matching process, in which the two come together to form the relationship. It is a relationship that not only has a legal structure, the contract of employment (of which the specific employment agreement is only a part), but also a psychological dimension with one or more psychological contracts. A good relationship is only formed when there is a high level of agreement between the wants, needs and expectations of the parties, both at legal and psychological level (Tipples, 1996). Only when there is a high level of matching in the relationship do the real benefits flow in terms of labour productivity, job satisfaction, commitment, and longevity in the job (for example, see: Kotter, 1973; Herriot and Pemberton, 1997; Guest, 1998, 1999; 2002; Guest and Conway, 2002).

Research use

The HCF has not only been utilised in policy matters but it has also been used as an analytical research tool and a platform for action in employment situations. In particular, the concept has been used to provide a research framework for looking at employment participation and labour supply problems in a number of industries and regions. For

example, researchers at Victoria University's Industrial Relations Department and Massey University's Department of Human Resource Management have been working on the "Developing Human Capability" project. Its three main objectives of the research were: (1) "...the structure and operation of labour market institutions have a significant impact on capability development"; (2) "...forms of managing human capability development will influence organisational performance and quality of working life"; and (3) "...how individuals engage with paid work, and their experiences of both institutional structures and organisational policies, shape the development of their capability" (*The Employment Agreement*, 13, December 2003: 4). Initially, the aim of the research is to find out more about the three elements in the HCF (capacity, opportunity and matching). Initially this will take place through two pilot case studies in two organisations. Both organisational and individual employee perspectives on capability development will be investigated (May, 2004. Further details are provided on the websites of Victoria University, Massey University and FORST).

Another illustration of the research application of the HCF is the work by Massey University's Labour Market Dynamics Research. In recent studies, they have applied it to the dynamics of economic participation by "exploring the interface between households and the labour market" (Bartley, *et al.*, 2001: 1; also refer to Bartley, *et al.*, 2002). North Auckland WINZ also initiated funded research for several agencies, including the Labour Market Dynamics Research Group, to look at the existing and future skills needs of industries in Waitakere. It was decided to shift the focus from labour supply to labour demand because of labour and skill shortages constraining economic and enterprise growth, dissatisfaction with labour's generic skills, a lack of fit between demand and education and training providers' activities, and the need for innovative policies with Maori and Pacific peoples, immigrants, school leavers and sole parents (Spoonley, 2003). The results bear an uncanny similarity to those reported by Morris *et al.* (2001): skill shortages – particularly manual labour – constraining growth; lack of fit between educational and training provision and employers needs; and poor generic life skills, (see below).

Furthermore, the Labour Market Dynamics Research Group used the concept to provide a research framework to investigate employment and labour supply problems in primary production and how to treat them. The specific research outputs described below also illustrate its wide application. The research was largely carried out at Lincoln University and inspired a Massey and Lincoln University team to use the framework as a key design feature of a research project being tendered at the time for the Ministry of Agriculture and Forestry's Sustainable Farming Fund. In June 2000, a sample of farmers had identified the shortage of skilled labour as one of their major concerns (Wharton, 2001). Perceived labour shortages have been used by producers in the agriculture worldwide to urge governments to provide more cheap, compliant labour to ease their labour problems and costs. This has been achieved by the following strategies: by encouraging immigration from areas of labour oversupply; by subsidised development of mechanisation of labour intensive processes; and by encouraging improving employment conditions and retaining

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existing staff. In New Zealand, such shortages had been the subject of substantial debate at the time of the *Agricultural Development Conference 1963-64*; during the late 1970s and early 1980s with the initial kiwifruit boom's harvesting crisis; and most recently since the end of the twentieth century, a problem highlighted by the difficulties of finding and keeping staff in dairy farming enterprises (Morriss, *et al.*, 2001).

The Ministry of Agriculture and Forestry invited tenders to investigate this problem at the end of 2000. Subsequent research resulted in a report *Skill and Labour Requirement in the Primary Sector – People make the Difference* (Morriss, *et al.*, 2001). The project specification allowed the researchers considerable scope in how they developed the research. Work was divided along the lines suggested by the Human Capability Framework. The Massey team undertook the study of all those factors helping to develop human capacity in the industry. The Lincoln team was to explore the opportunities available in the Primary Sector, which was defined as covering all of agriculture, horticulture and forestry. Matching was to be considered jointly at a later date.

The Massey team set up a live internet website of all industry education and training courses, and their providers, to establish whether or not industry's needs were being met. The Lincoln team worked along more traditional research lines with statistical and literature reviews, leading to a survey of primary producers, to determine whether they perceived there was a labour or skill shortage, and what they perceived their educational and training needs were.

Information gathered from the Massey internet site showed there were 101 education and training providers, providing some 433 primary industry education and training programmes from doctorate degrees to basic skill enhancement. There did not appear to be any shortage of available education or training programmes, although some specific subject areas may not have been covered. However, the numbers of Effective Full-time Students in all programmes (Degree, Sub-degree and Extramural) had all declined. The free market in education services had delivered more courses to smaller numbers of students, throwing into question the viability of many providers, including those with long established reputations.

The random postal survey conducted from Lincoln generated 762 useable questionnaires out of 1773 possible, or a 43 per cent response rate, which was considered to be very satisfactory. The resulting data showed:

1. Farmers had avoided the need to employ more staff by using contractor labour for a much larger amount of farm work than was the case previously. This trend appeared to have increased following the Employment Contracts Act 1991 and the debate about achieving greater flexibility in employment.
2. More than half of farmers surveyed (58%) considered that there was a shortage

of candidates for jobs advertised with the skills they considered important. However, when asked about their actual experiences of recruiting between 1 April 2000 and 31 March 2001, only 196 or 28 per cent had done so, but some several times. In 124 cases they thought that the response was adequate (53%), while in 109 cases they believed it was inadequate (47%). Most often this was because there was a lack of adequately skilled, knowledgeable, experienced staff (30% of reasons cited for inadequate response). So it appears that slightly more primary sector employers believed there was a labour shortage than were actually experiencing it.

3. Nine reasons for a possible labour shortage were generated from employers. Respondents were asked to rate the importance of each on a 4-point scale from 'Unimportant' (1) to 'Very important' (4). Most important causes of the labour shortage were 'Poor treatment of staff by employers' (mean=2.24), 'Manual skills not being valued in the education system' (mean=2.24), and 'Overall image of the agricultural industry is not attractive to job seekers' (mean=2.23).
4. When farmers and others surveyed (n=515) were recruiting they sought largely generic skills rather than specific industry related skills. The attributes most sought were 'Good work ethics and attitudes' (30%), 'Honesty' (18%), 'Willingness to learn and follow instructions' (10%), 'Good communications, listening skills and compatible personality' (7%) and 'Common sense and intelligence' (5%). 'Good skills and practical experience' were only sought in 14 per cent of cases. Many producers believed they could instruct and train for the basic skills needed by their enterprises.

When the data from the two parts of the research were compared, marked discrepancies between what industry appears to want and what providers appear to provide became apparent. Within the Human Capability Framework, one of the roles of education and training is to facilitate the matching of capability with opportunity, which can be obtained by providers aligning the learning outcomes and aims of their programmes with the needs of employers. Using a rather crude word search of aims and learning outcomes given by most providers, a comparison was made with the skills and attributes most often cited by employers as what they were seeking in new recruits. The results are compared in Table 1.

Education and training programmes focused mainly on meeting the skill and practical experience needs of employers (66% of programmes). Only 9 per cent aimed to improve communication, listening skills and compatibility. Even less important was 'Good work ethics and attitudes' at 3 per cent of citations. 'Honesty', 'Willingness to learn and follow instructions' and 'Common sense and intelligence' received no education or training programme citations.

Table 1: Matching Qualification Aims and Learning Outcomes with Needs of Farmer/Employers

Skills and attributes	Number of citations by employers	Percent of total employer citations (%)	Number of citations in Qualification Aims and Learning Outcomes	Percentage of total Programme citations (%)
Good work ethics and attitudes	399	30	11	3
Honesty	241	18	0	0
Good skills and practical experience	188	14	249	66
Willingness to learn and follow instructions	129	10	0	0
Good communications, listening skills and compatible personality	94	7	33	9
Common sense and intelligence	60	4	0	0
Others	232	17	NA	NA
TOTAL	1,343	100		

Source: Morris *et al.* (2001, p. 51)

One might conclude by suggesting that the match between those presenting for work and the recruiters was not satisfied. The data collected suggest almost half of primary sector employers surveyed experienced difficulty in finding suitable recruits in the year 2000-2001. However, a considerably higher proportion believed that there was a shortage of potential recruits. This shortage of labour, particularly in certain areas, resulted in a debate over strategies to reverse the situation. The lack of suitable employees in a number of areas was "solved" initially by dairy workers from the North Island moving to the South Island. However, many in the dairy industry recognised that poor employment relations in the primary sector have been a major barrier to recruitment. Public perceptions of the industry have been of not only long hours, but also poor rates of pay, and poor employment conditions. Debate on the 'shortage' has highlighted how enlightened employers were paying good wages for dairy staff, providing rostered time-off, and with early possibilities of management responsibilities. The study also highlighted concerns regarding the impact of the Employment Relations Act, 2000, on the employment practices in the dairy industry as well as the need to continually create new farming systems and equipment to maintain gains in labour productivity.

There have also been a number of subsequent studies on the primary sector since the research undertaken by Morriss, *et al.*, (2001). For example, Edkins has successfully used the HCF to set the context for his primary sector study of the Amuri Dairy Employers Group (see Edkins and Tipples, 2002). The findings show that the Amuri Dairy Employers

Group was one of the first to develop a Code of Practice for a class of small employers (i.e. dairy farmers in the Amuri district); and was the first to use an independent auditing system of employment practices in the primary sector. Both initiatives were established to help improve the employment difficulties experienced by dairy farmers in the Amuri, an isolated rural basin some 90 kilometres north of Christchurch. Another example is Lucock's (2003) study of dairy farmers' use of migrant labour from within New Zealand and outside, and how better matches between employer and prospective employees can be obtained (Lucock, 2003). His work has highlighted the close connections between ideas of achieving good 'psychological contracts' (Tipples, Hoogeveen and Gould, 2000) and the matching processes highlighted in the HCF. The whole HCF model has also been applied to the dairy industry and its likely future employment problems. A successful application was made to *Dairy InSight*, the public good funding body for the dairy industry and the research is currently in progress (Tipples, Wilson, and Edkins, 2004).

However, the application of the HCF is in its infancy and although the HCF has provided a useful framework in the studies outlined above, it is not without its critics. In particular, it is seen by some as too simplistic a model. Therefore, an evaluation of its application in a range of settings is required, which perhaps the "Developing Human Capability" project will do. In addition, the influence of the OECD on New Zealand's employment policies and the interactions between the Department of Labour and the OECD merit further study. Another strand, which should be considered further, is how the extensive literature on Sen's human capabilities, particularly the literature that deals with the feminist economics, aligns with the HCF model.

Conclusion

Since its appearance in the late 1990s, the Human Capability Framework has been frequently used to integrate Government employment, labour market and welfare policies and to investigate and explain the complexities of labour market phenomena. Although the intellectual strands from which it has evolved are still somewhat murky, developing the Framework and applying the HCF to empirical research is also advancing. As seen by the number of different types of studies outlined in the article, the advantage of the HCF is that it can be varied according to the type of problem to which it is being applied. The relevance of related factors will clearly vary according to the context, but that is one of its strengths for both policy issues and practical problems of 'real world' research.

However, in spite of its usefulness and its wide application, the HCF is not without its limitations, some of which are apparent and others that have yet to be exposed. Therefore, it is desirable that the extant scholarly research into the use of the concept be continued.

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