



# WHY RETURN ON INVESTMENT MATTERS

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## 1. Overview

In preparation for the 2015 Symposium of the International Centre for Career Development and Public Policy, reports from various countries were invited that examined four key policy areas: 1) emerging technologies, 2) return on investment (ROI), 3) engaging employers, and 4) integration of workforce systems.

The fifteen countries providing reports included: Asia-Pacific, Austria, Canada, Denmark, Estonia, Finland, India, New Zealand, Nigeria, Qatar, Saudi Arabia, South Korea, Tunisia, the United Kingdom, and the United States. Papers synthesizing each of the four policy areas highlighted key findings across countries and provided a framework for discussions during the conference.

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This paper synthesizes the section of country reports that addressed the policy area of return on investment, answering the question: “Why does return on investment (ROI) matter?”

Three specific stimulus questions were used in each country report to explore ROI:

- 1) How are the value and impact of policies for workforce preparation, workforce placement, and development of young people assessed (if at all) in your country?;
- 2) How is the value of career guidance provision in supporting such policies measured?; and
- 3) What are the challenges your country faces related to measuring ROI? This synthesis paper begins with a discussion of the nature of the problem and continues with an examination of key findings, implications for the future, and questions to stimulate discussion.

## 2. The Nature of the Problem

The inclusion of “Return on Investment” as one of the four key policy issues for the 2015 International Centre for Career Development and Public Policy Symposium reflects the growing importance of this topic in the design and delivery of career guidance for young people and adults.

In the introductory materials for the 2015 Symposium, return on investment is described as, “the value and impact career guidance has on an individual’s livelihood or the economic development of your country” (<http://www.is2015.org/why-return-on-investment-roi-matters/>).

Many countries are actively involved in creating the evidence base necessary to establish the ROI for career guidance programs. The problem, however, is that while examples of promising practices do exist, consistently establishing ROI has proven difficult. The country papers for this symposium provide a rich source of data for identifying both promising practices and challenges in establishing ROI.

## 3. Key Findings

Key findings from each of the fifteen country papers are organized by emerging promising practices and emerging challenges. Specific country papers are identified to make it easier to locate additional information.

## 4. Emerging Promising Practices

Measurement is a crucial element in establishing evidence for ROI.

Several practices in the measurement of ROI appear promising. While the availability of quantitative data allows for sophisticated analysis of trends over time and the examination of individual and organizational variables that influence outcomes, quantitative data limits the questions that can be examined.

Initial identification of important influences on outcome variables, as well as detailed analysis of causal factors in outcomes, requires qualitative data be obtained from individual and organizational case studies.

Several countries indicated the importance of including both quantitative and qualitative measures (Austria, Canada, New Zealand, Qatar). Ensuring breadth of data collections sources is also an important practice, especially including both program-level and individual participant-level assessments (New Zealand).

Another strategy for ensuring effective measurement has been to adopt a wide variety of performance measures (Austria, Canada, Estonia, Finland, New Zealand, Qatar, Saudi Arabia, South Korea, United Kingdom, United States). This is especially important in establishing ROI for individuals, employers, and society by having measures that are relevant for each group.

Another crucial measurement element involves selecting what is important to measure rather than what is easy to measure. The use of validated quality assurance frameworks helps to ensure that the right outcome measures are being used in establishing ROI. A national quality assurance framework has been used to guide the selection of specific measures (Finland).

The European Lifelong Guidance Policy Network (ELGPN) framework was helpful in guiding evaluation and subsequent development of career guidance services (Saudi Arabia). Two final emerging promising practices in measurement include the use of readiness for career decision making as an outcome measure (South Korea) and establishing evidence of cost-effectiveness (Canada, United Kingdom).

## 5. Emerging Challenges

Several challenges exist in establishing ROI for career guidance interventions. These challenges include: inadequate measures, inadequate data, difficulty in linking interventions to outcomes, unfair assessment of guidance interventions, inadequate resources for the complexity of the task, and inconsistent use of evidence that does exist.

### Inadequate Measures

Some of the measures used to establish ROI have lacked adequate specificity, relevance, and quality. "The tracking and reporting of outcomes is heavily influenced by accountability requirements attached to federal funding to the provinces and, regrettably, has been largely limited to blunt measures of the number of clients served, referred to training, and/or placed in jobs, regardless of the actual content of service delivery, the value of the training, and/or the quality or sustainability of the job" (Canada, p. 5).

**"Even if good measures are available, it is impossible to establish ROI if the data are inadequate."**

There are also unintended consequences of using simplistic outcome measures. "Evidence is emerging that these blunt 'payment by results' systems distort practice, stifle innovation and result in asymmetric contracting..." (United Kingdom, p. 5)

### Inadequate Data

Even if good measures are available, it is impossible to establish ROI if the data are inadequate. In some countries, the problem is "Limited availability and low quality data" (Saudi Arabia, p. 5). In other countries, the problem relates to a limited data infrastructure (Tunisia).

### Difficulty in Linking Interventions to Outcomes

Linking interventions to outcomes is difficult when a multitude of factors are potentially influencing results (Denmark, New Zealand). "Career guidance provision is also only one intervention for a young person on their learning to work journey. As a result, apportioning impact and outcomes is challenging." (New Zealand, p. 4). Also, a large number of providers are delivering many interventions (Saudi Arabia), making it more difficult to establish cause and effect.

"The use of ROI, however, presents many challenges, particularly across different types of programs that may have different goals and objectives." (United States, p. 5). This difficulty with linkage is exacerbated with regular changes in public policy (Asia-Pacific). As guidance interventions change in relation to public policy changes, it makes multiple year comparisons particularly difficult.

## Unfair Assessment of Guidance Interventions

An implicit assumption in measuring the evidence of career guidance impact is that the guidance intervention was implemented in practice as originally designed, with citizens actually completing the interventions.

Verifying compliance in career guidance interventions, similar to establishing treatment fidelity in experimental research, is essential if we are to be confident that we understand which interventions are effective and which are ineffective.

It is unfair to reach conclusions about a guidance intervention that was improperly implemented. "Good legislative practices necessitate that follow-up policy analysis must be carried out to assess the implementation and impact of the act" (Estonia, p. 4). Also, unstable economic circumstances can invalidate inferences of cause and effect (Nigeria).

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## Inadequate Resources for the Complexity of the Task

Establishing the ROI for career guidance interventions is not without its own costs, both in direct costs (staff time, data collection, and data analysis) and indirect costs (other outcomes that resources could have been used to support). Adequate resources are necessary to effectively measure outcomes (Asia – Pacific). Staff members with multiple commitments have limited time to collect data necessary to measure outcomes (Tunisia).

Either additional funding from policy makers is necessary or hard choices need to be made about moving resources from delivering services to establishing accountability.

## Inconsistent Use of Evidence that Does Exist

Having good evidence of career guidance outcomes and ROI is a wasted effort if the results do not inform future educational and employment policy. "In short, there are few policies explicitly focused on career development and, for those that do exist, they seem to be more influenced by the political flavor of the current incumbent than by solid evidence-based research and decision-making.

While there has been both federal and provincial investment in evidence-based research over the last 5 years, the results – despite the fact that they have been definitive and potentially informative – have been largely ignored federally" (Canada, p. 4). "The connection between impact data, policy, and funding decisions would appear to continue to be tenuous at best" (Canada, p. 5).

## 6. Implications for Practice, Research, and Policy

The fifteen country papers provide a reasonable reflection of the current state-of-the-art in establishing return on investment. Considering the amount of space in the papers devoted to emerging promising practices and challenges, one could easily conclude that we know more about what constitutes the challenges that exist than we do about emerging promising practices. Given this situation, several implications for practice, research, and policy can be identified for further discussion.

**"The connection between impact data, policy, and funding decisions would appear to continue to be tenuous at best..."**

## 7. Key Questions

### Practice

- Continue sharing examples of good practice through organizations such as the Canadian Research Working Group on Evidence-Based Practice in Career Development, International Centre for Career Development and Public Policy, the European Lifelong Guidance Policy Network, the International Association for Educational and Vocational Guidance, the National Career Development Association, and the Society for Vocational Psychology.
- Ensure career guidance interventions are effectively implemented and are used as they were designed unless evaluation data indicates the need for a change. For example, the first element of any report evaluating a career education program in schools needs to be documentation that the program was implemented as designed.

### Research

- Encourage collaborative partnerships among researchers, practitioners delivering services, and developers of career guidance resources in examining return on investment.
- Research the effectiveness of accountability and return on investment data on ongoing policy development. For example, is there any evidence that accountability and ROI data is actually used by policy makers to retain or improve career guidance services?
- Establish valid ROI measures for individuals, employers, and society.

### Policy

- Keep the pace of new policy development congruent with organizations capacity to keep up with change.
- Consider the costs of establishing evidence on return on investment in relation to the costs of delivering career guidance services, especially during time of decreasing public resources. For example, in times of budget reductions, policy makers need to ensure that the relative proportion of costs associated with establishing accountability and ROI remains constant with the relative costs associated with service delivery.

1. In your country, where are you with respect to measuring what is easy vs. what is important in terms of evidence? Where would you like to be? What are one or two “important to measure” areas you would like to see progress? What steps could your country take to move these forward?
2. There is significant data on ROI with respect to career and employment services, but the data does not seem to impact on policy makers. What ideas could be tried to attempt to bridge the divide between evidence and policy action?
3. There has been some suggestion that we need a common evaluation framework and agreed upon indicators internationally (CRWG) in order to really make the case with funders and policy makers. Assuming we could come to agreement, what would be realistic for your country to do to actually take this framework and these indicators forward in order to create strong international evidence? What would have to happen?

**...“policy makers need to ensure that the relative proportion of costs associated with establishing accountability and ROI remains constant with the relative costs associated with service delivery.”**