



The Economic Benefits of Career Development Services

COMMENTS ON SCOPING STUDY BY ACCESS ECONOMICS PTY LIMITED

1. General comments

1.1 This paper provides a useful preliminary review of the issues and the research literature relating to the economic benefits of career development services. There are however some notable omissions from the review, and some of the discussion could be sharpened.

1.2 More broadly, the paper could fruitfully be divided into two separate documents:

- Paper A: A review of the existing case for investment in career development services, based largely on modelling their potential impact, with some quantification of their putative benefits, and indicating support from hard evidence where this exists.
- Paper B: An outline of the priorities for further research, based partly on gaps in the existing research literature, and partly on an analysis of current political priorities (i.e. areas where further research evidence is most likely to influence policy-makers or be demanded by them).

Paper A should be designed to be of immediate use with policy-makers; Paper B for use in strategic discussions about research priorities.

2. Comments relating to Paper A

2.1 Much of the basis for Paper A is provided in Sections 1, 2 and 3 of the present paper.

2.2 It would however be helpful if the models presented in Section 2 were supported by some quantification of their putative benefits. Examples of other influential publications which have included material of this kind (at varying levels of rigour) include:

- Killeen, J., White, M. & Watts, A.G. (1992). *The Economic Value of Careers Guidance*. London: Policy Studies Institute.

- Jarvis, P.S. (2003). *Career Management Paradigm Shift: Prosperity for Citizens, Windfalls for Governments*. Memramcook, Canada: National Life/Work Centre.
- Hughes, D.M. (2004). *Investing in Career: Prosperity for Citizens, Windfalls for Government*. Leicester: The Guidance Council.

Such an approach could be applied to the measures outlined in Sections 4.3.3 and 4.3.4 of the present paper.

2.3 Evidence from actual research studies should be included where relevant. Some of these studies are reviewed in Section 3 of the present paper. However:

- The approach needs to be more analytical.
- The present paper relies heavily on the studies listed in the review conducted by Hughes *et al.* (2002). These studies are variable in their quality and their relevance.

2.4 Important recent studies in the UK that might usefully be taken into account include:

- Tyers, C. & Sinclair, A. (2005). *Intermediate Impacts of Advice and Guidance*. RR638. London: Department for Education and Skills.
- The series of evaluation studies of careers education and guidance in schools conducted by Marion Morris and others at the National Foundation for Educational Research.

2.5 The US research literature is very extensive, and needs to be given more attention. Particular attention should be paid to the meta-analyses of relevant research studies. These include:

- Spokane, A.R. & Oliver, L.W. (1983). The outcomes of vocational intervention. In Walsh, W.B. & Osipow, S.H. (eds.): *Handbook of Vocational Psychology*, Vol. 2, 99-136. Hillsdale, NJ: Erlbaum.
- Oliver, L.W. & Spokane, A.R. (1988). Career-intervention outcomes: what contributes to client gain? *Journal of Counseling Psychology*, 35(4), 447-462.
- Evans, J.H. & Burck, H.D. (1992). The effects of career education interventions on academic achievement: a meta-analysis. *Journal of Counseling and Development*, 71, 63-68.
- Whiston, S.C., Sexton, T.L. & Lasoff, D.L. (1998). Career-intervention outcome: a replication and extension of Oliver and Spokane. *Journal of Counseling Psychology*, 45, 150-165.
- Brown, S.D. & Ryan Krane, N.E. (2000). Four (or five) sessions and a cloud of dust: old assumptions and new observations about career counseling. In Brown, S.D. & Lent, R.W. (eds.): *Handbook of Counseling Psychology* (3rd edition), 740-766. New York: Wiley.
- Whiston, S.C. (2002). Application of the principles: career counseling and interventions. *The Counseling Psychologist*, 30, 218-237.

- Whiston, S.C., Brecheisen, B.K. & Stephens, J. (2003). Does treatment modality affect career counseling effectiveness? *Journal of Vocational Behavior*, 62, 390-410.

2.6 A trawl should be made of any relevant Australian studies. Jim Athanasou, Wendy Patton and Mary McMahon should be useful sources.

3. Comments relating to Paper B

3.1 Much of the basis for Paper B is provided in Section 4 of the present paper.

3.2 The outline of the ‘inputs-based approach (Section 4.1) is somewhat vaguely framed, and appears to be based on a narrow information-based view of career development services.

3.3 The section on the ‘outputs-based approach’ (Section 4.2) is more convincing. In strict terms, however, data about users represent measures of ‘throughput’ rather than ‘output’.

3.4 In relation to the ‘outcomes-based approach’ (Section 4.3), it might be useful to use the distinction adopted by OECD (2004) and also in my own earlier paper (Watts, 1999) between:

- Immediate learning outcomes: immediate attitudinal changes and increased knowledge.
- Intermediate behavioural outcomes: e.g. improved search efficiency and persistence.
- Longer-term outcomes: e.g. success and satisfaction.

3.5 In relation to the ‘broader economic outcomes’ (Section 4.3.4), the major difficulty is demonstrating causality. Some discussion of whether this could be feasible, and if so, what the approximate costs would be, would be helpful. My own feeling is that this may be the ‘holy grail’ of impact research in this area, the fruitless quest for which tends to produce an unjustified sense of impotence and inadequacy. If Access Economics agrees, a statement to this effect would be helpful. If not, a strategy for addressing the issue is needed.

4. Other comments

4.1 Greater clarity is needed about the range of services that are being covered. Describing them as ‘advice’ (p.1, para.2) is too narrow. The OECD definition is:

- Services intended to assist individuals, of any age and at any point throughout their lives, to make educational, training and occupational choices and to manage their careers. These may include services in schools, in universities and colleges, in training institutions, in public employment services, in companies, in the

voluntary/community sector and in the private sector. The services may be on an individual or group basis, and may be face-to-face or at a distance (including helplines and web-based services). They include career information (in print, ICT-based and other forms), assessment and self-assessment tools, counselling interviews, career education and career management programmes, taster programmes, work search programmes, and transition services.

For a review of the services covered in Australia, it would be worth referring to the Miles Morgan questionnaire response prepared for the OECD review.

4.2 It is inaccurate to state that the existing international research on the impact of career development services is ‘not extensive’ (p.1, para.6). But certainly it is more extensive on some aspects than on others.

4.3 The notion that one of the benefits to individuals is ‘identifying current vacancies that job seekers may not be aware of’ (p.2, para.1) is over-specific. While some career development services include placement services, many do not, and the two are usually separated conceptually. This item might be rephrased: ‘alerting job seekers to occupations where there are labour shortages’. The list in this paragraph is by no means exhaustive, and could usefully be extended.

4.4 Some references are needed to support the statements regarding the economic benefits of a more skilled workforce (p.4, para.2).

4.5 The paper quotes my statement on ‘side-effects’ (Watts, 1999). My aim in using this term was not, as the paper suggests, to identify ‘a danger in potentially incorporating too wide a spectrum of effects’ (p.8, para.2), but rather to emphasise that effects of career development services on academic motivation and attainment, for example, are not directly part of their purpose.

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