



# **The Public Benefits of Australian Career Development Services: Towards a National Research Strategy**

**Prepared for the Career Industry Council of Australia**

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## 1. Introduction

1. This paper has been prepared for the Career Industry Council of Australia: it develops a case for a national research strategy on the public benefits of career development services and on the relationship between career development services and public policy<sup>1</sup>. It begins by outlining why it is important to develop a national strategy for research on career development and public policy, and then briefly reviews the current state of career development research in Australia. The paper outlines the key elements of a national strategy: how it should be delivered; how it should be funded and managed; the types of questions that it should focus upon; and the infrastructure required to ensure that it is sustainable. In brief, the key proposal is for an initial annual pool of funds of \$1.5 million to be allocated for this purpose, to be divided between a minor element devoted to commissioned research projects on agreed issues and awarded by competitive tender, and a major element to support a national centre in the field. Funding for the centre should be awarded, for an initial five-year period by competitive tender, to an existing social science research centre in a related field. Both funding elements should be overseen by a national advisory committee consisting of key stakeholders.

2. The paper is structured around six questions:

- Why is a national research strategy needed?
- What is the current situation of Australian career development research?
- How might a national research strategy be delivered?
- How should a national research strategy be funded?
- How should a national research strategy be managed?
- What should a national research strategy focus on?

## 2. Why is a national research strategy needed?

3. In the last five years, career development has risen rapidly in importance as an issue for governments, both in Australia and in a number of other countries. This has been stimulated in part through recognition by international agencies such as the OECD, the European Commission and the World Bank that career development not only serves private interests but also confers public benefits: it can be a key tool in support of lifelong learning, active labour market and equity policies; and it can help to improve the efficiency and effectiveness of education systems and labour markets. This increased recognition has been accompanied in Australia by significant government initiatives to extend and improve services, and by the injection of significant additional funds.

4. The case for the development of a national research strategy on career development and public policy, and on the public benefits of career development services, rests on the importance of having a solid evidence base to support public policy goals at a time of increasing public investment in career development services. As in other areas of public policy such as health and

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<sup>1</sup> It is complementary to a second, related, paper (*The Public Benefits of Career Development Services: A Position Paper*) which presents the conceptual and empirical case for the public benefits of career development services

education that help to maximise the development and use of human capital, evidence-based policy should be a central element of effective career development services<sup>2</sup>.

5. Specifically, increased research on career development and public policy, and on the public benefits of career development services, is needed in order to:

- Improve, through rigorous evaluation, accountability for the use of public funds;
- Improve the information base for policy development and for practice;
- Provide those who fund services with evidence on the value that they are getting for their money;
- Help policy makers and practitioners better to evaluate and understand the impacts, costs and benefits of different types of career development services;
- Allow practitioners and policy makers to better target services;
- Improve practice by, for example, identifying gaps in services and better identifying community needs; and
- Assist governments to better allocate resources for career development services.

6. A coherent research *strategy* is needed in order to ensure that the research required to achieve these objectives is properly co-ordinated and focused.

7. Over and above the general arguments in favour of improving the evidence base for policy making, and for better understanding the public impacts and benefits of career development services, there is a strong case to be made for the creation of a specifically *Australian* research strategy. This is that most of the evidence that is available on the public benefits and impacts of career development services comes from other countries: notably the United Kingdom and the United States. In these countries the scale and organisation of career development services, the ways in which they are delivered, the resources available for them and the infrastructure that supports them differ substantially from the conditions that apply in Australia. Hence lessons learned from evaluation of the experience of other countries need to be tested in specifically Australian contexts.

### **3. What is current situation of Australian career development research?**

8. No reliable data exists on the extent of current Australian research on career development services, on the level of expenditure on such research, on the number and characteristics of career development researchers, or on research output and its uses. However on the basis of a scan of the

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<sup>2</sup> A brief introduction to evidence based policy analysis can be found at [http://www.policyhub.gov.uk/evaluating\\_policy/how\\_res\\_eval\\_evid.asp](http://www.policyhub.gov.uk/evaluating_policy/how_res_eval_evid.asp). A guide to the use of evidence based techniques in educational policy making can be found at [http://ies.ed.gov/ncee/pubs/evidence\\_based/evidence\\_based.asp](http://ies.ed.gov/ncee/pubs/evidence_based/evidence_based.asp)

published Australian literature<sup>3</sup> and interviews with some key people in the field a number of points seem clear:

- Although there are a number of high quality specialist career development researchers in Australia, their number is very small: perhaps three to five at most who have international reputations. In addition to this small number who specialise in career development research, there is a somewhat larger number of researchers who publish in the field occasionally or who carry out research that is related but not central to it;
- The high quality Australian research effort that does exist in the field is fragmented between a number of separate universities: there is no centre of expertise containing a critical mass of researchers that would correspond to the University of Derby's Centre for Guidance Studies or the National Institute for Careers Education and Counselling in Cambridge<sup>4</sup>, which conduct a broad range of research on career development and public policy;
- Research networks appear to be under-developed, and there does not seem to be an effective clearinghouse mechanism for sharing and disseminating Australian career development research. Where research does have policy implications, there are no mechanisms in place for these to be communicated to policy makers;
- Career development has no real priority in Australia's major research funding mechanisms. Indicative of its low profile is the fact that it finds no direct, or easy, reflection in the Australian Research Council's Research Fields, Courses and Disciplines (RFCD) classification codes;
- All of the researchers with international reputations in the field are located in faculties or departments of education or psychology: none are located in faculties or departments such as economics, political science or labour studies that have a strong tradition of conducting policy-related research;
- There is not a strong tradition of prominent Australian research centres that conduct policy-related research and that largely survive on the basis of commissioned research<sup>5</sup> conducting work in the field; and
- The focus of Australian career development research is largely upon the theories, processes, methods and techniques of career development. Very little focuses upon policy issues: costs and benefits; aggregate outcomes and impacts; evaluation; targeting; access. This situation seems to be in contrast to that prevailing in the United Kingdom, where a

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<sup>3</sup> See for example the cumulative index of the *Australian Journal of Career Development* for the 1992-2006 period.

<sup>4</sup> <http://www.derby.ac.uk/cegs/> and <http://www.nicec.org.uk/>. In addition, other organisation in the United Kingdom have developed a nucleus of researchers with experience in policy-related career development research. These include the National Foundation for Educational Research (<http://www.nfer.ac.uk/index.cfm>), Ipsos MORI (<http://www.mori.com/>), the Institute of Employment Studies (<http://www.employment-studies.co.uk/main/index.php>), and the Institute for Employment Research (<http://www2.warwick.ac.uk/fac/soc/ier/>).

<sup>5</sup> Examples include the Australian Council for Educational Research and the National Institute of Labour Studies at the Flinders University of South Australia.

substantial amount of policy-related research and evaluation is conducted<sup>6</sup>. Closely related to this is the fact that the approach to career development research in Australia is largely psychological, and to a much lesser extent sociological: almost none is based upon disciplines such as economics, labour market studies or political science.

9. There are, then, a number of challenges that will need to be addressed in creating a national research strategy on career development and public policy. These include: raising the profile of policy-relevant career development research; broadening the base of researchers, research disciplines and research centres involved; significantly broadening the focus of current research efforts; and more closely aligning research priorities to public policy priorities. These issues seem to be more important starting points than questions of funding levels or sources.

10. In many respects there are strong similarities between the current situation of career development research in Australia and the position facing vocational education and training research 15 years ago<sup>7</sup>. The development, at that time, of a national vocational education and training research strategy has been the principal reason for the subsequent strengthening of Australian vocational education and training research: its output, quality, impact and supporting infrastructure<sup>8</sup>.

#### **4. How might a national research strategy be delivered?**

11. A number of models exist for creating and delivering a national strategy for research on career development and public policy. Five are reviewed below: expanding the funds available for curiosity- or researcher-driven research; expanding the funds available for commissioned research; a national centre based around existing career development researchers; a national institute for leadership in career development; and a national centre hosted by an existing social science research centre with expertise in policy-related research and evaluation.

##### *4.1 Expanding the funds available for curiosity- or researcher-driven research*

12. There are three reasons that this is unlikely to achieve the objective of a coherent national strategy for research on career development and public policy:

- With no change to incentive structures, academic researchers would most probably continue to focus upon their existing interests, and little policy-relevant research would result;
- Academic researchers are rewarded for publishing in international and refereed journals and for publishing books, not for producing succinct reports that communicate directly with policy makers;

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<sup>6</sup> See OECD (2003) *OECD Review of Career Guidance Policies. Country Note: United Kingdom*, Paris, <http://www.oecd.org/edu/careerguidance>.

<sup>7</sup> McDonald, R., Hayton, G., Gonczi, A. and Hager, P. (1993) *No Small Change: Proposals for a Research and Development Strategy for Vocational Education and Training in Australia*, University of Technology, Sydney, Sydney.

<sup>8</sup> See for example Smith, A. (2001) "Never mind the width, feel the quality: Improving VET research in Australia", presented at the 2001 AVETRA Conference, Adelaide, Eric Document ED456320.

- Given the reality that many social science researchers work individually rather than in teams, such a strategy would be unlikely to develop a core of researchers or research teams with a focus upon career development and public policy.

#### 4.2. *Expanding the funds available for commissioned research*

13. It will be important for any national strategy for research on career development and public policy to allow for a certain proportion of the available funds to be used for commissioned research. Funds for individual projects on priority issues, as agreed by the relevant stakeholder community, should be awarded on the basis of competitive tenders, and be available to researchers from a wide range of disciplines, including career development. And so a national strategy would need to include a mechanism – such as a national steering committee composed of key stakeholders – to decide upon such matters and to ensure that commissioned research projects focus upon agreed national priorities.

14. The United Kingdom's experience has certainly shown that, over an extended period of time, research centres that depend heavily upon commissioned research can develop an expertise in career development research (see footnote 2): this depends upon a large pool of funds being available for such research. However in the short term, initiating a national research strategy through an exclusive focus upon commissioned research would risk a fragmentation of effort if the funds available for it are, as is likely to be the case, limited. It is unlikely to develop the infrastructure needed to ensure a sustainable research effort: a core of experienced researchers; a coherent programme to disseminate the results of research; and the development and maintenance of key data collections. Consequently, at its core a national strategy needs to include at least one strong national research centre that specialises in career development and public policy.

#### 4.3 *A national centre based around existing career development researchers*

15. In building a national centre for research on career development and public policy, a further option would be to create a national centre around existing career development researchers. There are, however, significant barriers to this option:

- The number of experienced career development researchers is few,
- They mostly work in isolation rather than as part of research teams,
- Most are specialists in areas of career development other than policy and evaluation; and
- All are located within faculties or departments that do not have a strong tradition of policy-related research.

16. These barriers are not likely to be reduced with the impending introduction of the Australian government's new Research Quality Framework (RQF)<sup>9</sup>, both because of the emphasis upon research groups rather than individual researchers within the RQF, and because the RQF assessment panels will be based around the existing RFCD classification codes into which career development policy research does not easily fit.

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<sup>9</sup>See [http://www.dest.gov.au/sectors/research\\_sector/policies\\_issues\\_reviews/key\\_issues/](http://www.dest.gov.au/sectors/research_sector/policies_issues_reviews/key_issues/)

#### 4.4 *A national institute for leadership in career development*

17. One model for co-ordinating a national research effort on career development and public policy might be the type of national institute for leadership in career development that has been suggested by the Allen Consulting Group<sup>10</sup>. Such an institute would certainly have the advantage of strong practitioner ownership and involvement.

18. If such an institute were to be the focus for managing a national research strategy, it would be important to ensure, in establishing it, that its mission to focus upon professional leadership and the promotion of the career development profession did not overshadow the management of a national research strategy. Ideally, it should work in close association with a strong existing national social science research centre with a proven track record in evidence-based policy analysis. The centre would thus be able to develop expertise in the field of career development and public policy, and to develop the research infrastructure required for sustainability: a nucleus of research expertise; data collections; a dissemination programme.

#### 4.5 *A national centre built around an existing social science research organisation*

19. A key component of a national strategy on career development and public policy should, then, be to build a new national centre around a critical mass of existing social science researchers with experience in policy-related research and evaluation: in other words for an existing research organisation with a proven track record in research management to host it<sup>11</sup>. The national centre should be provided with core funding for a fixed period (initially five years in order to give it sufficient time to build solid foundations and to lay the basis for sustainability) and should be subject to review at the end of this period.

20. The contract to establish and host the centre should be awarded on the basis of competitive tender. The key criteria for awarding the contract should be:

- A track record in the analysis of education systems and labour markets, and of the interaction between the two;
- A proven capacity to create and analyse large data sets;
- A combination of a sound academic and theoretical base and experience in carrying out client-driven policy research and evaluation; and
- A multi-disciplinary research team spanning areas such as career development, economics, education and sociology.

21. Potentially a number of existing Australian research organisations, both within the academic world and outside it, seem capable of satisfying such criteria. These include:

- The Australian Council for Educational Research;

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<sup>10</sup> The Allen Consulting Group (2005) *Getting Serious About Careers: Leadership in Career Development*, The Allen Consulting Group, Melbourne.

<sup>11</sup> Experience with the creation of a national vocational education and training research strategy since the early 1990s suggests that such an approach can be highly effective, both in increasing the quantity of research and in encouraging researchers to develop new interests and expertise in a field related to their existing interests and expertise.



- The Centre for Population and Urban Research at Monash University.
- The Centre for Post-compulsory Education and Lifelong Learning at the University of Melbourne;
- The Centre for the Economics of Education and Training at Monash University;
- The National Centre for Vocational Education Research; and
- The National Institute of Labour Studies at the Flinders University of South Australia.

22. In addition to conducting research, the national centre should be responsible for:

- Developing and maintaining data collections related to the outcomes, impacts and benefits of career development services;
- Analysis of, and the extension of, existing data collections that can illuminate questions that are central to the centre's mission (in association with other research centres);
- Operating a clearinghouse of relevant national and international research; and
- A programme to disseminate relevant research findings and their implications to policy makers and practitioners.

23. A good model for the development of such a national centre is provided by the creation of the Centre for Lifelong Guidance Expertise as part of the Institute for Educational Research at the University of Jyväskylä in Finland<sup>12</sup>. The Centre is a multidisciplinary research and training unit that focuses specifically on career guidance issues at a national and European level that arise from educational and labour market policies. The goal is to strengthen the evidence base required to inform national and regional guidance policy development. Its steering group includes the Finnish education and labour ministries (both of which provide funds for its work programme), regional government organisations, and key researchers. Its initial funding is for the five-year period 2006-2011.

## **5. How should a national research strategy be funded?**

24. In 1993 McDonald and colleagues<sup>13</sup> proposed that an initial annual amount equal to 0.5% of annual recurrent expenditure on vocational education and training be allocated to establish a national research strategy for vocational education and training. Their proposal was a modest one, particularly when compared to the levels of funding available for research in fields such as health and agriculture, or indeed in other areas of education at the time. However it was also a realistic proposal, as it recognised that the number of experienced researchers in the field at the time was limited, and that a large initial injection of funds would be impractical. A strategy was suggested of beginning modestly and gradually increasing research funding over time as research capacity and infrastructure grew.

25. A similar approach to the establishment and funding of a national research strategy on career development and public policy seems prudent. The most recent publicly available estimate

<sup>12</sup> <http://www.jyu.fi/en/research/units/guidance/>.

<sup>13</sup> Op. cit..

of total annual expenditure on career development services in Australia is provided in the background report prepared by Australia for the OECD review of national career guidance policies. In that document it was conservatively estimated that annual expenditure in 2001 was around \$260 million<sup>14</sup>. Using this as a yardstick, and recognising both that it was likely to be an under-estimate and that expenditure has increased since that time, an initial annual allocation of \$1.5 million is suggested, to be progressively increased to \$3 million a year over a five-year period.

26. As outlined in Section 4 above, it is proposed that the major element of this be used to support a new national centre for research on career development and public policy, funded initially for a five-year period, and that a minor element should be devoted to commissioned research projects on agreed issues that are awarded by competitive tender. It is suggested that two thirds of the initial annual funding level of \$1.5 million be allocated to the national centre, and one third to commissioned research.

## **6. How should a national research strategy be managed?**

27. A national research strategy on career development and public policy should be overseen by a national steering group of key stakeholders. This should be relatively small, and should consist of governments (federal and state, and not limited only to education portfolios), practitioner representatives, and researchers. The latter should include, but not be limited to, expertise in the field of career development research. Ideally, such a steering group would be a committee of the national institute for leadership in career development referred to in Section 4.4 above<sup>15</sup>.

28. The role of the national steering committee should be to oversee the work of the national centre proposed in Section 4.5 above, and to decide upon priority areas for commissioned research projects. Administration of the funding of these projects should rest with the national centre<sup>16</sup>. Secretariat support for the national steering committee should be provided by the national institute for career development leadership referred to above, or, in its absence, by the federal government.

29. The national steering committee would need to develop a contract with the organisation awarded the right to host the national centre which ensured that the national centre operated as a clearly separate unit within the organisation, with its own dedicated staff and funding. The national committee's work in relation to the centre should include the supervision of this contract in addition to the oversight of the centre's research programme. To ensure the growth and development of the new centre upon a solid base, cross-funding arrangements should only be in one direction for the initial funding period. In other words the national centre should be able to purchase the expertise of the host organisation's staff for specific projects; but the host organisation should not be able to purchase the expertise of the national centre. These arrangements should be reviewed at the end of the initial funding period.

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<sup>14</sup> Department of Education, Science and Training (2002), *OECD Review of Career Guidance Policies. Australia. National Questionnaire*, Canberra, p.129 (available at <http://www.oecd.org/edu/careerguidance>).

<sup>15</sup> However the absence of such an institute should not preclude it being separately established.

<sup>16</sup> This should preclude the national centre being able to bid for commissioned projects funded under the national strategy. It should, of course, be free to bid for commissioned projects in the field of career development and public policy coming from other sources.

## 7. What should a national research strategy focus on?

30. While it may be self-evident, it is nevertheless important to stress here that the funds proposed in Section 5 above are not being proposed to support a national research strategy on career development as such, or even a national research strategy on career development services. They are being proposed to support a national research strategy on *the public benefits of career development services and on the relationship between career development services and public policy*. Guidelines will need to be developed that place clear boundaries around the types of research to be funded under the national strategy. Other sources of funds<sup>17</sup> are available to support research on matters such as the theories, processes, methods and techniques of career development.

31. In recent years a significant effort has been made, particularly in the United Kingdom, to demonstrate the economic benefits of career development services<sup>18</sup>. It is fair to say that these efforts have produced some useful conceptual development but few new useful concrete results. As the OECD has commented, the model for evaluating career development services properly is a complex one, and to date no government has provided sufficient funds to conduct the large-scale, controlled, longitudinal studies that would allow economic benefits to be rigorously investigated<sup>19</sup>. For these reasons it is not suggested here that the relatively modest initial sums that have been proposed for a national research agenda should be devoted to research on the ultimate economic benefits of career development services, defined in terms such as national economic growth, national productivity or national unemployment rates. The costs of such research would be high, the time to deliver results long, and the likelihood of useful findings uncertain.

32. There are a number of other issues and questions that are more immediately relevant for policy makers and practitioners that should be its focus. Three areas are proposed as the focus of the national research agenda: need and demand; processes and costs; and outcomes and benefits.

### *Need and demand*

33. The focus of this strand of the national strategy should be the level of provision of services in relation to community demand, and the levels of access to and use of services by different sections of the community. Questions that might be investigated include:

- What is the level of community demand for career development services?
- How does the level of demand differ among different sections of the community?
- To what extent do existing services satisfy community demand? Where are the principal gaps?

<sup>17</sup> Although limited and competitively awarded.

<sup>18</sup> See for example Killeen, J., White, M. and Watts, A.G. (1992) *The Economic Value of Careers Guidance*, London, Policy Studies Institute; Hughes, D., Bosley, S., Bowes, L. and Bysshe, S. (2002) *The Economic Benefits of Guidance*, Centre for Guidance Studies, University of Derby; Mayston, D. (2002) *Evaluating the Benefits of Career Guidance*, Centre for Guidance Studies, University of Derby; and Bysshe, S., Hughes, D., and Bowes, L. (2002) *The Economic Benefits of Career Guidance: A Review of Current Evidence*, Centre for Guidance Studies, University of Derby.

<sup>19</sup> OECD (2004) *Career Guidance and Public Policy: Bridging the Gap*, Paris, pp.33-37. See also Maguire, M. and Killeen, J. (2003) "Outcomes from career information and guidance services", paper prepared for the OECD Career Guidance Policy Review, Paris, <http://www.oecd.org/edu/careerguidance>.

- How does access to and use of services by different sections of the community – for example the mature-aged, the geographically isolated, unemployed youth, single parents, welfare recipients, low income earners – correspond to government equity objectives?
- How well do the geographical location of services and the times that they are available correspond to community demand? Are new delivery models needed to better match the availability of services to the location and timing of demand?

34. Some of these questions could be addressed through market surveys such as that conducted by the MORI group in the United Kingdom in 2001<sup>20</sup>.

#### *Processes and costs*

35. The focus of this strand of the national strategy should be upon obtaining better data on the relative costs of different types of intervention (group guidance; individual interviews; on-line services; telephone help lines; games and simulations; curriculum-based initiatives), and of the responses to these of different types of clients. It would also be important within this strand to investigate the costs and consequences of different levels of initial and in-service training provided for career development practitioners.

36. An additional emphasis within this strand should be career information: the relative cost and effectiveness for different groups of clients of different ways of providing it (print; on-line; through the media; through personal contacts and networks); its scope, timeliness and adequacy; and the extent of its availability in different locations (for example the extent to which Australian schools, TAFE colleges and universities contain comprehensive careers libraries).

#### *Outcomes and benefits*

37. This strand should be clearly linked to research on processes and costs. Its focus should be on:

- The impact of career development services upon: career-related *individual attitudes* such as engagement with learning and occupational aspirations; career-related *individual behaviours* such as information seeking and job search; and *aggregate system-level indicators* such as educational participation, persistence and attainment, employment and unemployment rates, and labour force participation<sup>21</sup>.
- The relationship between these different impacts and the nature of the career development services that preceded them;
- The impact of different types of career development services upon different types of clients; and

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<sup>20</sup> Market and Opinion Research International (MORI) (2001) *Demand for Information, Advice and Guidance*, The Guidance Council, Winchester; MORI (2005) *Demand for, and Perceptions of, Information, Advice and Guidance*, The Guidance Council, Leicester.

<sup>21</sup> However attempts to move from the measurement of such indicators at the level of, for example, large groups of school leavers or samples of schools, to the national level are likely to be costly and complex. And as suggested in paragraph 30 above, moving from such aggregated indicators of individual behaviour to national economic indicators such as economic growth or productivity are likely to be even more costly and complex.

- The impact of different types of career development services in relation to their cost.

38. Given the current concentration of national career development resources in schools, one focus of this strand should be on impact upon the relative effectiveness of transitions from school to work or further study of different ways of providing career development services to school students, and of different levels of intensity of school services. In particular, there should be an investigation of the relative impact of services that exhibit different levels of integration and comprehensiveness (for example: on the one hand career education lessons spanning several grades, linked to community-based work experience, to the use of community networks, to the use of pedagogies designed to foster independent learning, to the use of games and simulations, to individual interviews, and to the existence of a careers library; compared to, on the other hand, a careers programme consisting only of classroom talks by careers advisers and community representatives at specific transition points)<sup>22</sup>.

*Maximising the impact and sustainability of research*

39. A national research agenda should concern itself not only with the content and focus of research, but also its use, impact and sustainability. In addition to conducting research, the national centre proposed in Section 4.5 above should have an explicit mission to:

- Improve the quantity and quality of data that can be used to conduct research on the link between career development services and public policy and the public benefits of career development services. This should include: helping to improve administrative data on client numbers and characteristics and the nature and extent of the services provided to them; improving existing data collections (for example the ACER's LSAY data) in order to strengthen their capacity to illuminate career development issues; and where necessary creating and assuming responsibility for managing new data sets;
- Build a network of researchers in the field of career development and public policy, and manage a clearinghouse of national and international research in the field; and
- Initiate a programme to disseminate the implications of research in the field to policy makers, and to practitioners.

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<sup>22</sup> With a strengthened set of questions on the characteristics of school careers programmes the ACER's LSAY (Longitudinal Studies of Australian Youth) data would seem ideal for such a purpose.