The public benefits of career development services

A position paper

Career Industry Council of Australia

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Introduction

The Career Industry Council of Australia (CICA) is the peak body representing those who provide career development services in Australia. It acts as a focal point in promoting the career industry in Australia. This paper:

- Explains what career development services are;
- Explains why career development services are important for public policy in Australia;
- Summarises evidence on the benefits of career development services; and
- Outlines some steps that need to be taken to make sure that career development services continue to assist governments to realise their public policy objectives.

What do we mean by career development?

The term “career development” goes well beyond, what we used to refer to as “career guidance” or “vocational guidance”. It refers to a much broader approach than the more old fashioned “test and tell” methods that these two terms often call to mind. And it refers to a much broader range of services. A quick way of defining it is to say that it includes all of those services that help people to make educational, training and occupational choices, and to manage their careers.

The following examples help to illustrate what modern career development services include:

- **The My Future web site** is a joint initiative of the Australian, State and Territory governments that provides information about the content of jobs, how to find them, labour market supply and demand, training requirements and courses, financial support while undertaking training, and information to help parents and other community members help young people in their career choice. It has tools that help people to clarify their career goals, plan how to realise them, and assess their interests.

- **Career One** is a private web site that allows people to search for jobs using all classified ads from The Australian and the Herald Sun newspapers, to create their own resumes, and to get advice on managing their careers.

- **Directoryundergraduate** is a hard-copy commercially published listing of all undergraduate courses offered by Australian universities, classified by subject area and entry score. It is published annually by the firm The Graduate Connection and is marketed to schools.

- **The Careers and Employment Service at Queensland University of Technology** offers a range of services to students, academic staff, prospective students and employers. Students can get information about jobs and careers, and help in planning their future work and study options through personal interviews, workshops and a career mentor scheme. Their career management skills can be addressed through workshops on job seeking, interview skills and resume writing. A resume checking service with a 24-hour turnaround is available. The service has developed a number of career curriculum resources for use by academic staff: workshops, guides, videos and websites. It has also developed a number of programmes (workshops, seminars etc) that can be integrated into the curriculum of particular faculties. On-line access to job vacancies is available, and career fairs are held once a year to provide access to potential employers. In addition to using the on-line service to advertise vacancies, employers can target potential recruits through a mail-out service, make presentations to groups of students on-campus, and can conduct recruitment interviews on-campus. Prospective students can obtain career counselling for a fee.
• The Australian Taxation Office provides a career development program to build the skills and career prospects of recent graduates. Over a twelve months period it provides newly recruited graduates with a combination of formal technical training, work rotations, on-the-job training, and an orientation to corporate values and personal skills development.

• Airds High School in New South Wales delivers career education as an integral part of the full curriculum. Careers workshops are organised for Year 9 and 10 students, and career outcomes are integrated into the curriculum of each key learning area. A “Career Buddies” programme is provided for students at risk of leaving school early. This puts them in contact with trained community members who act as careers mentors. Gnowanderup District High School in Western Australia has a careers programme that runs from kindergarten to Year 12. It includes participation in a careers simulation programme called The Real Game, a guest speaker programme, guest speakers, VET courses, a career fair, and a mentoring programme involving community partnerships.

• Associated Career Management Australia is a private consulting firm that helps people to manage career transitions. It provides one-to-one support and advice, career skills coaching, job placement and recruitment advice, and job seeking training. Specialised services are offered to groups such as executives, recent graduates, migrants and mature-age workers. In addition to services to individuals it offers services to firms such as career development programmes for employees and outplacement programmes.

• Ingeus is an Australian-based multinational company that specialises in job placement of the hardest to help: people with multiple, complex barriers to employment; the long-term unemployed; people with disabilities; single parents; and mature workers with few skills or qualifications. Its Australian arm, WorkDirections Australia, is part of the Job Network. In addition to direct job placement, it develops individual back-to-work programmes for all job seekers that can include training, support and advice.

These examples illustrate some of the features of modern career development services:

• They are used by and available to Australians of all ages and at many stages in their lives, not just young people and school leavers;

• They are available in many areas of the Australian economy and society. These include schools, universities, TAFE colleges, job placement agencies, occupational rehabilitation services, private enterprises and the community sector;

• While most services are funded by governments, there is also an active private market for some forms of career development services;

• As well as providing direct information, advice and support, they help people to develop the skills to better manage their own careers so that they can take advantage of educational and labour market opportunities;

• They are provided in a wide variety of ways: face-to-face, in print and electronically; one-to-one, in small groups and in classrooms;

• They use a wide range of tools: personal interviews; tests of skills and interests; group discussions; games and simulations; organised experience; mentoring and network-building;

• Sometimes they are provided by career development specialists, but often they are provided by people whose main job is something else: teaching or job placement for example.
Who provides it?

The people who provide career development services have a wide variety of backgrounds and qualifications, and their training has spanned a number of different fields such as teaching, psychology, counselling, and human resources management. In 2002, the most recent year for which data is available, the Australian government estimated that close to 2,400 people worked in the career development industry\(^1\). This is certain to be an under-estimate, both because of the expansion of services since that date, and because it does not include many who provide career development services in enterprises, in private practice, and as part of publicly- and privately-funded job placement services. Nor does it include those who prepare and support web-based and other electronic forms of career development services and those who develop and publish career information.

Career development is a good idea in theory

At first glance it might seem that career development services exist mainly for the benefit of individuals. Certainly the potential for services to have a positive impact on the lives of those who use them is a powerful motivation for the practitioners who work in the field. However there are very good grounds for arguing that career development is also a significant public good, and that, like education or health care, it both needs public support and should be delivered in ways that contribute to the public good.

One way to think about the importance of well organised career development services is to consider the way that financial markets operate. The effectiveness of our financial markets depends in large part upon the ability of all potential investors to obtain accurate and reliable information about the financial health and performance of publicly listed companies and about financial products. Because an enormous amount of this information exists, well-developed systems are needed to organise it so that it is easier to understand and so that it can be related to the financial and other circumstances of different categories of investors. However for many potential investors simply being able to get access to information about investment opportunities is not enough: they need to talk to somebody to get advice about the advantages and disadvantages of different investment options, and to help them make decisions about what to do. Many potential investors need to develop the skills and knowledge required to create their own investment strategies and to decide between different investment options. They need to be able to make plans, to develop strategies that will achieve a goal, to make decisions, and to weigh options. Many organisations offer programmes to develop these skills and to educate investors about the stock market and financial products. These information, advice and training services certainly benefit individual investors. They also improve the overall operation, transparency and efficiency of the financial system and its capacity to attract capital: individual and public benefits are intertwined.

There are close parallels between the ways that information, advice and education programmes help financial markets to work effectively and the effective operation of complex education systems and the labour market. In each case consumers need well organised information systems, objective and well informed sources of advice, and the skills to be able to make choices and to manage their own futures. These services benefit individuals, and through them the wider society.

It can make a difference within education systems

Career education programmes such as the ones offered by Airds High School and Gnowaderup High School have an important role to play in compulsory schooling. They can help to lay the foundations for lifelong career development as well help young people to manage the transition to the next stage of schooling. They help to
develop the knowledge and competences needed for self awareness, understanding the world of work, and making decisions and transitions.

Well-organised career development services are particularly important in post-compulsory education. Here, wider curriculum choice results in more diverse and complex routes into later stages of education, into employment, or into both. Where choices are more complex and their consequences are more costly, effective advice and guidance on educational options, and on links between these options and later occupational destinations, can help to better match individuals’ learning choices to their interests, talents and intended destinations. This can help to:

- Reduce dropouts from and back-tracking within education systems, and thus improve internal flows;
- Improve flows between different levels of education, thus raising national levels of educational attainment; and
- Improve transitions from education to the labour market.

These outcomes help to make better use of educational resources, and to increase both individual and social returns to investments in education. This is particularly important when national policies emphasise the need to make better use of the talents of all citizens through higher rates of participation in and completion of education and training. Economic theory points out that information deficits are as important as lack of access to adequate finance as barriers to participation in education and training, particularly by those from disadvantaged backgrounds. Australian public policy has paid major attention to minimising cost barriers, particularly through the HECS scheme, but less to minimising information barriers through better career information and advice.

Arguments within education systems for the importance of well-organised career development systems receive greater prominence when national governments commit themselves to implementing policy frameworks that can make lifelong learning for all a reality. This is because the notion of lifelong learning stresses:

- The central role of individual learners in driving the learning that is provided, how it is provided and where and when it is provided. This implies substantial flexibility and diversity within education systems, and more complex frameworks for learner choice. A consumer-driven learning system implies attention to the information and advisory systems needed to make efficient decisions;
- Stronger links between education systems and the labour market, and better systems for translating labour market signals into educational choices;
- Wider access to learning throughout all stages of life, often by those who have been away from formal learning for many years; and
- Wider access to learning by groups who are under-confident in, unskilled in, or unused to negotiating access to, complex learning systems. If such individuals are to have wider access to learning, many will need to have access to the information and advice required to make it possible.

It can make a difference in the labour market

Within the labour market, well-organised career development services can improve the accuracy and accessibility of the information available to individuals about short- and long-term job opportunities. This can
improve individual decision making about jobs and about job training opportunities, and improve the allocation of human talents within the labour market. In particular, well-organised career development services can help to:

- Achieve a better match between skills, interests and qualifications on the one hand and available job opportunities on the other;
- Unearth the talents of those who are not favoured by life’s circumstances, thus improving the social and intergenerational mobility of talent;
- Help to improve the allocation of labour across regions, industries and occupations in the face of labour supply and demand fluctuations resulting from technological and structural change; and
- Help to ensure the successful implementation of active labour market programmes and active welfare-to-work programmes.

**It can improve the use of human capital**

Career development services within both education and the labour market become increasingly relevant as human knowledge and skill come to play an increased role, compared to capital and labour, in national economic performance. They become still more important in within concepts of careers that emphasise individual responsibility for career management, and individual and corporate responsibility for developing employability skills. Through the Council of Australian Governments (COAG) all Australian governments have acknowledged the importance of improving the stock of human capital – conventionally thought of as people’s productive capacity and characteristics, including their health, skills and qualifications – for future productivity growth. The OECD points out that the importance of human capital for economic growth appears to be increasing. It also argues that educational qualifications and measurable skills account for less than half of the earnings variation in OECD countries, and that a significant part of the remainder should be thought of in terms of the importance of people’s ability to manage, and build, their skills: the ability to learn, to identify learning needs, to manage learning, and to understand how to best use skills through career planning, job search and career management skills. Career development services address all of these, and as such need to be treated as an integral element of national human capital development strategies.

**It is getting increasing international support and attention**

For these sorts of reasons, career development has been receiving increasing attention as an important public policy issue from international agencies. Major reviews of the capacity of career development services to contribute to national lifelong learning, active labour market and equity policies have been carried out in recent years by the OECD, the European Commission and the World Bank. The reviews have concluded that effective information and guidance systems are essential to support lifelong learning and active employment policies as tools of economic growth and social equity, and that all citizens need to develop the skills to manage their careers. Yet, the reviews conclude, large gaps exist between these public policy goals and the reality:

- Access to services is inadequate, particularly for adults;
- Too often services focus on immediate decisions and not career management skills;
• Those who provide the services often have insufficient or inappropriate training;

• Co-ordination between and within governments, and between governments and stakeholders, is poor; and

• Policy makers do not have adequate data on costs, benefits and client characteristics and outcomes as a basis for managing services properly.

Reflecting the importance that they attach to improving the contribution that career development can make to public policy objectives, international agencies have issued guidelines and handbooks to help national governments to do so\(^\text{16}\). This pressure from international agencies is beginning to have a significant impact upon the importance that national governments are giving to improving national career development services, and the resources that are provided for this purpose\(^\text{17}\).

**It can contribute to some key current Australian policy objectives**

Well organised career development services have a significant contribution to make to the effective operation of Australia’s education systems, to the efficient operation of its labour market, and to the effective development and use of the nation’s talents and skills. Over and above these broad contributions that career development services can make to the national interest, there are a number of current policy issues to which career development can make an important contribution. Four are described here.

**Improving youth transitions**

Through COAG\(^\text{18}\), all Australian governments have asserted the importance of improving young people’s transition from school to working life as a contribution to raising the national stock of human capital. Recent work by the Productivity Commission emphasises the economic benefits that would flow from improving transition outcomes through increased high school completion rates\(^\text{19}\). Career development services are a key feature of effective transition systems, and they are an important part of national strategies to raise school retention and Year 12 completion rates\(^\text{20}\).

• As educational pathways are broadened, as choices increase and as connections between pathways become more flexible, high quality information and advice about education and employment become essential so that young people can take best advantage of the opportunities available;

• In order to raise educational participation, guidance and support become increasingly important for those young people who struggle the hardest to succeed;

• A policy emphasis upon increasing the diversity of the higher education system will increase the complexity of the educational choices facing school leavers. This will strengthen the case for effective information and advisory systems, within both schools and higher education institutions.

**Responding to an ageing population**

By 2047 a quarter of Australia’s population will be aged 65 and over, nearly double the current proportion\(^\text{21}\). If economic growth is to be maintained, this will require increased labour force participation by groups whose participation is currently relatively low, and improved flexibility in the labour market.

• Career development services have an essential role to play in helping to increase labour force participation by many key groups whose participation is low: single parents; the disabled; those undertaking occupational rehabilitation; and those dependent upon social welfare.
Extending the working life of mature-age workers requires sharp transitions from working life to retirement to be complemented by much more flexible mixes of full- and part-time work, voluntary work and non-work over more extended periods. This can often entail complex decisions in which life style, job satisfaction and financial security need to be balanced. Career development services have a role to play, at the moment insufficiently recognised, in helping people to make such decisions and in managing the transition to retirement.

Career development services have a key role to play in supporting labour market flexibility: by improving the availability of information about jobs and careers to encourage geographical mobility; by developing career self-management skills; and by helping people to shift to new occupations and careers as new technologies, products and services change the profile of job opportunities.

### Skill shortages

Through ensuring the wide availability of accurate information on jobs and training opportunities, and through ensuring that young people make decisions about their careers on realistic grounds, career development services can do much to ensure flexibility within the labour market and to help ensure that supply and demand are in balance. Career development services can also do much to address regional and occupational imbalances through helping existing workers to adjust to new labour market circumstances through changing jobs and careers and acquiring new skills as product markets, work processes and consumer demand change.

### More effective workplace bargaining

As our industrial relations system increases its emphasis upon individually negotiated contracts between employers and employees, fair bargaining will require all employees to have the skills that are needed to plan and manage their career and workplace options, including through striking an appropriate balance between work and family goals. Career development services have an important role to play in helping people to develop the sorts of skills that they need for this: planning; deciding between options; confidence in career-related decisions; being able to take a medium- and long-term view.

### What does the evidence say?

Evaluation studies in a number of policy areas show that career development is commonly one of the key elements of effective approaches, even if its independent contribution cannot be untangled. It has been found to be a feature of effective approaches to labour market programmes, welfare-to-work programmes, secondary schooling, and school effectiveness more broadly, and the transition from school to work.

However more directly evaluating the effectiveness and outcomes of career development services is not a simple task. First of all, they take many different forms, and so finding a standard type of service or a set of similar services to evaluate with groups of clients with similar characteristics can be methodologically difficult. And although some career development interventions (such as taking part in a school career education course) can extend over a long period, many are quite brief (reading a leaflet, consulting a web site, talking to an adviser, visiting a career fair) and so it would be surprising if their impact was major in comparison with the many other things happening at the same time that also have an impact upon people’s education, employment and lifestyle choices and outcomes. Many of the outcomes that are of interest to policy makers take a long time to manifest themselves, and the lack of good longitudinal studies on the impact of career development also complicates the conclusions that can be drawn about its effectiveness.

Another complication comes from the types of questions that researchers have asked. A lot of effort has gone into trying to assess the economic impact of career development services, and not surprisingly, given the multitude of factors that influence economic growth, productivity, or employment rates, this work has resulted
in few useful concrete results. Teasing out the independent contribution of career development to such broad economic outcomes would take research projects of a scale and cost that no governments have to date been willing to support.

The clearest conclusions have emerged when questions have been asked that have a more modest aim: those that look more directly at the impact of career development upon the lives, attitudes and behaviour of those receiving it, rather at impacts upon the wider society or upon organisations; and those that look at impacts upon short- or medium-term outcomes rather than the longer-term. The conclusions that can be drawn from these types of studies about the effectiveness and value of career development services are positive, and can be treated with considerable confidence.

The strongest evidence - described in one summary as “substantial and convincing” - comes from studies that look at the effect that career development has upon attitudes and motivation, and at the extent to which it increases the learning of career-related skills. These studies show that career development services can:

- Lead to people having a more positive and confident attitude towards their future career options;
- Increase knowledge and understanding of education and employment opportunities;
- Increase self-awareness;
- Make people more confident in their career decision making;
- Result in a wider range of career options being explored;
- Improve job-search skills; and
- Improve job interview skills.

Evidence on the direct behavioural outcomes of career development is not as strong, but nevertheless positive. It suggests, for example, that career development can:

- Lead to increased job-search behaviour and increased participation in employment by the unemployed;
- Have a small but positive effect upon academic achievement; and
- Increase the probability of successful transitions between key points in the education system.

These types of conclusions are important. Whilst, for example, we may not yet be able to directly measure the impact of career development services upon earnings, we do know that educational achievement, obtaining educational qualifications and labour force participation all influence earnings. Therefore if career development has an impact upon these it seems reasonable to conclude that when effectively provided, it can, together with other factors, help to increase the types of educational and labour market outcomes that policy makers are trying to achieve.

Next steps

Significant improvements have been made to Australian career development services in recent years. New services and products such as The Real Game and the My Future web site have been developed. Competency
standards have been developed for practitioners to help improve quality. Significant additional funds have been provided by the Australian government to expand services for young people through community partnerships, networks of industry specialists, and the promotion of lighthouse projects in schools30. And co-ordination has been improved: for example through the establishment of CICA as a single voice for the career development industry.

However much remains to be done if career development services are to continue to assist governments to realise their public policy objectives: access will need to be widened, particularly by adults and by those approaching retirement age; the use of more cost-effective ways to deliver services will need to be expanded to enable wider access; efforts to improve the quality of services will need to continue; and substantial effort will need to be put into expanding the knowledge base that is required to improve the link between policy and practice and to improve accountability.

There are three specific steps that Australia’s political leadership can take in the immediate future to support these:

- **To widen access:** Fund the introduction of a national careers telephone help line, as recommended by the 2002 OECD review of Australia’s career guidance policies31, using the model of the successful United Kingdom LearnDirect service32;

- **To improve standards and quality:** Accept the 2005 report of the Allen Consulting Group and support the creation of a national institute for leadership in career development33; and

- **To improve the knowledge base:** Provide funds, over a five-year period, to create a national research agenda on the public benefits of career development services34.

**In conclusion**

It is no coincidence that career development services are receiving increasing attention from public policy makers throughout the developed world. They are an essential, and indeed inevitable, part of a society and economy such as Australia: one that is open and flexible, that offers wide opportunities to its citizens, that encourages them to make the best use of their talents, and that supports choice and self reliance. It is in the national interest to make the services that can support such a society as effective as possible.
END NOTES

1 Details of CICA’s membership, aims and activities may be found at http://www.cica.org.au/.

2 The paper is based upon material prepared for CICA by Access Economics and by Professor Richard Sweet of Sweet Group Pty Ltd and the Centre for Post-compulsory Education and Lifelong Learning at the University of Melbourne. It complements a second paper prepared for CICA by Professor Sweet in February 2007: The public benefits of Australian career development services: Towards a national research strategy.

3 Longer definitions that say much the same thing have been adopted in recent years by such international agencies as the OECD, the European Commission and the World Bank. See for example OECD (2004) Career Guidance and Public Policy: Bridging the Gap, Paris, p. 19.

4 http://www.myfuture.edu.au/


6 http://www.careers.qut.edu.au/


11 Council of Australian Governments (COAG) meeting, July 14, 2006: Communiqué.


13 The importance of well informed initial choices of higher education courses is implied by recent Australian longitudinal research which shows that completion rates are from three to eight per cent lower among those who switch to a second course after their initial enrolment in university. See Marks, G. (2007) Completing University: Characteristics and Outcomes of Completing and Non-completing Students, Longitudinal Surveys of Australian Youth Research Report 52, Australian Council for Educational Research, Melbourne.

14 COAG (2006), op. cit..


Denmark is a particularly strong example of the integration of career development policies into wider economic and social goals. In April 2006 the Danish government published its strategy for Denmark in the global economy with an eye to world class competitiveness, sustainable prosperity and social cohesion. Ten per cent of the specific initiatives in the strategy concern...

18 COAG (2006) op. cit.


20 OECD (2000) op. cit.


30 Many of these initiatives are summarized at http://www.dest.gov.au/sectors/career_development/default.htm.


32 http://www.learndirect.co.uk/
