

A Market in Career Provision? Learning from Experiences on the East Coast of America

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Foreword

Since at least the early 1990s, notions of creating a market in adult guidance have been significant drivers of policy. Hence initiatives such as Skill Choice and Gateways to Learning, and policy frameworks such as 'free entry, pay to stay'. Beyond this, the marketisation of adult guidance has also featured as a fruitful area of research¹.

Developments in technology, creating new possibilities for information dissemination and distance interactions, may have created market opportunities which were previously uneconomic. It was with this thought in mind that the *learndirect* advice service asked CeGS to organise a study tour of guidance practice in the largest market economy, the USA. The USA was interesting for at least three reasons. The consequences of poor labour market choices in the USA are more profound than in Europe, creating potential incentives to pay for guidance services. The scale of the population creates the potential for niche markets to emerge. And finally, the recent OECD study of guidance policy² had omitted the USA, making it to a certain extent unexplored territory.

As you will discover, we did not stumble upon the holy grail of a fully-fledged retail guidance business. But there are hints that this may emerge, most notably in New York. Bottled water, designer coffee, anyone? *Gareth Dent - Ufi/learndirect*

Acknowledgments

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The Centre for Guidance Studies (CeGS) was created in 1998 by the University of Derby and five careers service companies (the Careers Consortium (East Midlands) Ltd.). The centre aims to bridge the gap between guidance theory and practice. It supports and connects guidance practitioners, policy-makers and researchers through research activities; learning opportunities; and by providing access to resources related to guidance and lifelong learning.

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¹ See Bartlett, W., Rees, T. & Watts, A.G. (2000). *Adult Guidance Services and the Learning Society*. Bristol: Polity Press.

² Organisation for Economic Co-operation and Development (2004). *Career Guidance and Public Policy: Bridging the Gap*. Paris: OECD.

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1.0 Introduction

1.1 In England major transformations are taking place in vocational education and training (VET) and labour market opportunities for adults. Linked to these transformations, a new national policy framework has been developed for the delivery of information, advice and guidance (IAG) services³. In the Minister's foreword to this policy document, the contribution made by the private sector is recognised and welcomed. The foreword states that:

'The Government's efforts to invest in public funds should focus on those who need the most help, and who are least able to pay for it.'

This suggests that for other individuals the market is viewed in policy terms as having an important role to play. Therefore, attention needs to be focused on the question of whether a market-led approach to career guidance is likely to develop which will expand and improve provision in order to support the achievement of the UK Government's lifelong learning agenda.

1.2 In early autumn 2003, the University for Industry (Ufi), through learndirect, commissioned the Centre for Guidance Studies (CeGS), University of Derby, to research, plan and co-ordinate a study tour to the USA. The primary aim was to identify the scope for developing a market in career guidance, taking into account new possibilities for 'need-based' services that could be improved through distance and open-supported learning mechanisms. The study tour focused on 'market-based models' (including market-based face-to-face delivery), with particular attention being paid to distance models of delivery. The USA was selected partly on the basis of

'plugging a gap' in recent international reviews of lifelong learning and career guidance policies.⁴

1.3 Prior to the East Coast visit, CeGS completed an extensive review⁵ designed to identify the location and nature of leading-edge policies and practices in the USA. From this, a range of public provision⁶, private (for-profit) organisations⁷ and public-private partnerships⁸ were identified. The results showed that arrangements vary considerably across the USA, where different States have autonomy to introduce legislation and develop their own policies and practices. The role of the Federal Government has been to provide funding for programme development and training. For example, 'One-Stop Career Centers' were provided with start-up funding, with the understanding that states would be responsible for ongoing funding. Three contrasting organisations were chosen to be visited as part of the study-tour programme.

1.4 The five-day study tour was conducted in March 2004. In the course of the tour, six delegates⁹ had meetings with a total of 21 individuals. The findings from the case studies were tested against a background of US policy and practice, with the support of Dr JoAnn Harris-Bowlsbey and Professor James P. Sampson, both highly regarded in the USA and internationally as leading experts in the field of career guidance.

2.0 Market-based career guidance

2.1 Market-based models of delivery can be defined as including any or all of the following: (a) *Fee-charged services* offered by public-sector organisations.

³ Department for Education and Skills (2003). Information, Advice and Guidance for Adults: The National Policy Framework and Action Plan. London: DfES.

⁴ See Watts, A.G. & Sultana, R.G. (2004). Career guidance policies in 37 countries: contrasts and common themes. *International Journal for Educational and Vocational Guidance* (in press). In this summary of overlapping reviews by OECD, the European Commission and the World Bank, it was noted that: 'In some respects, the United States is the "absent centre" from the reviews, since it is not directly included and yet its influence on career guidance practice is evident in most if not all of the participating countries'.

⁵ 50+ websites were inspected and relevant information was recorded to identify leading-edge policies and practices.

⁶ Federal departments, state labour offices, state education departments, and one-stop centres.

⁷ These included: (i) career counsellors in private practice where the user pays; (ii) companies which offer certified programmes in career counselling alongside service delivery for those willing to pay; (iii) companies which offer outplacement services including career coaching, management services, training and executive search; (iv) companies which offer website on-line services for job-search support; and (v) companies which offer training and career development to employees, external individuals and organisations.

⁸ Collaborative arrangements whereby some service delivery costs are met by government (usually services aimed at targeted groups) and other services are linked to income-generation activities where the user pays. Examples include universities, professional organisations, and voluntary and community-sector organisations.

⁹ These comprised: the Head of Advice Services, learndirect; Head of Corporate Services, learndirect; Advice Data and Web Manager, learndirect; a member of the National Learning and Skills Council (NLSC); and two CeGS researchers.

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(b) *Government-financed services* which are contracted out to the private (for-profit) and voluntary (not-for-profit) sectors.

(c) *Services in the voluntary sector* which are financed not by government but by other sources (including charities, private-sector organisations and end-users).

(d) *Services in the private sector*, which are financed by end-users or by non-government third parties (e.g. employers).

2.2 Previous research studies¹⁰ indicate that marketing career guidance is problematic for a number of reasons: firstly, it is a process not a product; secondly, the benefits are often not realised immediately; thirdly, demand – or potential demand – comes from a wide range of sources including differing types of individuals and employers; and fourthly, it is difficult to predict what these differing groups might be willing to pay.

2.3 However, the application of market principles to the delivery of career guidance services¹¹ may now be very timely in terms of helping to stimulate and meet demand for such provision. Watts¹² suggests that the development of a market in career guidance could be one of the ways of meeting the public interest in expanding guidance provision without making strong demands on the public purse.

2.4 For the purposes of this study, the concept of a ‘market in guidance’ is defined as: ‘ways of seeking to improve and extend the accessibility and quality of career guidance services for all adults by applying market principles to their delivery’.

3.0 The US context

3.1 In the USA career counselling has been the subject of ongoing debate in public-policy terms, frequently cited in legislation that has mandated inclusion of career counselling as one of several interventions intended to address particular national economic, political and workforce issues¹³. This particular form of intervention has become integral to labour market policies in such areas as: (i) the

prevention or reduction of long-term unemployment; (ii) the development of an effective workforce; (iii) adjustments by employees working in changing labour market situations; (iv) migration from occupational areas into skill shortage retraining; and (v) provision of assistance to marginalised individuals and groups in need of most help.

3.2 Policy-makers and legislators have advocated for the recognition of career counselling at major life-transition points. Government funds allocated to support activities in this area are often linked to performance indicators designed to ensure that the career needs of different populations in multiple settings reflect social costs (e.g. lost wages, lost taxes, societal disruption) that need to be reduced or alleviated. In particular, One-Stop Centers provide services driven by 17 federal measures of performance, many of which revolve around increasing tax revenue. They have to build a business case for funding for specific training that must relate to local requirements for jobs and skill-gap areas. The public-sector organisations are required to track clients over several months in order to justify claims for funding and to inform internal measures of performance. There is also extensive State vetting of learning providers.

3.3 Many of the seventeen performance measures for One-Stop Centers refer directly to specific outcomes in terms of individuals obtaining jobs. Success is defined as achieving at least 98% of the previous salary. The goal is to recapture lost earnings for those persons experiencing job loss.

3.4 Labour market intelligence in the USA is primarily funded by state taxes. The United States Department of Labor, Bureau of Labor Statistics, obtains labour trends information from states that aggregate to a national database of labour market information. Some States choose to produce additional information beyond the minimum requirements. The majority of this information is available free on websites and databases.

¹⁰ Wilson, J. & Jackson, H. (1998). What Are Adults' Expectations and Requirements of Guidance? A Millennium Agenda? Winchester: National Advisory Council for Careers and Educational Guidance. Also Grubb, W.N. (2002). An occupation in harmony: the roles of markets and governments in career information and career guidance. Paper prepared for the OECD Career Guidance Policy Review. Paris: OECD (www.oecd.org/edu/careerguidance).

¹¹ Watts, A.G. (1995). Applying market principles to the delivery of career guidance services: a critical review. *British Journal of Guidance and Counselling*, 23(1): 69-81.

¹² Watts, A.G. (1999). Reshaping Career Development for the 21st Century. CeGS Occasional Paper. Derby: Centre for Guidance Studies, University of Derby.

¹³ Herr, E. (2003). The future of career Counselling as an instrument of public policy. *Career Development Quarterly*, 52(1): 8-17.

3.5 Labour market information is used in the public sector to drive decisions about training for the local jobs market. State-by-state diagnostic processes have tailored occupational profiles to the local job market. Employers are required to seek provision for those individuals that they wish to make redundant. They have to register this intent with the local One-Stop Centers.

3.6 Employers are often very sensitive about their reputation when, for example, downsizing takes place in their organisations. The threat of redundancy is taken very seriously in the USA and provision for those in this situation is more widespread than in the UK.

3.7 There are 55,000 registered counsellors in the United States. The National Certified Counselor (NCC) qualification requires at least 48 hours of graduate work plus supervised internship. Nationally, 900-1,000 people in the USA hold the National Certificate in Career Counselling (NCCC), a higher-level qualification, but this has been discontinued (the NCC does not have the same status). Such career counsellors tend to be concentrated in larger cities and on the East/West coast.

3.8 Qualifications and licensing are the two ways of validating services in most States. Other States require certification only. The American Counselling Association has produced guidelines for counselling over the Internet, and via video conferencing and email, including issues of confidentiality such as the use of encryption, how data are stored and firewalls. The National Career Development Association has also produced guidelines for delivering resources and services on the Internet.

4.0 The US case studies

4.1 Three case studies were identified for investigation as part of the study tour: two private (for-profit) organisations (ReadyMinds and Spherion); and a public-private partnership organisation (Montgomery Works). Using ten thematic areas for exploration, set criteria were applied to each visit. The full case studies are included in the Appendix to this report.

4.2 Case Study 1.

ReadyMinds represents an innovative approach to the development of a distance career counselling service in the USA. A relatively new private for-profit organisation, it focuses on one-on-one services via on-line interaction and telecounselling. With headquarters in New York, it provides services for individuals, transition programmes for corporations (when 'headcount reductions' are necessary) and is developing a credential (qualification) for distance career counselling.

ReadyMinds uses telephone counselling and e-mail services as its prime media. It requires its distance counsellors to produce a written report following an initial assessment process (called Insight into U) which it believes clients value as a reflective tool. Resources are posted to a personal web page by a counsellor.

The services require a small initial commitment from the fee payer, followed by upgrades. A range of differentiated services are clearly outlined on the website, allowing clients to be clear about what they are buying at each price point. ReadyMinds pays a processing fee for credit-card payments to be collected from clients on its behalf. There is no installment plan, and refunds are only made where a claim can be substantiated.

ReadyMinds employs 50 counsellors at a flat-rate fee. Counsellors can aspire to become a case manager supporting the work of other counsellors, to quality assure their work. Case managers also supervise new counsellors.

ReadyMinds links continuous improvement to research and development and uses its case managers to check reports written by counsellors. Clients' feedback is recorded and used to inform the continuous professional development of counsellors.

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4.3 Case Study 2.

The Spherion Corporation is an example of an innovative approach to career transition services aimed at employers and executives in the USA. Founded in 1946, it has its headquarters in Fort Lauderdale, Florida. It has more than 310,000 employees worldwide, at 750 locations, with more than 7,000 corporate clients. Its annual revenue is \$1.8 billion. It aims to provide value-added staffing, recruiting and workforce management solutions.

The company's broad-based experience in recruiting is founded on an in-depth understanding of the workforce and the issues that drive performance. It has sought to extend this expertise into high-value workforce management solutions that incorporate specialised knowledge of many workplace processes and technologies. It is these core competencies that Spherion offers to corporate clients who want to more effectively plan, acquire and optimise talent to improve their bottom line.

Spherion includes in its offer a range of career transition services. It specialises at the top end of the executive market. Its contracts are with organisations rather than with individuals. But these contracts include services to individuals within companies, supported by technology. Individuals are offered an initial diagnostic interview, either face-to-face or by telephone, followed by on-line support services offered within a secure web portal customised for the company concerned. These include a variety of web-based resources, supplemented by e-learning seminars and tutorials.

Spherion is essentially a broker and so partnerships are the key to its work. It maintains alliances with world-class technology companies, including Mercury Interactive, IBM®, Help Desk Institute and Microsoft®. It manages 50 million customer contacts annually on behalf of its clients. Spherion believes that its competitive edge, compared to other more traditional outplacements services, is the linkage provided between e-learning, e-guidance and high-speed aggregated data, providing insights into employer and skills sector needs, as well as individuals' requirements.

4.4 Case Study 3.

Montgomery Works is an example of a public-private sector partnerships aimed at meeting the learning, career development and business needs of unemployed people, employed people and employers. It comprises a variety of public and private community partners, with the primary mission of providing a one-stop on-line delivery system that simplifies access to workforce-related services.

The Montgomery Works One-Stop Center provides professional career development assistance to the residents of Montgomery County to meet the present and future needs of the workforce and employers of the Washington Metropolitan area. Montgomery Youth Works provides youth with training and employment opportunities aimed at facilitating a successful transition from school to work and to contribute to workforce development in Montgomery County.

The Montgomery Works Career Transition Center provides career management and career transition services to eligible adults and to dislocated workers. Services are offered on a 'Work First' basis. 'Work First' means that the primary goal of all services is to get the customer into the workforce with compensation appropriate to his/her skills and experience as quickly as possible.

5.0 Issues and findings

5.1 The case studies indicate that within the USA there are differing approaches to marketing career guidance. In all three of the organisations visited, new and innovative approaches were being tested and refined. The timing of the visit was highly pertinent given two important factors: firstly, the USA is beginning to experience economic downturn, and therefore demand for career support is beginning to increase; and secondly, alternative models to traditional practice are being used to stimulate and test out markets in career guidance. All of the visited organisations were planning and designing their services to improve and extend the quality of career guidance services for adults.

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5.2 However, the central issue is the extent to which individuals are willing to pay for career guidance as a ‘commodity’. The results suggest that this varies, depending on five factors: the target audience; the targeted service; the branding and marketing arrangements; the training arrangements; and the payment arrangements.

1. *The target audience.*

The ‘potential customers’ that are being targeted for fee-paying services fall into a number of categories:

- Senior executives often expect to pay for career guidance services (many describe this as career coaching or mentoring). Most currently reject public-sector services, identifying them as being primarily services for unemployed adults (a stigma with which they do not want to be associated). Spherion recognises this and seeks to protect its image and branding by focusing solely on this specialist target group.
- Employers vary enormously, as do their requirements. In the USA, executive search and outplacement services are well established. At the ‘top end’ of the market there are well-established working practices based on relationships between employers and executive-search companies. Montgomery Works (a public/private-sector alliance) is seeking to break this mould. However, it has yet to fully establish itself in terms of penetrating new markets for executive and professional job-search and career-development services. The one-stop centre approach has many advantages in terms of raising the profile of the learning and work opportunities for adults in their local community; however, the main challenge is convincing local employers that their demands for the supply of highly motivated, skilled and qualified workers can be met. As one employer exclaimed: ‘Don’t send us your welfare mums!’ ReadyMinds, on the other hand, is not currently positioning itself to compete directly with established executive-search and recruitment agencies.
- Career professionals seeking to develop their private practice are currently a lucrative market in the USA. Private-practice career counsellors on average charge in the region of \$50-150 per hour. ReadyMinds has developed a ‘niche’ market in distance career counselling, concentrating its business and commercial efforts on developing and expanding a ‘community of practice’ through the delivery of training programmes for distance certified counsellors. This approach has given career specialists a new professional status that can operate effectively in both the public- and private-sector arenas.
- Individuals who are in schools, further and higher education institutions are required to undertake career education and career service activities. These represent a further market. ReadyMinds has targeted these individuals through work with intermediaries located within career services for students.
- Individuals who may fall inside or outside of statutory government funding for career guidance are targeted in different ways by ReadyMinds, Montgomery Works and Spherion. ReadyMinds targets: young graduates aged 20+; mid-career flounders (either the highly motivated or those about to experience voluntary/non-voluntary transitions); affluent workers; returners to the labour market; serial interlopers between jobs; older workers; and management and senior executives. The alumni market is currently buoyant as there is very limited free provision for this audience. Montgomery Works targets individuals who are eligible for state funding, as well as those primarily based in work settings who are about to experience voluntary or involuntary career transition. Spherion concentrates solely on the senior executive group.
- Financial institutions have recently been identified in the USA as offering a new niche market for careers work. Some financial institutions, such as banks, insurance and mortgage companies, are being targeted by ReadyMinds through an innovative marketing strategy designed to attract new business. The nature of this business is to provide career-related learning to individuals, on behalf of these companies, in order to address unemployment situations and to facilitate a more rapid return to the labour market, thereby reducing revenue loss to the insurer.

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2. *The targeted service.*

The types of services that are currently being marketed as fee-paying to individuals and organisations include career resources, career websites, and career exploration on employer premises.

Career resources include books, catalogues, and assessment tools. In the USA, career resources produced by public-sector organisations such as the Bureau of Labor Statistics¹⁴ are freely available. Other resources include:

- Books produced by independent commercial publishers such as JIST¹⁵ and by professional associations, e.g. the National Career Development Association (NCDA)¹⁶ the American Society of Association Executives (ASAE)¹⁷, and the National Association of Colleges and Employers¹⁸, all of which produce materials for the retail market. ReadyMinds has made use of free catalogue materials and has further expanded this to sell products on to career professionals and educational institutions.
- Diagnosis and assessment tools include the ONET interest profile (covering downloadable information on occupations, profiles and matching) which is in the public domain. A leading expert¹⁹ indicated that there is a rapidly increasing number of free websites and instruments. This potentially threatens the market in career resources including assessment instruments, given that potential customers are likely to want to try 'free' rather than 'charged' services. On the other hand, some individuals might opt to pay for a private service because they perceive it as being superior to free provision.

Career websites illustrate in broader terms the dichotomy noted above: that technological advances (i) provide the means to fuel the demand for distance career counselling, mainly due to the convenience and anonymity of remote services; but (ii) tend to disrupt the market for successful selling of services to the

public, because so many services are freely available. Private (for-profit) organisations such as ReadyMinds and Spherion both report competitive difficulties with the public sector, notably because of free internet services, and they also suffer from other competitors advertising low-value products, often underpricing the offers available. As a result, the cost per client is forced down even among large and successful private companies, such as those providing outplacement and executive services.

From our visits, we observed two contrasting approaches to tackling this issue. One, developed by Spherion, involved website facilities designed to offer secure site access, plus customised features and special facilities such as 'aggregated labour market information'²⁰, e-guidance tutorials and learning opportunities, and employer and peer networking. On the basis of Spherion's experience, these special promotional features give them competitive advantage over rival companies. The second were the website facilities designed by ReadyMinds that can (i) act as a stand-alone feature, or be (ii) co-located and/or (iii) independently branded within an institution's existing website. This can involve website design and consultancy work, provision of career materials and, where appropriate, access to fully-trained distance career counsellors. In essence, institutions are purchasing a tried and tested model that can be customised and 'added to' in response to particular needs.

ReadyMinds makes this highly versatile product available to be purchased at differing levels of cost, with an assurance that set-up costs are minimal, technical specifications are dealt with on behalf of the customer, templates are available to address statutory/legal protection requirements, and risk assessments are in-built to the system. Any licensing agreement is tailored to ensure that the 'customer' is not constrained by long-term buy-in arrangements. Service-level agreements with full ownership transfer are agreed within a set timescale, determined by the customer.

¹⁴ <http://www.jobbankusa.com/ohb/ohbmainind.html>.

¹⁵ http://blindservcies.fsu.edu/counselor/career_resources/index.htm.

¹⁶ <http://www.ncda.org>.

¹⁷ <http://www.asaenet.org>.

¹⁸ <http://www.naceweb.org>.

¹⁹ Harris-Bowlsbey, J. (2003). A rich past and a future vision. *Career Development Quarterly*, 52 (1).

²⁰ Spherion has achieved this by purchasing external ICT software and technical support that scans thousands of websites, updates and transmits information on a 24/7 basis.

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Career exploration on employer premises is delivered in the USA through on-line and off-line contributions to training. This form of provision covers areas such as redundancy counselling, outplacement services and skills shortage development needs. For example:

- Montgomery Works offers training on employer premises in hospitals, factories and ICT companies, as well as in-house training facilities on their own premises. It reports that much of its work in redundancy counselling and outplacement services reflects ‘deficit’ models of career practice, where the main focus is on ‘fixing’ an immediate problem. However, its current role in providing training and mentoring support to new entrants to the labour market has enormous potential. The organisation has chosen mainly a face-to-face and telephone tracking approach in order to track and monitor individuals’ progress and retention in work, rather than develop its own on-line facilities. This is due to (i) perceived high costs and (ii) a commitment to reach employers through active dialogue. The approach provides both a brokerage role between the individual and the employer (i.e. the ‘satisfied customer’ approach, with early intervention for those most at risk of drop-out) and more open discussions with employers and employees in terms of other career-related needs that could be met through costed services.
- Spherion reported that, according to their most recent client survey, 86% of their clients now prefer to work from home to develop their knowledge, skills and experience of managing career transition; this contrasts with five years ago, when 90% preferred to come into the office to meet face-to-face with a professional consultant. They fiercely guard their ‘employer contracts’ and seek to expand their work through word of mouth, advertising and on-going working relationships.

3. *Branding and marketing arrangements.*

From our research, branding and marketing strategies can be treated as two separate but closely inter-related issues. Relevant findings here include:

- ReadyMinds has committed high levels of investment in branding, with a range of branding options to cover different levels of stand-alone and partnership arrangements; but has made a low-level investment in marketing. This is related to their decision to focus their efforts on certification training for private and public career practitioners, which has resulted in ‘disciples’ voluntarily spreading the word on their behalf and stimulating demand for additional services.
- Montgomery Works operates within public-private partnership arrangements, which have necessitated a review of logos and resulted in a ‘common identifier’ used by all services to enable the public to quickly recognise the service on offer. They are still faced with a potential ‘image and language problem’ associated with the meaning of career counselling. In general, employers still perceive these types of services as being associated with unemployed and low-skilled workers. The option of providing high-quality training on employer premises may help to overcome this, but is unlikely to guarantee commercial success if negative images remain.
- Spherion has a well-established brand set within the context of a major global organisation. It is interesting to observe that its marketing strategy has needed to shift from ‘experts based in offices’ to a combined approach with greater emphasis on ‘e-commerce and career-related learning activities away from the office’.

4. *Training arrangements.*

In the USA, some of the 55,000 registered counsellors hold the National Certificate in Career Counselling (NCCC). Certified career counsellors must have undertaken a minimum of 48 hours’ graduate work, followed by a supervised internship. Two other forms of training were investigated as part of our study. The first was the Career Development Leadership Alliance, designed to support professionals and paraprofessionals (global career development facilitators) to deliver career planning activities for all individuals, using classroom-based and on-line teaching and learning facilities.

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The second was ReadyMinds, which has now positioned itself as a national leader in distance careers counselling. It is evident that in creating a market in career guidance, success will depend largely on organisations' ability to provide well-trained and fully qualified staff.

5. *Payment arrangements.*

Income is acquired from the individual, the employer, or government.

(i) *the individual.* Some individuals will be reluctant to pay up-front for career guidance without some guarantee of positive outcome. Organisations like Spherion claim that it is uneconomical to collect small payments from a large number of individuals: there is high risk of increased numbers of debtors, combined with the associated costs of follow-up and possible litigation.

(ii) *the employer.* In some cases, the employer sponsors the individual for career transition services either on a voluntary basis (i.e. as part of an accelerated career management programme for senior staff) or as part of an out-placement package for employees about to be made redundant (e.g. as part of a downsizing or redundancy programme). From the viewpoint of the service supplier, this is a lower-risk business strategy, since it is more likely that companies which adopt this approach will offer steady income for the services provided, and payment is guaranteed from a single source as opposed to large numbers of individuals. There is the disadvantage, however, that individuals outside the categories targeted by the employer will be excluded from receipt of high-quality career guidance. This could be construed as a major loss for the US economy.

(iii) *the government.* In some cases, national, State and local education institutions will have legal or quality-standard requirements that need to be met in order to attract and sustain income. In 50 States, educational establishments are required by law to provide career exploration and counselling to their

students. This has created a business opportunity to companies such as ReadyMinds, which have established themselves as 'preferred suppliers' with a variety of differing levels of service and associated pricing structures. Whilst this is relatively secure income to the 'preferred supplier', it will only remain so as long as legislation remains unchanged and/or educational establishments regard this as a high priority and as being better managed through sub-contractual arrangements than in-house.

5.3 The findings from the case studies show that there are two basic methods for generating income: either through individuals direct; or through an intermediary party which represents a large group of individuals. Dealing with the former option presents an administrative challenge; however, it was demonstrated at ReadyMinds that this has been overcome (albeit the evidence was not fully available, for commercial reasons) and therefore appears viable. The second option is clearly lower-risk and has been adopted by several contrasting organisations dealing with clients in the top, middle and lower range. It is worth noting that ReadyMinds and Montgomery Works have adopted both options, but it is not clear what split of income is derived from each option and which has the most business potential. Spherion has a narrower focus with no obvious plans to change income arrangements.

6.0 Conclusions and implications for the UK

6.1 Throughout the three visits, and in meetings with leading US experts, it became clear that market models in career guidance take differing forms in a range of contrasting settings. These approaches symbolise the changing nature of career guidance in the 21st century and heighten our awareness of new forms of learning and personal development. The depth and range of information gathered could not have been easily elicited from website or telephone discussions.

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6.2 We hoped to find leading-edge policies and practices that could be transferred to the UK within the context of existing and emerging career services for adults. To some extent, we were disappointed not to find lots of entirely new and innovative approaches to careers work. However, we discovered new developments (as outlined below) that could easily be appropriate for career services in the UK.

(i) There are clear gaps in career provision for targeted audiences such as university/college alumni and financial institutions that may be interested in reducing their revenue costs through the delivery of on-line or off-line career management coaching and training programmes. Within the UK, the market for targeting financial institutions is currently under-developed, partly because the levels of insurance against unemployment are more limited. But the growing market in career coaching, currently unregulated in the UK, could be harnessed, alongside development of career practitioners with new specialised distance career counselling certification in England and throughout the UK. Colleges and universities and large employer organisations are also likely to require career development support.²¹

(ii) There are possibilities for targeted services, linked to revenue management strategies such as website services customised and developed through ‘build, operate transfer’ arrangements with employers and educational institutions. There are at least two approaches worthy of consideration. One is where technologies are harnessed on behalf of the client by brokering services aggregated from various sources and delivered, for example, via secure and personalised web portals where individuals never have to leave the main site. The e-commerce model of seeking to provide on-line tutorials and self-directed learning through new networking arrangements between peers and employers could provide new forms of additional income. The other option is repackaging items to help individuals and employers navigate and engage in career

exploration. The degree to which curriculum planning and delivery can be influenced by the actual jobs and skills needed and available to graduates is currently under-developed in the UK.

(iii) There is scope to reflect on UK branding and marketing strategies in support of information, advice and guidance (IAG) work. Developments are currently under way in England within the National Learning and Skills Council, with learndirect, Job Centre Plus and voluntary-sector organisations seeking to agree a ‘common identifier’ for information, advice and guidance services. But common identifiers in the public eye do not necessarily require specific services to lose their own brands. The ReadyMinds and Montgomery Works models are good examples of the importance attached to such branding. Approaches to marketing could be low-investment if a new body of career professionals and paraprofessionals was operating in both public and private sector arenas, i.e. stimulating demand on behalf of the certifying organisation.

(iv) There is an exciting opportunity to create new forms of training to help stimulate the market in distance career counselling training within the UK. The ReadyMinds model demonstrates the potential for a new approach in the UK to e-guidance; however, learndirect is not alone in this field, e.g. Graduate Prospects (Manchester) and the Open University are both offering e-guidance services. At this stage, neither of these organisations appears to be developing certified training for distance career counsellors, but this may happen shortly in the UK. There may also be an opportunity to create a licensing system across the UK, where obtaining a ‘licence to practice’ could be linked to more specialised training for career professionals. This would ensure a high-standard quality service across the country. The licence could always be revoked if there were shortcomings in quality and ethical issues. This could potentially help to re-energise and reconstruct a new profession in careers work.²²

²¹ Though in the case of universities and colleges, substantial support is already provided by Graduate Prospects and by the Association of Graduate Careers Advisory Services (AGCAS). But contracts with large organisations such as the National Health Service University

²² Although there has been an increase in the number of IAG workers in England, this has been largely at NVQ levels 2 and 3. There may need to be an increase in the level of professional qualifications and the number of such workers if a more in-depth service is to be provided to more people, many of whom will themselves be operating beyond NVQ level 3 as employees.

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(v) There are challenges and strategy decisions that need to be made in relation to payment arrangements for careers work. Credit control systems can be managed through arrangements with individuals and/or employers.

6.3 The work of Dr JoAnn Harris-Bowlsbey, Professor James P. Sampson and other leading academics in the US indicates that distance career counselling is most effective when delivered through a mixture of media that includes some form of human contact for individuals with low to moderate readiness for decision-making. This includes face-to-face contact, which could be offered as group work. It also includes human contact at a distance. In the East Coast study there appears to be limited use of interactive dialogue on-line. The UK is further ahead with developments such as the on-line Intelligent Career Exploration System ICCS® currently being piloted by the Open University in association with the Centre for Guidance Studies.

6.4 There is a consumer-driven demand for fewer visits to career guidance organisations. Although face-to-face communication is still seen as a central feature of any career counselling intervention, the rationale for distance career counselling is strong and borne out of a mixture of convenience and necessity. There is strong support for the convenience offered by telephone and website services, especially for difficult-to-reach clients. Evidence from the organisations visited and experts consulted suggests that an increasing number of people prefer to work through career transitions at home. Over the last three years Spherion has seen a significant reduction in office visits from 90% to 15%.

6.5 Where market demand exists, a range of products and services for purchasers to buy as much or little as they want or need is required. This should also include a range of entry points and an explicit set of costs.

6.6 Private-practice career counsellors guard their instruments for assessment well. There is a value in linking such products to career profiles and personal development plans in order to create a 'special feel-good factor' around the offer.

6.7 The UK Government may wish to consider legislative changes similar to those in some States in the USA, whereby employers who are likely to make workers redundant are required by law to register this with the local One-Stop Center.

6.8 There has been limited research in the UK on the role of recruitment, selection and search agencies as well as the potential level of interest from financial institutions on the role of career guidance in support of responses to risk assessment. More such research is needed.

6.9 The use of language is important. The term career guidance currently sends conflicting messages to the general public. Clarity is required in terms of what the customer is buying: career exploration / planning / development or career coaching and training?

6.10 All of the above points are commended for investigation and consideration by the University for Industry learndirect, by the National Learning and Skills Council (NLSC), by relevant government departments (Department for Education and Skills, Department for Work and Pensions, and Department for Trade and Industry) and by other interested parties.

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Case Study 1: ReadyMinds

ReadyMinds, with headquarters in New York, is a 'national leader' in one-to-one distance career counselling services. It offers 'state-of-the-art career counseling (via online interaction and telecounseling) helping individuals to discover their strengths, preferences, and values in order to determine distinct occupations that suit them'.

ReadyMinds also helps academic institutions, professional associations and businesses to extend their reach of services as they prepare individuals for the work world. ReadyMinds works with institutions of higher education, with State Labour Departments and with organisations in the non-profit sector to complement and expand their current service offerings, with a view to increasing their overall productivity and value. In this respect, its business efforts concentrate on collaboration and on 'build, operate and transfer' (BOT) arrangements.²³

The organisation has a wide variety of paying clients, ranging from those who know they need to begin thinking about their careers (but are unsure of where to start), to experienced individuals who are contemplating a change in career or job setting. At present, only one-third of clients are full paying customers.

The main core business is centred on the development and delivery of certified training, throughout the USA, for 'certified career counsellors' working with adults of all ages from a wide variety of backgrounds and settings. It has created a niche market in 'distance career counselling', with this unique selling point (USP) being made attractive both to career professionals and to individuals seeking careers support. It is currently developing additional higher-level credentials in response to market demand.

ReadyMinds offers a highly customised career counselling programme to its customer base, with accessible on-line and telephone counselling services, working from the convenience of the client's own home or office. The company also targets the 'alumni market' for graduates in their twenties who are seeking entry to, or elevation within, the labour market.

Certified practitioners offer an initial assessment process called Insight into U, resulting in a written diagnosis and assessment report based on individuals' needs. A comprehensive web resources directory exists for practitioner and client usage,²⁴ with additional resources being made available through personalised client web pages accessible for up to one year from the initial fee payment date.

Using the website and/or telephone, individuals are encouraged to select from a 'menu' of options in return for an initial payment of \$99. This bronze service provides an interpretative report based on the Holland typology²⁵ and diagnostics²⁶ on www.monster.co.uk. ReadyMinds then offers clients a 'purchasing upgrade facility' to facilitate access to more in-depth and personalised career support services. The silver service option offers on-line and telephone messaging services; while the gold and platinum services offer telephone support, message board and email services. The pricing model is based on 'bite-sized learning' options that gradually extend, subject to the customer's needs, demands and willingness to pay. It is made clear to individuals what they are purchasing at each price point.

There is a high level of branding, but low investment in marketing. For example, the ReadyMinds logo²⁷ is highly versatile, with differing branding options: (i) a stand-alone logo; (ii) a co-branded logo; or (iii) an independent logo. The latter is available only where organisations are collaborating with ReadyMinds.

Market demand is driven primarily by ReadyMinds career counsellors, with their professional status enhanced through completion of a certified distance-counselling programme. The majority of ReadyMinds career practitioners hold a Master's qualification as well as a ReadyMinds Distance Career Counsellor qualification. In summary, ReadyMinds offers a professional training accredited route to support careers work in both the private and public sectors, as well as offering services to fee-paying clients, i.e. individuals, groups and organisations. It is keen to extend its collaborative reach to international markets.

²³ For further details of BOT arrangements, visit <http://www.bot.com>.

²⁴ The Web resources directory (<http://www.nycareerzone.org>) may merit consideration as it also includes skills and interests diagnostic tools.

²⁵ John Holland's inventory has recently been updated by Florida State University.

²⁶ This appears to correspond to the stand-alone free diagnostic service of the learndirect 'Futures' programme.

²⁷ Visit <http://www.readyminds.com>.

Case Study 2: Spherion

The Spherion Corporation was established in 1946 and currently has a \$2,000m company turnover. Over nearly 60 years, Spherion has screened and placed millions of individuals in flexible and full-time jobs that have ranged from administrative and light industrial positions to a host of professions that include finance, marketing, manufacturing, engineering, law, human resources and technology.

Spherion Corporation specialises at the top end of the executive market, where its business activities focus on contracts with organisations rather than with individuals. The latter is deemed 'a more fragile and largely unpredictable market' in terms of guaranteed revenue for provision. Consequently, its marketing approach is mainly designed to attract corporate clients who require outplacement, recruitment, and training and selection services.

As part of its activities, Spherion provides cost-effective and high-quality services, supported by technology, to individuals within companies. Following confirmation of an agreed contract between the employer organisation and Spherion, clients (individuals and/or groups) are offered an initial diagnostic interview, either face-to-face or by telephone, followed by on-line support services. The company offers a secure, customised web portal for each contracting company; this is branded as 'Career Star'²⁸. Portal features include a collection of useful web resources, i.e. newsletters and job headhunting announcements. This password-protected website is available to individuals from fee-paying companies during their job search and career exploration activities. On average, users continue to access this for approximately six months.

Clients are provided with access to on-line resources such as Tips for Getting Started, which include 'how to maximise your curriculum vitae, how to use e-mail and web-based materials effectively and 'netiquette'. Many of the features of Career Star are built by the 'community of users' rather than by Spherion directly.

Information about career change and self-employment is also offered in a special area in the website called the Knowledge Vault. Here a calendar of events, including weekly e-learning classes, is available in, for example, résumé building, career planning and skills inventory exploration activities. Live and recorded interactive seminars and tutorials are provided, using self-help PowerPoint presentations, which can be accessed at any time. Formal assessments, e.g. the Myers Briggs and Birkman psychometric tests, are on offer, as well as 'hotlinks' to free on-line assessments. Spherion prefers to use licensed products rather than developing its own assessment tools; the alternative approach would 'detract from our main core business'.

The concept of 'search and aggregated data' to scan education, training and work opportunities from across a wide range of websites is a unique selling point (USP) for the company, providing a 'leading edge' feature not currently available from major competitors. There is much value in merging job databases on-line such as Monster because the number of sites on the Internet is vast and confusing for individuals to navigate without guidance.

By and large, the decision on which route to take through the resources and which tools to use rests mainly with the employee. Adult learners select from a menu of options, which they can opt into or out of at any given time. Self-navigation through on-line support gives a sense of controlling the use of their time and retaining autonomy, and thus preserving self-esteem, particularly in times of challenging career transitions.

²⁸ <http://public.careerstar> (a password-protected facility with individual portals, i.e. secure sites).

Case Study 3: Montgomery Works

Montgomery Works (MW) is a One-Stop Center in Montgomery County, Maryland. It is situated in a shopping mall and is co-located with other government-funded support services for adults. There are some 600 similar organisations across the US, established as a result of the Workforce Investment Act of 2000, providing a single point of contact for (i) job-seekers and (ii) employers. The public-sector service works mainly with young people and young adults extending from 14 to 22 years, and with unemployed adults or older 'dislocated workers', i.e. those paid between \$18k and \$144k per year.

From a population of around one million in Montgomery County, approximately 19,000 individuals per year access the library and personal development support service at Montgomery Works. Forty-five employees share premises with 10 other partner agencies, including the Maryland Job Centre. This is a job brokering service, with referral mechanisms to link directly to other partner organisations within the One-Stop Center such as the Older Workers Agency, Community College, Disability Services, War Veterans Society and Housing Agency. Around 15,000 job-seekers per year receive 'intensive career support services', described by the manager as ranging from 'face-to-face interviews to building curricula vitae, skills assessment activities and training needs analysis'.

Montgomery Works tracks its clients over several months in order to justify claims for funding and to inform internal measures of performance. Maryland County is a high-wage area and Maryland is the only State that has met all 17 federal performance measures for One-Stop Centers. In the light of this, a \$2.5 million incentive was awarded with emphasis on strong links with employers.

Montgomery Works acts as an official training provider (a) with employers to develop new programmes at work and/or (b) through offering in-house training at the One-Stop Center. Free training services are available only to those eligible to work in skill shortage areas, and their participation must lead to a skill upgrade with recognised credentials. Employers must register any intent to make employees redundant with the local One-Stop Center.

In Montgomery Works, Wheaton, job seekers' initial contact involves screening to check (i) need and (ii) eligibility for government-fund support services (similar to UK Job Centres). They can access up to 25 computers with free on-line facilities and a career library listing vacancies and learning opportunities.

Montgomery Works has an overarching brand or 'common identifier', used not just for services that they deliver, but also for the partners co-located in the centre. This appears to work well.

The number of individuals using the Montgomery Works service on a personal fee-paying basis is at present rather minimal. However, given the strong link with employers, there is scope to extend the current career counselling offering to employees in the workplace.