

Tuition Assistance: Corporate Entitlement or Strategic Investment?

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Chief learning officers are increasingly responsible for the management of both enterprise learning as well as tuition assistance programs, but are they prepared to manage both strategically?

According to a study conducted by the Council for Adult and Experiential Learning (CAEL), among 1,304 human resource professionals across the United States, roughly 85 percent agree that tuition assistance programs are important as a strategic investment. But almost 40 percent of these companies do not know the impact of their tuition assistance programs in terms of the recipient's job performance, retention or promotion.

This situation is leading a growing number of corporations to house tuition assistance programs in the corporate learning department. This is an attempt to govern tuition assistance as a program to be managed in terms of business outcomes rather than a program to be administered as a corporate benefit. Although CLOs continue to refine dashboards to measure the ROI of the corporate learning budget, few, if any, have applied the same rigor to developing a consistent methodology for measuring the ROI for higher education programs.

If you have recently been given the additional responsibility to manage tuition assistance programs, you should consider this a significant opportunity to align your organization's educational investment with its strategic priorities. Setting up people, processes and metrics to manage tuition assistance programs strategically is now viewed as part of the equation to manage learning as a business. In short, there are five action steps you can take immediately to show increased impact to the organization:

- Commission an audit of the total amount spent on tuition assistance programs. Just as an audit is the first step in obtaining visibility into corporate learning spend, a tuition assistance audit will focus on the processes, policies, metrics and spend in tuition assistance across the range of university partners. Many companies admit they either underestimate or simply do not know the total amount spent on tuition assistance programs until undertaking a formal audit. One major high-technology firm estimated spending \$25 million in tuition assistance, but an audit revealed it spent twice that amount.
- Create criteria for the selection of university partners. This exercise is similar to creating selection criteria for corporate training vendors: You should be as specific as possible and develop the criteria as part of an exercise of the learning team. For example, when Ingersoll-Rand University searched for a university partner for its customized e-MBA program, its five key selection criteria identified were cost of the program, ranking and awards garnered by the university partner, flexibility in customization of MBA curriculum, ability to incorporate specific business goals of Ingersoll-Rand into the MBA curriculum and faculty experience with delivering learning in a blended format—online and on site at Ingersoll-Rand University.
- Develop specific metrics to measure the value of your investment in tuition assistance programs. Test and control panels can be created of similar employees to measure such outcomes as improvements in employee performance, productivity, promotion and retention of employees who participate in tuition assistance programs versus those who do not participate.
- Benchmark corporations that are at the forefront of managing tuition assistance as a strategic investment. Inquire about the results they have achieved, how they manage

the programs (in-house or outsourced) and key business results achieved due to investment in higher-education programs. Some companies to begin benchmarking include Ingersoll-Rand, John Deere and Intel.

- Begin thinking about customized education versus open-ended tuition assistance programs. Although open tuition assistance programs will not be gone overnight, more CEOs will ask the same hard questions of their tuition assistance investment that they currently ask of their enterprise learning investment: How much did we spend? What was the specific business outcome in terms of improvements in productivity, retention, time to competency and achievement of business results? How can we improve and manage this function as a high-performing business unit?

In fact, it's time to ask the hard questions of your tuition assistance program before your CEO asks you.

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