



Tuition Assistance is NOT just an Employee Benefit

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Date: June 26 2006

Tuition Assistance Plans (TAP) are part of Talent Management and a Human Capital investment for the future success of your organization. Yet, all too often TAP is viewed as merely an employee benefit (cost) with the sole focus on the “administration” functions either handled in-house or through a BOP service. This short-sited view is a costly mistake.

Larger corporations, government and organizations spend millions of dollars on academic education for employees. Why is there no accountability for cost-containment and ROI? Probably, because this would require a strategic view of TAP. When Tuition Assistance is linked with other HR initiatives and Employee Development goals, it can start to be “managed”, and much more value is received for the employers.

U.S. statistics report that only 27% of all citizens own a Bachelor degree, while projections indicate that about 75% of all jobs do/will require a Bachelor degree at minimum. Who picks up the tab for this needs gap? Industry, government and organizations. Most corporations with 30,000 plus employees spend millions on TAP but with little or no accountability or management of that investment.

Here are some suggestions to make your Tuition Assistance Program more valuable:

1. Policy Design – General policy design includes a maximum annual allotment for employees to spend, and parameters for curriculum selections. However, most policies are not updated to include options provided for adult learners by higher education institutions that are supportive of the learner and reduce costs. Payment for these win-win options should be included in the policy. Here are a few examples:
 - There are many national and institutional examination programs which allow employees to test-out of college courses. This reduces the employees' time to complete their degrees and reduces cost for tuition - often by 80%.
 - Hundreds of colleges/universities offer programs to assess employees' OTJ experiences and grant college credit for such equivalent learning.
 - There are over 80 bureaus of accreditation within the U.S. Department of Education. School accreditation should be narrowly defined to support the learning level needed by the sponsoring organization.
 - There are credit-banking institutions that allow learners to “bank” their credits so students don't lose any cost or time when transferring to various schools.
2. Link TAP to succession planning of the masses. TAP is a significant defense in the Talent Wars and security for staffing for retiring baby-boomers. You may find you need to increase the number of employees using TAP to prepare for future staffing needs. Analyze retention rates for employees using TAP and keep employees when they graduate. Remember, if they leave you have lost 100% of your investment.

3. Provide independent Educational Planners to work with employees to design best-fit provider selections. Employees spend TAP dollars with no centralized, independent and comparative assessments. Employees most often ask a friend to recommend a school or see a college advertisement in print, on the internet or on the side of a bus! Colleges and Universities are dumping a lot of money into their marketing budgets to recruit your employees. Offering such services assures individual employee skills gaps are being reduced, and efficient use of higher education options. Customized employee education plans support Managers and employee Career Development while often reducing the costs for college degrees about 35%. That can mean millions to large employers.
4. Obtain college credit for your training courses. This rids duplication of training and TAP costs.

As with any investment, proper planning and policy makes all the difference. Make Tuition Assistance a strategic investment in learning – not just a BOP function – and your returns will please your employees, HR, and your CFO.