Tuition assistance is one of the most widely used vehicles for advancing employee skills; it also represents a large portion of the billions spent annually by employers on education and development.

But are tuition dollars being used to greatest effect? New analysis by EdAssist® shows there’s substantial opportunity for greater impact.

A recent study shows that a well-designed tuition assistance program can do far more than develop specific functional skills. By offering employees growth opportunities that tightly align with organizational goals, employers can offer the long-term career development employees want, while at the same time deliver on the strategic talent goals the organization needs.
KEY FINDINGS

RECRUITMENT: LEARNING CULTURES
ATTRACT TALENT

Today’s employees place a premium on career development. In the recent EdAssist® study, Student Loan Debt: Who’s Paying the Price?, 85% of respondents said they want to continue learning. Not surprisingly then, the Lasting Impact of Employer-Sponsored Tuition Assistance (see sidebar) showed that:

- **79%** of respondents call tuition assistance an important or very important factor in joining their company
- **65%** rate tuition assistance as one of the best benefits offered

These figures correspond with findings from the previous Key to Attracting Millennials survey showing the importance of learning and career development to Millennials.

- **60%** would pick a job with strong development potential over one with regular pay raises
- **62%** want to continually learn new skills
- **54%** have already taken classes while in the workforce

Combined, the data paints a clear picture of employees looking for an organization offering the tools, structure, and support needed to advance in the job today and in their careers down the road. By tightly aligning education programs with recruitment challenges and then building education assistance visibly into a company’s outward facing employer brand, employers have the opportunity not just to recruit employees — but to recruit people who will stay with and thrive at the company long term.

RECRUITING THE RIGHT CANDIDATES

Successful talent programs require not just recruiting — but recruiting the right candidates. Retaining those hires then requires delivering on career promises so employees will stay on board. Data shows that employee development can deliver on both goals.
CASE STUDY #1

LEARNING-CENTERED RECRUITMENT MESSAGE IMPROVES RECRUITMENT AND CURBS TURNOVER

How do you maintain staffing during a period of growth? This was the challenge for a leading telecommunications provider that was rapidly gaining market share. Turnover among frontline workers was high industry wide; and 4-in-5 employees at the company were in frontline roles.

EdAssist helped design an education program that would assist employees in seeing the company as a place to grow long term. The company then made that education assistance program a centerpiece of their recruitment brand, focusing on its ability to shape and accelerate careers.

Within the first year, the program showed strikingly positive results:

- Nearly 20% of all eligible employees entered the tuition assistance program, more than double the industry average
- 91% of program graduates received performance ratings at or above expectations — 11 percentage points higher than the mean
- One third of program graduates had been promoted or received an internal transfer during that study period — compared with only 13% of all workers

Perhaps most impressive, tuition assistance participants were 50% less likely to leave the organization — suggesting that the people who were drawn in by the ability to learn and grow were proving to be the best investments.
RETENTION: INVEST IN EMPLOYEE DEVELOPMENT, AND EMPLOYEES INVEST IN YOU

Tuition assistance — and the ability it delivers to pursue personal ambitions — supports retention by enabling people to envision long-term careers with their employers. Such benefits are magnified among employers that structure their programs to include educational advising for employees (see Case Study #2). The sum total is substantial gains in retention:

- **81%** of respondents indicate that their employer’s tuition assistance program makes them more likely to stay with the organization
- **77%** say the program improved their opinion of their employer
- **90%** would consider using the program again

The number of repeat users indicates additional advantages in the type of employee retained, showing that people who are drawn to tuition assistance are likely to be highly desirable, ambitious employees who are eager to gain additional skills.

CASE STUDY #2

PROGRAM ENHANCEMENTS PRODUCE MORE GRADUATES, GREATER LOYALTY, AND REDUCED COSTS

A nationally ranked and globally recognized hospital system working to cultivate a world-class workforce had set a lofty performance target: to have 80% of nurses with bachelors of science in nursing (BSN) degrees by 2020.

Success would require nurses to be fully on board. But in a survey, nurses indicated that time — specifically, feeling already stretched by responsibilities — was a substantial obstacle.

In response, EdAssist helped the organization reshape the tuition program to include critical time-saving elements:

- **Access to academic advisors**, who helped employees map out an education plan that fit their individual career goals, budget, and schedule
- **Streamlined reimbursement processes** via newly formed relationships with local universities
- **Easily accessible program details** about nursing program options via intranet and benefits fairs

Such program enhancements — particularly advising — streamlined degree programs and enabled nurses to see degree programs as a feasible undertaking. As a result, the investments paid off for the hospital substantially. BSN enrollment increased by 4.3% over the previous period, while decreasing per-capita costs.
ENGAGEMENT: HELPING PEOPLE SEE THE INSPIRATION IN THEIR WORK

Inspiration breeds productivity. And in the Dream Company Survey, employees participating in a tuition program were roughly 10% more likely than non-participants to agree with the phrase, “My job inspires me.” There were other beneficial upticks as well.1

Additionally, job satisfaction correlates strongly with productivity — and employees using tuition assistance consistently rate themselves highly on both.

- **86%** call it important to job satisfaction
- **83%** say the education they received makes them more effective at work

Top performances require commitment to the day-to-day tasks as well as to the organization as a whole. Those using tuition programs score well on both areas of engagement, arguably because of their ability to achieve personal goals at the company. Nearly two thirds (64%) of those who have completed an employer-supported education program said they benefitted professionally within 12 months following completion.

The data indicates that providing access to relevant learning opportunities contributes to a more engaged and productive workforce, and, as a result, positive business outcomes.
CASE STUDY #3

DIFFERENTIATED OFFERINGS ENGAGE AND RETAIN HIGHLY EDUCATED WORKERS

How can a company inspire its highly educated workforce to innovate?

That was the question facing a top supplier of aerospace and defense communications and electronics. The company had ambitious training goals. Skills gaps were a true threat. And engineers — 65% of the company’s workforce — were the make-or-break of company success. As a senior member of the learning and development team put it, ‘‘Without innovation, we don’t grow.’’ The firm needed a tuition assistance program that would engage these highly skilled employees.

In partnership with EdAssist, the organization diversified its program to provide meaningful and relevant offerings for every stage of an employee’s career.

These included:

- An articulation agreement that jump-started degree pursuits by allowing employees who completed internal courses to earn college credits
- A partnership with a popular institute of technology, enabling employees around the world to take career-relevant, professor-led courses broadcast from the company’s headquarters
- A fully sponsored Executive MBA program for senior managers (nominated by leadership) with a learning track designed to round out leadership skills for succession planning

The efforts paid off:

- Training and education hours spent on job-related topics increased 30%
- 85% of the company’s aggressive training goals were met, showing strong signs of closing skills gaps
- Executive MBA participants had a 95% retention rate
- Success bolstered a rock-solid succession plan by cultivating and retaining the company’s rising stars

85% OF THE COMPANY’S AGGRESSIVE TRAINING GOALS WERE MET, SHOWING STRONG SIGNS OF CLOSING SKILLS GAPS
WHAT EMPLOYERS WITH HIGH PERFORMING TUITION PROGRAMS KNOW

In nearly a half century of assisting employees with their education, tuition assistance programs have evolved into a well-crafted strategy that delivers on targeted leadership development and talent management goals. Today, these robust programs are able not just to draw in candidates, but also to bring people on board who are most likely to thrive in a specific organization.

To fully capitalize on the benefits, HR leaders should:

- Embrace non-traditional learning (boot camps and certificates, for example) as important, cost-effective complements to traditional undergraduate degrees
- Ensure accurate and credible reporting that is able to offer precise data about who’s participating, in which programs, and at what cost, to chart progress against retention and talent management goals
- Create synergies between tuition assistance and other talent management programs, including internal training, performance management, succession and workforce planning, and other talent-management initiatives
- Continually assess program offerings to ensure they fully represent the needs of your workforce and deliver on employee and employer goals

Many companies will find these enhancements amount not to a complete overhaul, but rather a careful fine tuning of budget and efforts that are already in place. And there’s additional room to grow. With more than two-thirds of new graduates entering the workforce with student debt, employers will need to consider additional financial assistance in the form of student loan paydowns.

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1 Student Loan Debt: Who’s Paying the Price? EdAssist and Kelton Global, 2016
2 The Key to Attracting Millennials, EdAssist and Kelton Global, 2015
3 Dream Company Survey: Horizons Workforce Consulting and Bright Horizons, 2016,
APPENDIX: NINE WAYS TO DRIVE MORE VALUE FROM YOUR TUITION ASSISTANCE PROGRAM

1. **Spotlight Programs:** Reinforce your employer brand — and stand out among job seekers — by describing education benefits and long-term development opportunities in your recruiting materials.

2. **Understand Your Market:** Explore areas of hiring difficulty with talent acquisition/recruitment teams. Incorporate recruitment data and recruiter feedback into your policy and program reviews in response to market trends and new jobseeker needs.

3. **Diversify Learning Options:** Degrees aren't today's only external-learning approach. A fast-growing set of high-quality non-degree learning options are often quicker, less expensive, and — in some cases — more directly relevant to a specific job function. By expanding your options to these programs, you can realize potential savings and effectively reach employees who may not have the time or interest in a traditional degree.

4. **Recognize and Respond to Financial Barriers:** Affordability can be an issue even with employer reimbursement. Consider direct, upfront tuition payments to schools on your employees’ behalf to limit their out-of-pocket expenses.

5. **Support Learning in All Career Stages:** Make sure the education options covered by your benefit meet the diverse needs of your entire target population. Young employees may be hungry for continued learning, but nearly 4-out-of-10 tuition program participants are over the age of 40.

6. **Align Education with Talent Goals:** Encourage employees to use degrees and certifications to develop critical competencies. Ensure progress by making all learning (internal and external) part of annual performance reviews and ongoing career development conversations. Coach managers to think about education as a means of accelerating a high potential employee’s development.

7. **Offer Student Loan Support:** Many (70%) new graduates are bringing debt with them. Paying down student loans not only confers a positive “halo” effect on an organization, it also attracts top hires and enables current employees with existing debt to pursue education.

8. **Recognize Success:** Celebrate achievement via manager recognition and formal company-wide events. Ask senior executives to participate. Include any learning achievements — internal trainings, certificates, or advanced degrees — in an employee’s profile and communicate their relevance in advancement.

9. **Ground External Learning in Daily Work:** Coach managers to prompt employees about what they have learned, or plan to learn, in their educational pursuits. Encourage employees to teach peers and colleagues newly acquired skills. These actions will reinforce learning and help distribute that knowledge more broadly throughout your organization.
ABOUT EDASSIST

EdAssist® provides strategic tuition assistance solutions that drive employee performance, build talent pools, and deliver impressive ROI. EdAssist’s fully outsourced tuition management solution includes expert academic advisors, exclusive discounts from 200+ accredited educational institutions, and intuitive software to streamline program administration.

ABOUT HORIZONS WORKFORCE CONSULTING

Horizons Workforce Consulting partners with employers across industries to increase the effectiveness of their people strategies. To learn more about this study or other studies, please contact Horizons Workforce Consulting at 800-453-9383 or clientservices@brighthorizons.com

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