

# Hitting the books

Can your company afford to offer tuition assistance programs? Can it afford not to?

Melissa Beggs | writers@okcbusiness.com

Three years ago, Devon Energy faced a decision: go back to school or be schooled by the competition.

Competitor companies were offering their employees tuition reimbursement and assistance benefits. Devon followed suit in the fall of 2001.

"We were hearing from employees that they wanted this, and we knew a great number of competitors were offering it," said Ryan Whitlow, manager of professional development for Devon. "It sounded like a good way to make a permanent investment in our employees."

Devon began offering full reimbursement of tuition, books and fees to full-time employees pursuing a degree from an accredited institution, provided it had some application to current or future career goals within the company. Right now about 125 Devon employees are pursuing degrees through the program.

"It's definitely a selling point," said Theresa Fugitt, Devon's training coordinator. "From what I've heard from new employees coming in, we're able to offer an even better program than they were getting before."

Brad Davidson, Human Resource manager

for The Hartford and vice president of public relations for the Oklahoma City Human Resource Society, said businesses – especially larger ones – almost have to promise such a benefit.

"Among big companies it's almost an expectation," Davidson said. "It's a popular benefit and a well-used one."

But according to the American Society for Training and Development and the National Institute for Work and Learning, most employees pass on going back to school on the company's tab.

Since the Eighties, when the benefit became popular, the average percentage of employees using tuition programs has remained the same. Although between 80 and 90 percent of large companies offer it, only five percent of their employees are taking advantage, said Ivan Charner, director of NIWL.

"We found that most employees aren't using it because they don't know about it, don't know how to use it, or they need advisors to help them determine what's available," he said.

Since most companies limit the program to full time employees who have been with a

company for at least a year, most employees forget about it by the time they're eligible, he said.

Whitlow said Devon's participation rate is about the same as the national average.

"Even though they may not use it," Whitlow said, "they like knowing it's there if they need it."

For Davidson, The Hartford's tuition program is proving very useful. He's pursuing a Master's degree in Industrial Organizational Psychology at Kansas State University. Like many companies who offer the program, The Hartford sets an annual limit on the amount it will pay.

The benefit obviously serves the employees, too, Whitlow said.

"For us, it increases the professionalism, the business acumen, the knowledge of our employees, and it's an important retention



Brad Davidson

tool," he said.

But employee development and retention are issues for companies of all sizes, and Davidson said smaller businesses should not shy away from offering a tuition program themselves.

Davidson said if a company decides to go forward, a clear policy is imperative.

"Be specific about the types of institutions you will accept and what you'll reimburse," Davidson said.

Whitlow said smaller companies may find they can afford to offer the benefit.

"If you go by the percentage that is expected to use the program every year, you can anticipate your costs," Whitlow said.

But even if tuition assistance isn't a possibility, Davidson said it's just one piece of the employee development puzzle.

"There are lots of things you can offer, such as mentoring or in-house training, at little or no cost," Davidson said. "The important thing is to make sure you're coaching and developing your employees on a career path, no matter what." ■

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