

A First Look at the Benefits of Educational Benefits Programs

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The focal point of this study was: Who is the beneficiary of educational assistance programs? Following focus group interviews, a survey instrument was developed. Responses were received from 455 people participating in various company educational assistance plans while enrolled in a medium-sized West Coast University's MBA program. Findings suggest that neither individuals nor their organizations (supervisors) collaborate to maximize the integration of employees' educational experiences with both job and career opportunities. Suggestions for improving this situation are offered.

Employee benefits account for nearly 40 percent of the total payroll costs in American organizations. The impact of these benefits on employee performance and attitudes are tenuous at best. Although some studies indicate that benefits have positive impacts -- for example, inducing applicants to join, reducing absenteeism, improving loyalty -- the evidence is not very substantial. One traditional employee benefit, educational assistance or tuition remission, has in particular been poorly studied (ASTD, 1984; Morse, 1985). A computerized literature search found less than a dozen citations.

Education assistance programs are, like other benefits, used by organizations in competition with other employers to both entice potential employees to accept employment offers and to retain and motivate employees. The latter is thought to occur through an exchange process whereby the organization gives an (extra) benefit to employees in return for increased loyalty (longer retention) from the employees. Benefits, generally, are viewed as incentives for building and maintaining a satisfied workforce (Milkovich & Boudreau, 1988).

However, as more and more organizations adopt standardized benefit packages in response to competitive pressures for quality employees, the payoff to organizations from items once considered "extras" is being called into question. Many employees have come to believe that benefits are a regular part of their compensation to which, in fact, they are "entitled" (Milkovich & Newman, 1987). Few organizations could choose to drop or diminish their package of benefits without a strong hue and cry from their workforce. Organizations which have tried to cut back on their benefits have faced the wrath of angry workers on strike.

More specifically in the case of educational assistance programs, a "Catch 22" situation is thought to arise. Organizations fund the educational development of their employees only to find themselves with more qualified employees who, in turn, use their additional educational credentials to seek new employment. Professional labor markets, in particular, have shown a general tendency to reward (for example, in terms of salary levels) more quickly people who advance across organizations versus within organizations. Put another way, external labor markets generally grow at faster rates than internal labor markets. A prevailing organizational belief is that educational benefits lead to high rates of turnover (Fox & Swanson, 1986). From the employee's viewpoint, organizations which do not provide educational benefits are thought to be indifferent, at best, to the developmental needs of their workforce. Thus, there are important unanswered questions about the impact of educational assistance programs: For example, are they viewed as a "benefit" or an "entitlement"? Do they affect turnover and/or build company loyalty? Are these programs managed in ways that facilitate employee career development and build the company's human resource base?

Another interested party in this controversy over the role of educational assistance programs are colleges and universities (Morse, 1985). They benefit from the largess of both organizations' and employees' desire to grow and develop. The fastest growing percentage of people entering graduate business schools are not full-time students but so-called "working professionals" or part-time students. These are people who are employed full-time and going to school on a "part-time" basis, usually one or two evenings per week or on weekends. It is the student's employers who pay the tuition charges of the college.

Again, little is known about the extent to which each of these various parties -- organizations (employers), students (employees), and colleges/universities -- benefits from educational assistance programs.

This study looked into this issue, with a hope of providing both baseline data for comparative studies and ideas for enhancing the payoffs for all parties involved in the educational benefit process.

METHOD

Focus Groups

Prior to forming hypotheses, developing instruments, or collecting data, two focus groups were conducted, each with 10 MBA students. The sessions lasted approximately three hours. To ensure a representative population, participants were selected subject to several criteria, including gender, length of time in graduate school, functional background, and employer characteristics (e.g., industry, services or products).

The purpose of the focus groups was to reveal the primary dimensions or aspects used by students (employees) in thinking about their employer's educational assistance programs, including eligibility criteria, fairness, expectations, policies, and the like. Output from the focus groups provided the principle basis for structuring the survey instrument.

Instrument

The survey instrument was a seven-page questionnaire designed to measure graduate students' attitudes and opinions about various aspects of their employer's educational assistance program. For example, such areas as the following were investigated: The helpfulness of company personnel in learning about educational assistance programs, employer-initiated activities for assisting employees (students) in being successful in their graduate studies, actions addressing the relationship between what students (employees) were learning in school and applications on-the-job, job and/or career implications of educational achievement, motivations for obtaining a graduate degree, and expectations about the impact of educational assistance programs on attitudes toward the company. The question format was predominantly closed questions, with Likert-scaled response categories. Some open-ended questions were included for issues where respondent elaboration was felt desirable and informative.

The survey instrument was reviewed separately by three senior human resource management professionals who administered their organization's educational assistance program. Their feedback validated the

response categories and, in a few cases, extended the range of response options. These HRM professionals represented organizations with very different educational assistance programs in terms of both philosophy and administration.

Utilizing feedback from the HRM professionals, the instrument was revised. It was resubmitted to six of the original focus group respondents for further comment. Discussions with these respondents individually led to the final fine-tuning of the survey instrument.

Sample

The survey instrument was mailed to students currently enrolled in a MBA program at a medium-sized West Coast university. More than 80 percent of the students in this program are employed full-time while attending classes in the evening. A cover letter explaining the survey's purpose accompanied each survey, along with a postage-paid, return-addressed envelope. Respondents were guaranteed anonymity so as to enhance the objectivity of the sample data. A follow-up reminder postcard was sent two weeks after the initial mailing.

Of the approximately 975 surveys mailed out, slightly more than half of them were returned by the required cut-off date ($N = 517$). More than 90 percent of those responding ($N = 455$) were involved in an employer-sponsored educational assistance (or tuition remission) program. Subsequent data analysis used only those involved in an educational assistance program and provided a respondent sample with the following characteristics on key demographic variables:

- 1) Sixty-two percent were men and 38 percent were women. Their mean age was 30 years. They were predominantly Caucasian (79%), with Asian Americans comprising 14 percent of the sample and African Americans and Hispanics making up approximately 3 percent.
- 2) The typical respondent was about two-thirds through his/her program of studies. By undergraduate major, 44 percent were in engineering, 29 percent were in business, nine percent were in the physical sciences, seven percent were in the humanities, and five percent in the social sciences. Nearly one-quarter of the respondents already held a graduate degree.

3) Regarding the respondents' current job functions, 21 percent were in marketing and sales, 21 percent were in engineering, and 18 percent were in accounting and finance. Research and development positions, including hardware and software development accounted for another 14 percent of the respondents. The remaining respondents were classified into manufacturing (7%), management information systems (4%), human resource management (2%), and other (12%).

4) Most of the respondents considered themselves to be in "individual contributors" (62%) versus management positions. Of those in management positions, 26 percent were at first-level positions, nine percent at second-level positions, and three percent at directors (and above) levels.

5) Finally, while no information was directly provided by respondents about their specific organizational affiliation, given the nature of the study population it is safe to conservatively estimate that at least 50 percent of the sample were from different organizations. Consequently, over 220 separate organizations are represented in the sample, from both very large to very small organizations from a variety of industries, but probably favoring high technology firms (given the location of the study site).

Given the dearth of existing literature no specific hypotheses were developed for this study. One purpose of the study was to provide baseline data which could be used in future studies for comparative and evaluative exploration. Another was to identify existing practices and ascertain if these were, in any significant way, affecting various employee attitudes. Finally, we fully expected to be able to offer practical suggestions for improving the benefits to all those affected by educational benefit programs.

RESULTS AND DISCUSSION

"I wouldn't want to work for a company that didn't have any educational benefits at all, because I think that says something about their attitude toward employee development".

The survey began by asking respondents when they first learned about their employer's educational assistance program. During the recruiting process was the most frequent response (46%), but about one-third

(32%) said after being hired. Twenty-two percent learned about the company's educational assistance program prior to the recruiting process. There were mixed viewpoints expressed about how easy it was to learn about these benefits or the educational assistance program:

"I found out about it in my interview. Since I was interested in it I asked about it. Even though it is in the published packet of benefits -- I think they keep it pretty quiet. You have to do it on your own."

"I knew when I interviewed out of college that they had educational benefits. I put it in the back of my mind for when I was ready. But is up to you to track down the forms and the process. They don't discourage people, but they don't broadcast it either."

"Besides the binder you get when you start -- and it is buried in the back, they have days when all the local school reps come to the company. HR reps are there to discuss the educational benefits. They are real proactive about it."

We asked respondents for their views about why their employer offered an educational assistance program. As the results in Table 1 demonstrate, the most frequent response has to do with staying competitive in the marketplace for new employees. This response was significantly more important than the other three alternatives ($t > 2.41, p < .01$). Retention of current employees and as an investment in employees' career growth were also mentioned as important reasons for providing an educational assistance program. These two alternatives were significantly more important than the facilitating employees' performance in their current job ($t > 3.1, p < .01$).

There is a gap between why an organization apparently offers an educational assistance program and how well it achieves those objectives, as revealed in these comments:

"I don't think my company has any expectations at all. They have been so poor so far in any kind of career planning. My boss says the reason the company is paying for my education is to broaden my horizons and go after a wide range of opportunities within the company. I tried to talk with someone in HR about the same thing -- but she didn't return my phone call. I don't think they think about things like that."

"I think HR feels it is a benefit they need to provide but don't necessarily support."

"I think it is wasteful for a company to have the benefits and then not have a system to better use the product (educated employees). I think there is a lot of waste in that regard."

"They have it because everybody else does."

TABLE 1

Respondent's Views About Why Their Company Offered an Educational Assistance Program

Reasons	Mean	SD	Disagree %	Neutral %	Agree %
To be competitive in recruiting new employees	5.10	1.31	09.8	16.8	73.5
To retain current employees.	4.97	1.28	11.1	17.5	71.4
As an investment in employee career growth.	4.96	1.41	12.9	17.2	69.9
To facilitate employee performance in current job.	4.80	1.33	12.5	21.5	66.0

The average (mean) scores and standard deviations are calculated on a seven-point scale (with "1" being strongly disagree and "7" being strongly agree). The column percentages summarize responses from the disagree (negative) side of the continuum (1, 2, and 3), the agree (positive) side of the continuum (5, 6, and 7), and neutral (neither agree nor disagree: 4).

Respondents were asked how they learned about the specifics of their company's educational assistance program and how helpful various sources of information were to them. The various sources were their immediate supervisor, fellow employees, the HRM/Personnel department, and official company documents and/or policy manual.

TABLE 2

Helpfulness of Various Sources of Information About Company's Educational Assistance Programs

Source	Mean	SD	Helpfulness Level			
			Not %	Slight %	Moderate %	Very %
Supervisor	2.43	1.10	25.5	29.1	22.7	22.7
Co-Workers	2.55	1.14	24.4	23.9	24.1	27.6
Documents	2.80	1.04	14.7	22.2	31.9	31.2
Personnel	2.82	1.06	15.5	20.0	31.4	33.0

As can be seen in Table 2 the HRM/Personnel Department was viewed as the most helpful source of information, closely followed by company documents. These two official sources of information were reported as more helpful in general than the other two unofficial, or less formal, sources, namely one's co-workers and immediate supervisor ($t > 3.3, p < .01$). Co-workers, in turn, were perceived as significantly more informative about the company's educational assistance program than were one's supervisor ($t = 2.11, p < .03$).

Put in another way, employees reported that their immediate supervisor was the least helpful direct source of information about the company's educational assistance program. However, it should be noted that many people found the information provided by these informal information

sources to be very helpful -- probably in combination with the official sources and especially in assisting with interpretation of official company policies and procedures. Nevertheless, the distribution shown in Table 2 seems to indicate that for many employees learning about their organization's educational assistance program is more happenstance than it needs to be.

How Can Employers Help?

In the focus group interviews we were told about several actions which employers could (did) take which would be (were) helpful to them in their student role. These various actions, and the frequency with which their organization engaged in such practices, is shown in Table 3.

None of these actions were official company policies but rather discretionary actions on the supervisor's part. Such actions, however, indicated to the students/employees the importance attached to their educational achievement by their employer (supervisor). This feeling was underscored by the large numbers of specific suggestions which students/employees wrote-in that they would like their organization to take to help them be more successfully in their graduate studies. Nearly three out of every five respondents completed this open-ended question. Here's how several respondents expressed their feelings:

"They have the mentality that if you want to get a degree on your own time that is fine but don't let it interfere with your job. I know my manager would be very flexible about needing time off, etc. But I also know there are some managers who call people into their offices and tell them they think that school is affecting their performance at work."

"They don't do much. While my boss encourages my education he also points out all of the people who are successful and don't have an MBA."

In addition, only 20 percent of the respondents agreed with the statement: "My company helps me to get the most out of my MBA program." "I think people are so busy at work," explained one respondent, "that they don't take the time to really support my education. I think it all depends upon your manager and what your relationship is with that person."

TABLE 3

**Frequency of Informal Employer Actions Taken to Help Employees/
Students Succeed in Their MBA Program**

Actions	Mean	SD	Frequency			
			Never %	Seldom %	Often %	Usually %
Allow extra time off for studying	1.97	1.07	45.3	26.2	15.0	13.4
Allow extra time off to prepare papers	1.79	1.00	52.2	27.7	09.4	10.8
Avoid scheduling meetings that conflict with classes	2.34	1.13	31.0	24.4	24.2	20.3
Avoid scheduling travel that conflict with classes	2.22	1.06	33.3	25.7	26.7	14.3
Allows me to leave work early for class without having to make up time	2.83	1.14	19.2	17.1	24.9	38.7
Flex-time scheduling allow me to take day classes	1.81	1.11	58.6	16.9	09.9	14.6

Greater Recognition Desired

Just as few employees/students felt that their employers particularly helped them to be successful in their MBA program, very few respondents observed their employers taking any action in regards to recognizing,

in some manner, the completion of their education. More than half responded "don't know" to the question: What, if anything, does your company do to recognize employees' completion of their MBA degree?. Another third reported: Nothing is done. Most people (86%) said that they would like their company to "recognize the occasion of my MBA graduation."

Regarding what companies were currently doing to recognize the educational achievement of their employees, 30 people (7%) reported that they would receive a letter from their supervisor, senior management, or the HRM/Personnel department. Fewer people said they would receive a personal visit or telephone call from one of these three sources (N = 11). That a celebration of some sort would be held for graduates was reported by only four people (0.8%). Most of the respondents who reported company actions noted that their company's newsletter typically acknowledged their graduation.

Again, the responses to the open-ended question about what companies could do to recognize the completion of their educational experience -- which their company had paid for -- indicated that respondents felt strongly that their educational achievements were going unappreciated, either being taken for granted or simply ignored. Nearly two out of every three respondents had some suggestion(s) for their employers. These ranged from "even a form letter from my boss or the division manager" to "required debriefings of how my education benefited the company."

"I think that if the company even recognized that I was getting my MBA I would be a lot more loyal to them. Instead they just ignore that I am getting it. It is real important to me and they aren't recognizing it at all, in spite of the fact that they are paying for it."

"This organization is really not set up to recognize people's accomplishments -- certainly not middle management. It would have to come from some where higher up."

"At the very least they should give you some recognition for finishing. If the Presidential level is involved in those who are leaving -- why couldn't he be involved in some sort of recognition program. There are lots of little things that could be done. How about someone from upper management sitting down with you and talking about what your expectations are. They need to make employees feel that they matter in this company."

Linking Education and Job/Career

Surprisingly little discussion took place between employers and their employees (students) about how their educational experiences might be linked (at least, "potentially") with either current or future growth opportunities in the organization. One respondent voiced the feelings of others, when he indicated that while he had received many nonverbal cues from his manager, no one had "sat him down and said: We see you developing all these skills and here is where we are going to be able to utilize them. That's what frustrates me -- no feedback as to if what I am doing here (education wise) is good and where this education and I fit in the future." As indicated in Table 4, for more than half of the respondents there just simply were no discussions on this topic.

TABLE 4

Extent of Discussions About Potential Link Between Your Education and Growth Opportunities

Time Frame	Mean	SD	Extent of Discussions			
			None %	Some %	Fair Amount %	Great Deal %
Currently	1.48	.75	64.9	25.1	7.3	2.7
Future	1.55	.76	58.9	30.0	8.4	2.7

For those respondents who indicated that there had been some (or more) discussion with their employer, we inquired about the opportunities that had been discussed. These responses tended to be bi-polar: One set of respondents indicating that the discussions tended to be upward-oriented, specifically about "moving ahead" in another job or job function. The discussion for the other set of respondents focused primarily on their current positions, about how to either better perform existing job responsibilities or expand responsibilities within their existing job function.

Respondents were asked a series of questions about how they felt their educational experiences (MBA degree) would enhance their current job and future expectations. Table 5 summarizes the responses to these statements.

The vast majority of respondents (80%) believed that their education would increase their capabilities in their present position. They are considerably less certain that their employer's performance expectations will change because they are more "educated". Less than half (43%) felt that better performance was expected because of their educational experiences. The fact that nearly 25 percent disagreed with this statement suggests some conflict between their own career expectations and that of their employers.

"It seems that the company has this educational benefits policy in order for people to improve themselves on an individual basis but it is on the employee's initiative to either move up within the company to utilize their new skills or move out."

"It seems like I've gone as far as I can go without an MBA. But it's not just getting the piece of paper, but the behavioral change and being able to contribute more and understand more. Upper management can recognize that and thinks of you for new jobs."

"Career wise the MBA helps a great deal. It would take longer for me to advance without one. People see that you have taken initiative and they give you more responsibility. It helps; it is one more thing for them to evaluate you. It says a lot about a person."

Interestingly, respondents were of two definite but different minds about needing an MBA for advancement in their organizations. Forty-five percent disagreed with this perspective, while 40 percent agreed.

TABLE 5
Relationship of Education/MBA and Jobs/Career

Statements	Mean	SD	Disagree %	Neutral %	Agree %
An MBA degree will be an effective way to increase my abilities in my present job.	5.22	1.53	14.4	05.3	80.3
My company expects better performance from me because of what I am learning in an MBA program.	4.17	1.32	24.8	31.9	43.3
The MBA degree is a necessary credential for advancement in my company.	3.81	1.78	45.1	14.5	40.3
Getting an MBA degree is likely to affect my career expectations with my current employer.	5.49	1.32	09.4	08.2	82.4
My company believes that it gains the benefits of my educational program incrementally as I proceed through the program.	4.18	1.28	19.7	44.6	35.7
My employer believes that the company gains the major benefits of my educational program upon completion of the program.	3.80	1.28	32.9	44.0	23.0

Leaving this controversy aside, people substantially agreed (82%) that getting an MBA would affect their career expectations with their employer. While an MBA might not be a requirement, respondents did believe that this educational credential would change their thinking about what they were doing with their employers currently.

"I could get ahead probably just as fast in the short term, but not in the long run. If I wasn't going to school I could put more into my job. Downstream and changing departments though it will be a plus. Lots of the openings in the company ask for an MBA or say it would be a plus to have one."

"An MBA clearly gives you more mobility than you might otherwise have."

"I think it depends on if you were hired as an MBA or worked on your MBA while you were there. There is almost a stigma of having gotten one while you were working there, not valued as much as someone hired in with one. Many people don't know that you have one. It is important to let the next manager know that you have gotten one."

Most respondents were unsure about when their employers expected to benefit from their educational experiences. About 44 percent were neutral (neither agree nor disagree) on this question, both for "incremental" and "upon completion". Overall, people tended to agree slightly with the incremental point-of-view and disagree slightly with the upon-completion perspective. This uncertainty on the part of employees probably mirrors the uncertainty on the part of their employers as to how educational development will benefit the organization. Consider these comments from two respondents:

"There is no ball and chain with my company. They pay for my education without any guarantee that I will stay. They must view it as a past benefit."

"The company doesn't do anything salary wise for you once you finish either. There is a lot of turnover after six months or a year after nothing happens when they have finished their degree and they leave. But at the same time our company heavily recruits MBA's. We bring them in at higher salaries and not having the experience."

Benefits and Employee Attitudes

Unlike other company benefits, there are some employers (as well as employees) who believe that educational benefits in particular actually increase employee turnover. Here are two representative comments:

"That seems to be the rule – once you get your MBA you go out and get a new job. If you stay you won't get what you could if you leave. If you stay nothing changes for you."

"I work for a small size company and when someone takes a lot of classes and then leaves the company they feel let down. They take it personally. I know that if I left the company they would feel let down. They have treated me well...and even though they haven't come out and said "we want you to stay here and grow" that is the message I'm getting. If it turned out that there wasn't the opportunities I wanted within the company and I left, there would be resentment on their part. I think because it is smaller they do take it more personally."

We asked a series of questions to tap into employees' (students') attitudes toward their MBA, their employers, and especially about how their education (degree) would affect their loyalty and mobility (or turnover). These were assessed with Likert-scaled agree/disagree statements, as shown in Table 6.

Employees, in that special subset of people already receiving educational assistance, generally agree that professional employees are entitled to educational assistance benefits. However, it should be noted that more than one-third do not agree that educational assistance/benefits are a "right". Respondents were somewhat divided on the question of whether or not company loyalty was expected because the employer was financially supporting their education. Somewhat more disagreed with this statement than agreed (46% versus 30%). However, when the onus of responsibility was shifted from the company's expectations to their own expectations, a different pattern emerged. More than half felt greater loyalty to their company because their employer was supporting their education. About one-quarter still disagreed with this sentiment.

TABLE 6**Attitudes and Perceptions of Employees/Students Regarding Educational Assistance Program and Turnover**

Statements	Mean	SD	Disagree %	Neutral %	Agree %
Educational assistance is a right of all employees in professional positions.	4.21	1.91	36.1	14.9	49.0
Company expects loyalty from me because they are financially supporting my education.	3.61	1.58	45.5	23.8	30.1
I feel greater loyalty to my company because it is financially supporting my education.	4.44	1.66	23.9	20.6	54.5
I believe obtaining an MBA degree has contributed to turnover in my company.	3.26	1.48	48.4	36.6	15.0
I fully expect to be with my current employer three years after obtaining my MBA.	3.47	1.74	49.2	24.3	26.5
A major reason for getting an MBA is to get a job in another company.	3.65	1.87	46.0	20.5	33.5

"It is hard while you are in school to do or think about anything other than getting through school and your current job. So job hunting is not a priority. Also your commitment to your current employer is probably higher during this time as well."

"If you are loyal at all you would look within your company first for another job. I think that is what a lot of people do. That is what I plan to do and then if I can't find anything I would leave."

"If companies fostered the idea that you were getting your MBA to help the company (as well as yourself), rather than it is something you are doing to improve your individual career opportunities, then it would create a different mind set in employees and more loyalty to stay with the company."

A behavioral measure of loyalty (or commitment) is turnover. A relatively small percentage of respondents (15%) believed that turnover in their organization has been affected by obtaining an MBA degree; nearly half disagreed with this statement. However, almost 50 percent of the respondents did not expect to be with their current employer three years after receiving their MBA degree. It would seem that these employees/students are saying that they expect their education to make a difference in their career but that in-and-of-itself the obtainment of the MBA will not affect their current (and near term) organizational attachments.

"There are lots of us who would like to stay and grow with our companies when we finish our MBAs. I think companies need to hear that and realize that our expectations are not something that can't be realized within the company."

"I don't know if I would tie it to an MBA or not. If I didn't think I was moving where I need to go in the company...it wouldn't have anything to do with how they were or were not using my MBA."

"Most of the people I know plan on staying where they are and using their MBA in some increased capacity within their company. They feel they will be able to move within their companies to achieve what they want."

"My perspective is that I would like to stay with my company, but they are going to have to find a way to use my broadened education and experience or I'm not going to stay around with them forever. I don't know if they are going to be able to figure that out. I'm willing to help them figure that out but it's a question of whether they are going to be able to get over the bureaucratic hurdles or not."

Benefits Administration

While many employees/students felt positive about the administrative aspects of their company's educational assistance program, there were some noticeable exceptions (see Table 7). For example, nearly half felt their employer adequately publicized the availability of the educational assistance program to employees, but more than one-third disagreed. A similar pattern emerged with regards to clarity about eligibility and ease of participation (or enrollment) in their company's educational assistance program. However, few perceived the eligibility criteria to be unfair (8%), that getting their request approved was difficult (18%), or that "official" educational assistance program policies were somehow different from what was practiced (13%).

"Educational assistance is open to everyone but you have to sell it to your manager. So while the policy is written fairly it is not always implemented fairly because not all managers value education and you aren't going to be able to sell them on it."

"At my company anything that anyone want to do in the way of self-improvement or enhancement will be approved. I don't see any manager standing in the way of that."

Controversy exists about how organization's determine the job-relatedness" of an employee/student's course of study. Respondents were just about equally divided between agree and disagree on how consistently this criteria was applied. Another one-third were neutral on this issue, which in practice must be considered as less than positive. As one employee/student remarked: "The real difficulty is within our company. Some people's managers are more generous or broad minded than others about how graduate education will have a positive impact upon employee performance." Another commented that the policies seemed "arbitrary

on decisions about whether or not the education was job-related or not." How strictly job-related is defined appears to be almost a "philosophical" issue for organizations regarding their beliefs about how education impacts employee development (and correspondingly organizational effectiveness).

Another controversial issue concerns the organization's policy of reimbursing tuition costs based upon student's grades. Many (40%) agreed that this practice created conflicts between their jobs and school, although about an equal number (37%) disagreed. There were strong feelings on this topic from employees (students):

"I don't really care personally about grades and I could easily spend less time studying for exams if it weren't for my company's insistence on above average grades. My work does take a back seat during final exams as a result."

"Over the long haul they will pay out over \$10,000 for my education and so you would think they would want you to do well. The thing with grades is that I could put in more time at work and get a "C" in classes but then I would have to pay for it all myself."

"I don't think grades should enter into the reimbursement picture. As it is now if I have to decide to stay late and finish a project or go home and study for a test I'll go home and study. If the policy were different I might settle for a "C" and not study so hard for the test."

IMPLICATIONS

In this study, more than one out of every four respondents expressed some difficulty with their company's educational assistance program, ranging from eligibility requirements to career payoffs. These comments from two students (employees) who participated in our focus group discussions go a long way toward summarizing our findings:

"I was interested to find out here today that while most of us are pretty happy with the educational assistance programs of our companies...it brought out that the career planning and "where to go from here" is a problem and not one that is unique to my firm."

TABLE 7**Attitudes and Perceptions of Employees/Students About
Administrative Aspects of Educational Assistance Programs**

Statements	Mean	SD	Disagree %	Neutral %	Agree %
My company publicizes the availability of its educational assistance program to employees.	4.21	1.91	36.1	14.9	49.0
My company's criteria for determining employee eligibility for educational assistance are clearly stated.	4.58	1.73	28.6	11.7	59.5
Getting one's educational assistance request approved is difficult.	2.58	1.62	71.6	10.4	18.0
The eligibility criteria for my company's educational assistance program are fair.	5.21	1.27	08.5	18.5	73.0
The criteria for determining whether or not an individual's program of study is "job-related" is consistently applied.	4.12	1.46	29.4	35.1	35.5
Almost any employee can receive educational benefits by enrolling in an approved program.	4.62	1.77	27.9	12.8	59.3

My company's educational assistance program as officially stated is different from how it is actually administered (practiced).	2.86	1.42	64.3	22.9	12.8
Reimbursing tuition on the basis of grades causes conflict between my job and school.	3.91	1.71	37.2	22.5	40.4

"The better the reimbursement policy, the bigger the commitment of the company and the more responsibility the student (employee) feels toward the company."

Indeed, organizations (employers), students (employees), and business schools each have something to learn about maximizing the benefits of graduate education programs. These three groups should be working together because they share common purposes, but what we often find is, at best, an uneasy alliance.

For organizations, they have seemingly failed to match their educational assistance programs with strategic business objectives. At a time in which the educational requirements of the workplace are increasing and the educational achievements of the workforce are diminishing, the human resource management challenge is great. The employee's educational experience is not well integrated into the company's human resource management system. Few employees see their organizations linking education (employee development) with any specific workplace demands. Nor at the individual level are supervisors or HRM professionals working with their employees to ensure that this educational experience is linked to career development objectives compatible with anticipated organizational requirements. Few organizations, it appears, seem to even mark or systematically track the educational accomplishments of its employees.

Part of the challenge for HRM professionals will be to assist their organizations in reconceptualizing the traditional view of educational assistance programs as simply an employee benefit. educational assist-

ance programs serve several simultaneous functions: aiding recruiting and retention, career development, and as a performance incentive. Fox and Swanson (1986) suggest that these functions can be divided into separate tracks and the particular program details modeled differently for each. Perhaps this will help organizations place needed emphasis on the link between employee education and career development.

In addition, organizations need to better train managers for their role as career development advisors (Milkovich & Boudreau, 1988). Few managers are prepared for the task of helping employees match career goals with educational programs. Very few managers have any comprehensive information about the scope and quality of available programs. Education is often just encouraged for its own sake, which is not necessarily incorrect, but fails to maximize the gains involved from this experience for both the organization and employee (student) alike.

For individuals, both in their roles as employees and students, they need to become more active participants in their own career development. Fewer organizations are accepting paternalistic "cradle-to-crave" responsibilities for its workers. Government statistics reveal clearly that future careers will be a series of different, often quite distinct jobs, across a variety of organizational settings, with greater time involved with lateral, rather than vertical, moves.

By the time that employees are pursuing a terminal business degree (like the MBA) they should be able to indicate how specific courses have enhanced their skills and enriched their thinking (Weigand, 1982). Since the vast majority of educational assistance programs require that the educational experience be job-related, the feedback loop on this process needs to be completed.

The challenge for business schools is to be responsive to the needs of adult learners and the population it serves. Business school critics, like the Porter and McKibbin (1988) report, point out that too much of what business schools promulgate is not clearly relevant to the business community. Too often students are filled up with knowledge while in school but leave without a clue as to what to do with this information (Louis, 1990). Adult learners are problem-solvers and business school curricula needs balance between theory and application.

While a handful of schools do, more must incorporate early in their graduate programs sessions on career development for their students. Schools might take it upon themselves to initiate discussions between students and their employers as to the purposes of this educational expe-

rience/program -- perhaps even as an admissions criteria. Particular milestones might be established as feedback loops in this process. Finally, schools must be ever diligent to dialogue with their business community in order to monitor their product's utility and relevance, as well as to identify and be responsive to future trends and needs.

Finally, we suspect that many of these challenges are not necessarily new but are on-going. Consequently, the observations from our study need to be extended to other college programs which may be meeting the needs of their students and business community differently. The differences between full-time students and working professionals may also be substantial and require vastly different strategies. How these findings might differ by respondent or organizational characteristics would be of interest in future studies.

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