

## **Pay for Learning Programs**

**By Lynn Harrsch**

Some employees are motivated by personal recognition, some by promotional opportunities, and others by pay compensation and benefits. It is essential that an employer identify what motivates their employees and what kind of incentives will drive the behavior necessary to achieve improved performance and profits. More companies are offering pay for learning benefits, such as education assistance, on-the-job training (OJT), and paying individuals to learn and increase their job skills. Micron Technology, Inc. continues to invest in its employees through these specific benefits.

When a candidate is evaluating a job offer, he/she evaluates all aspects of a job, such as compensation, benefits, and career opportunities. It is important that the individuals know that there is opportunity for professional growth, and they will be rewarded for continually contributing to the success of the company. An individual who has little experience/education and cannot afford to attend college or pursue their education full-time, might be seeking a job that will not only pay for their tuition, but also allows some flexibility with their work schedule.

Increasing employee's knowledge not only benefits the employee, but it also benefits the company. Employees become more valuable through their learning experiences and being able to apply the concepts or information in which they have learned on-the-job. Finding qualified workers is hard and it seems that every industry is faced with the challenges of attracting, keeping, and motivating its workforce. Once a company hires an employee, it is important that they do everything within their control to keep that team member satisfied and productive. Employees often leave companies because they do not feel challenged, lack of career development and feel they cannot increase their knowledge about their profession. If a company offers education assistance or OJT where an individual can continue their learning and pursuing education, they are more likely to satisfy the needs of their employees. Therefore, it allows companies to retain their team members and reduces attrition.

Attrition cost companies a significant amount of money each year. Companies devote great time and efforts into finding ways to retain their workers. Here are few ways attrition has a negative impact on companies: deadlines could be missed, morale could decrease, loss of knowledge and business could occur, and the initial time and money invested in training is lost. Studies show that it costs on average approximately \$4,000-7,000 to replace an entry-level employee and \$40,000 to replace a mid-level employee. That is why it is essential for employers to accommodate the needs to their team members, both through developmental opportunities and/or compensation.

Listed are several different ways an employer can offer an employee to increase their work knowledge and make them more valuable to the company:

- Certifications
- Education Assistance Program
- On-the-Job Training
- Professional Conferences and Seminars

### **Certifications**

Several recognized certifications are available to employees who are seeking to increase their job-related knowledge and skills. These programs open the door to job growth and career advancement. Many employees seek to increase their abilities through these programs.

Certification programs differ from formal education, in that they focus on specific job skills and applications, whereas formal education includes a diverse background of theory and concepts.

By having a specific certification, an employee guarantees his/her employer a certain skill set and knowledge base. Listed are a few examples:

- A+ Certifications
- APICS (CPIM, CIRM)
- CPA
- EMT
- Microsoft Certifications
- PHR/SPHR

## **Education Assistance**

Education assistance is for team members who enroll in job- and/or industry-related programs, including undergraduate and graduate university courses and degree programs that are not part of the company's internal training program.

Some companies feel if they pay for a team member's education, certain stipulations and requirements need to be fulfilled by the team member:

- Employee must be willing to commit to a certain length of service after completion of the class or degree. If this agreement is not met the individual is responsible for reimbursing the company.
- Course(s) need to be taken on a non-scheduled workday. Colleges and University are accommodating students and offering evening and weekend courses. Courses are being offered to be more convenient for the non-traditional student, who works from 8-5pm and also attends school.
- If course(s) have been approved to be taken during work hours, the time away from work will need to be made up.
- A maximum amount of assistance in which an employee receives is limited. Section 127 of the Internal Revenue Code allows up to \$5,250 per year for the educational costs. Also, this amount depends on how much the company is willing to provide.
- Successful completion of the course(s) with a grade of "C" or better, or a rating of "satisfactory", is required.
- Course(s) have to be job- and/or industry-related.
- Employee must have Supervisor/Manager approval and satisfactory work performance.
- Employer will only pay for classes at a formal educational institution, such as a technical college or university.

Distance education/learning, also known as e-learning, is becoming increasingly popular. Technology is changing the way the universities offer courses. Distance education is meeting the needs of individuals, who are considered "non-traditional students", are working full-time jobs while attempting to earn their degree, or who live far from the campus. Distance

educational courses are generally offered via satellite or computer (on-line). Creating opportunities and benefits for not only the student, but also the university.

### **On-the-Job Training (OJT)**

On-the-Job Training supports instruction or training that improves or develops the capabilities of team members. The use of OJT in the work environment ensures that team members learn how to perform tasks and/or job functions in accordance with the expectations and standards. Currently, every new employee at Disneyland attends classes where they learn the history, philosophy and concepts of quality service. Disney has started to offer more on-the-job training where an individual has the opportunity to learn while performing their job.

### **Professional Conferences and Seminars**

Conferences or seminars allow for companies to stay current on the latest technology or developments. Usually a select number of individuals are chosen to attend and then they brief their co-workers on new ideas/information they have learned. A few disadvantages of allowing employees to attend a conference or seminar are travel expenses and time away from being productive at work. Also, if the company hosts the seminar, there are added expenses, such as the fees for the speakers.

Many companies offer education assistance, OJT, or compensate their team members to continue pursuing their education or to increase their knowledge. In the end, everyone benefits from pay for learning programs. For more information regarding the different benefits available, it is recommended you contact the Human Resource department of the company that interest you.

"The most effective retention strategy I know is to make sure that employees feel valued for their individual contributions to the mission and success of the organization. In other words, they understand—because they are told and because the reward mechanisms reinforce the message—that they bring unique capabilities to their jobs. They matter; they make a difference."

—*Laura Avakian, Vice President for Human Resources,  
Massachusetts Institute of Technology (M.I.T.)*

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