



Learners and Earners

Investing in your employees ensures your company's future beyond "The Great Resignation" era



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Executive Summary

Recruitment and retention have always been difficult, but they are far more challenging in the era now known as “The Great Resignation,” or “The Great Reshuffle.” Tuition reimbursement programs (TRP) are key elements of a future-ready recruitment and retention strategy. However, they are greatly underutilized.

Our data-driven study explores why only 2% of eligible workers take advantage of TRP:



What companies are using TRP as part of their recruitment and retention strategy?

We conducted a Market Intelligence report to get the lay of the land. < 50% of surveyed businesses are actively offering and using TRP. These businesses include the tech, travel, hospitality, retail, energy, and healthcare industries.



Where are workers going for information about TRP?

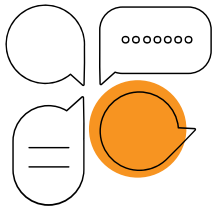
With a proprietary AI, we scraped the Internet and reviewed over 61,386 online discussions about TRP. We found that most workers visit question-and-answer sites, like Reddit, for information, but ads for jobs with TRP are on different social media sites, such as Instagram. This means that companies and workers are online at cross-purposes.



What do HR Professionals say about TRP, and what do they need to make TRP work for them and their companies?

Focus groups with HR Professionals and workers revealed that trust and workload are two major barriers to utilizing TRP. By partnering with third-party experts, team members can save time and ensure efficient management of TRP.

Methodology



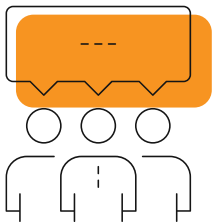
1: Social Listening

Scraped 465,000 workers' social media posts across the US, eliminated 360,000 posts for irrelevance: hand-analyzed 61,386 original posts and replies (threads).



2: Market Intelligence

Desk research and quantitative survey across essential US market segments, including the technology, healthcare, transportation, retail, and hospitality industries.



3: Focus Groups

Six 1-hour-long focus groups: 3 conducted with workers, to understand pain points across the process; 3 conducted with HR Professionals across US, representing industries listed above. Total n=33

Background

Recruitment and Retention Challenges During “The Great Resignation” Era

Even before the Covid-19 pandemic, recruiting and retaining talented, skilled, and engaged workers was already an uphill climb. However, since the pandemic and “The Great Resignation” or “The Great Reshuffle” era, recruitment and retention are harder than ever.

Since Covid-19, workers have felt freer to leave if they*:



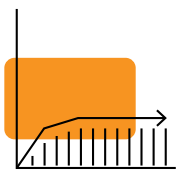
Desire more income or better benefits



Dislike the workplace culture



Feel disrespected



See no opportunities for advancement



Lack flexibility in time management



Want more fulfilling work

Additionally, workers under 30 are much more likely to leave a job than their older counterparts, meaning that dollars spent on training energetic new entry-level to mid-level hires is more likely than ever to be lost.

One answer is using tuition reimbursement programs (TRP) to help build loyalty, excitement, fulfillment, and advancement options, but this solution remains elusive for many.

*Pew Research Center, 2022

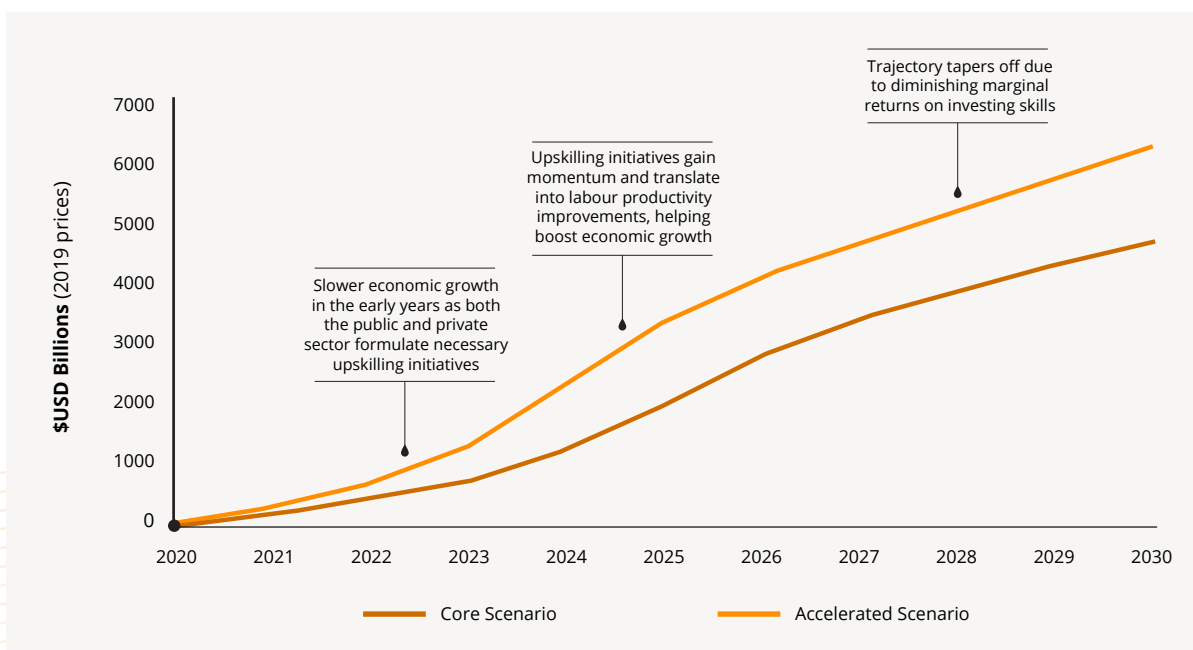
Why is upskilling / reskilling a great plan?

Competitive advantage is crucial for success in the global market.

According to the World Economic Forum, upskilling the global workforce via TRP could increase worldwide GDP by \$6.5 billion. The workforce sees the value in upskilling, too. In a recent survey more than half of all workers regardless of employment status indicated they wanted reskilling and career development benefits*. Furthermore, our own research shows that workers who are more educated are more likely to pursue in-house opportunities for advancement.

Wide-scale investment in upskilling has the potential to boost GDP by \$6.5 trillion by 2030

Additional GDP potential due to upskilling, 2020-2030 (2019 prices, billion \$)



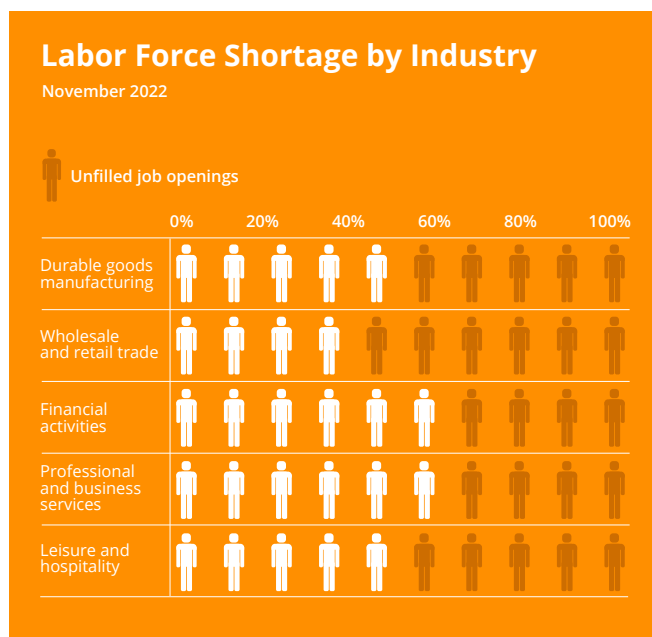
Over 50% of workers worldwide want reskilling and career development benefits.

*US Chamber of Commerce, 2022

Barriers

Barriers to workforce entry are particularly hard on lower-education workers who could, via their unique viewpoints and enthusiasm, become transformational employees.

Businesses can increase their hiring pools by removing barriers to entering the workforce, expanding childcare access, encourage “second-chance” hiring and providing more accessible opportunities for new and existing staff to be upskilled and reskilled on the job.*



TRP can make education (and therefore upskilling) much more accessible to workers who otherwise could not afford to advance their workplace skills. These workers are more likely to have only a high school diploma or partial high school education.

Upskilling these low-education workers is important because labor shortages range from 25% to nearly 60% across key industries for the economy, as demonstrated in the US Chamber of Commerce BLS data to the left.

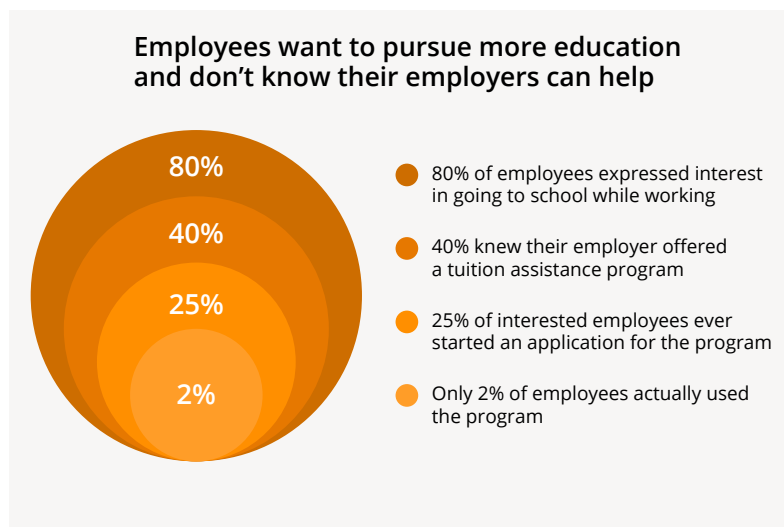
Industry	Job Openings (Labor demand)	Unemployment (Labor supply)	Labor Shortage	Percentage of Labor Shortage
Manufacturing	769,000	393,000	376,000	48.9%
Wholesale and retail trade	1,029,000	666,000	363,000	35.3%
Transportation, warehousing and utilities	478,000	360,000	118,000	24.7%
Financial activities	483,000	200,000	283,000	58.6%
Educational and health services	1,972,000	521,000	1,451,000	73.6%
Leisure and hospitality	1,369,000	769,000	600,000	43.8%

Industries will need to upskill and reskill an enthusiastic workforce to fill existing jobs and to expand downstream.

Tuition Reimbursement

Though tuition reimbursement is a major strategy for job recruitment and retention, unless HR professionals have help managing it, the benefit can fall by the wayside.

Despite the clear value of upskilling to attracting and retaining talent, tuition reimbursement program use is low. Though 80% of all employees across industries express interest in upskilling, only 40% know their employers offer tuition reimbursement, only 25% ever apply and only 2% ever actually use the program*.



What accounts for low use of tuition reimbursement program utilization? Learners and companies encounter multiple barriers.

Barriers vary and affect several dimensions simultaneously. They can be attitudinal, emotional, psychological, physical or structural — social status, information access, bandwidth, etc. Although barriers span multiple professional areas, eliminating them often falls to HR professionals. HR professionals are responsible for many other initiatives are working at full capacity.

It is important for employees to ask questions about their tuition assistance program to truly understand the upfront costs, for example some programs may offer limited upfront payments, with caveats of owing much less in total costs at the end of the term if good grades are obtained, and then the company's tuition assistance program may cover most if not all the tuition costs.

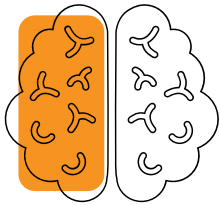
Tuition programs are not one size fits all. Without sufficient support, TRP participation and retention will not improve.

*In Stride, 2022

Barriers to Using TRP for Worker Retention

Our research into TRP use found three barriers that prevent HR professionals and workers from using TRP effectively for retention:

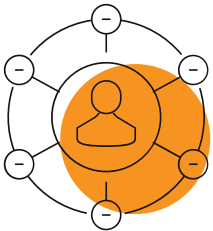
Knowledge



Tuition Reimbursement? What's that?

Workers are rarely made aware of tuition reimbursement; TRP is usually mentioned during onboarding. Since most companies require at least one year of employment before enrolling in TRP, by the time they are eligible many workers have forgotten about the benefit. Few companies remind employees that TRP is available.

Bandwidth



I can't do one more thing!

HR specialists understand the benefit of TRP and want to extend information to more workers. However, HR professionals are also struggling to increase company productivity while doing other work too. This means less time for TRP promotion.

Trust



Will they stay or will they go?

HR Professionals routinely say that in the past, workers have left their company after receiving their benefits.

However, workers - especially those who seek graduate degrees - say that TRP increases loyalty to the company, and many plan to stay on after graduation.

HR Professionals

HR Professionals share additional challenges when it comes to TRP administration.

Top challenges around feeling overwhelmed:



Companies often offer multiple TRPs, from GED credentials to PhD programs. Administrating these can feel overwhelming.



HR professionals must also coordinate with multiple schools / colleges.



HR professionals need to take time evaluating which workers could benefit most from TRP.



Some HR professionals ask for help from department and team supervisors, but they often are too busy.

"I don't just administer one program. We offer everything from GED to Masters and each program has different aspects to juggle."
— HR Professional

"Not everyone would benefit from tuition reimbursement programs... it's a no-brainer that we'd ask supervisors to give recommendations about which employees may want to participate. But they get overwhelmed too and forget."
— HR Professional

Ships Passing in the Night: The Challenge of Using TRP for Recruitment

Research shows that TRP is used more often for retention than recruitment. Prospective employees rarely see ads about reimbursement in particular, whereas companies do highlight reimbursement as part of communications about benefits overall.

To understand the nature of the disconnect, we conducted social listening to find out who among prospective workers was seeing existing ads and noted that most of these ads are posted on Instagram, LinkedIn, Twitter, TikTok, and other major social media outlets.

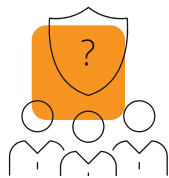
Social Media ads can be an inexpensive spend and it makes sense to continue using social media. However, according to number of views and likes, most prospective workers are not seeing these ads. The bulk of prospective workers are more likely to be on Reddit, Quora, and other question-and-answer sites. They engage with longer-term employees around maximizing the benefit of TRP based on their eventual career goals and their current life needs (e.g., number of young children, spouse/partner needs, and concern about how they will manage time). They do not look for TRP information on other sites.

In essence, when it comes to TRP, employers and prospective workers are like two ships passing in the night. Reaching out to prospective workers on question-and-answer sites and answering their questions could build trust and ensure more applications from strong talent, but few HR professionals have time to monitor and respond to posts.

How Third-Party Solutions Can Help

A third-party TRP administrator can save time and resources by managing multiple program aspects, consulting with employees and answering questions to encourage participation and completion. Our research shows that up to 50% of companies across the tech, travel, hospitality, retail, energy, and healthcare industries say they use third-party TRP administrators to free up time and resources for HR. As an added benefit, they also help with promoting the programs to maximize participation.

However, there are two main barriers to third party administrator use for the other half:



Few know where to
look for TRP admin



Admin cost is
perceived as too high

"I've never heard of any companies that could help with [TRP]. I'd welcome working with a third-party company but doubt that upper management would approve paying for [help]."
— HR Professional

Companies that use third-party administrators and promote their TRP internally see better TRP utilization.

50% of companies that use third-party TRP admins
achieve savings in time and resources for HR.

Implications and Inquiries

Employers must work to attract and retain talent in the age of “The Great Resignation.” Many businesses have embraced remote or hybrid work models and flexible scheduling. Others are helping their workforce navigate childcare, and some are offering innovative benefits. No one solution to industry labor shortages or employee retention exists. It’s more like a set of ecosystems, unique to each industry.*

As part of a comprehensive program to recruit and retain workers, tuition reimbursement programs are a powerful benefit. These programs can help recruit smart, enthusiastic talent and retain talented employees, preserving institutional memory and protocols. Further, third-party tuition reimbursement program companies can free up HR time, meaning money saved on new hires. They also can lead the way for cost-effective advertising to intended audiences.

For more information about how a third-party tuition reimbursement program could help your company build and maintain a strong, excited workforce after “The Great Resignation,” and for more findings from the research covered in this article, reach out to apbusinessdevelopment@pearson.com

*Ferguson, 2022

