

Employers Warm Up To Online Education

Online degree programs offer flexibility and cost advantages that are becoming increasingly popular. By Kimberly Merriman

Online education is entering the mainstream, according to some higher education analysts, and its growing popularity with employers is part of the reason. Increasing the knowledge of their workforce is a prime benefit for employers, and many companies are finding ways to support employees who want to continue their education or earn advanced degrees online.

Employers' efforts are being aided by online degree providers, which are catering to businesses by offering features such as discounted tuition and customized

programs designed to fit the needs of specific companies and industries.

What's happening in business corresponds to a surge in online education overall. Eduventures, a Boston-based provider of market research and analysis for the education industry, reported that the number of students in fully online higher education programs grew nearly 34 percent in 2004. In addition, a 2004 study conducted by the Sloan Consortium found online enrollment significantly outpacing higher education enrollment overall.

Increasing employees' satisfaction and retention are some of the most important reasons cited by organizations for using online higher education, according to a March 2005 survey of 151 learning executives by the American Society for Training & Development (ASTD), based in Alexandria, Va.

Approximately 29 percent of corporate tuition reimbursements now go to online or blended programs, according to the ASTD survey. About 58 percent of the survey respondents expect the role of online higher education to increase in their organization over the next two or three years.

Online education's appeal in the workplace reflects the fact that it's "a natural extension of today's work environment," says Richard Coffey, director of manufacturing, functional and employee development training for the Boeing Co.'s learning, training and development unit, because "it mimics how we work."

By delivering a flexible means of education that is "needed in today's business world," online education is gaining

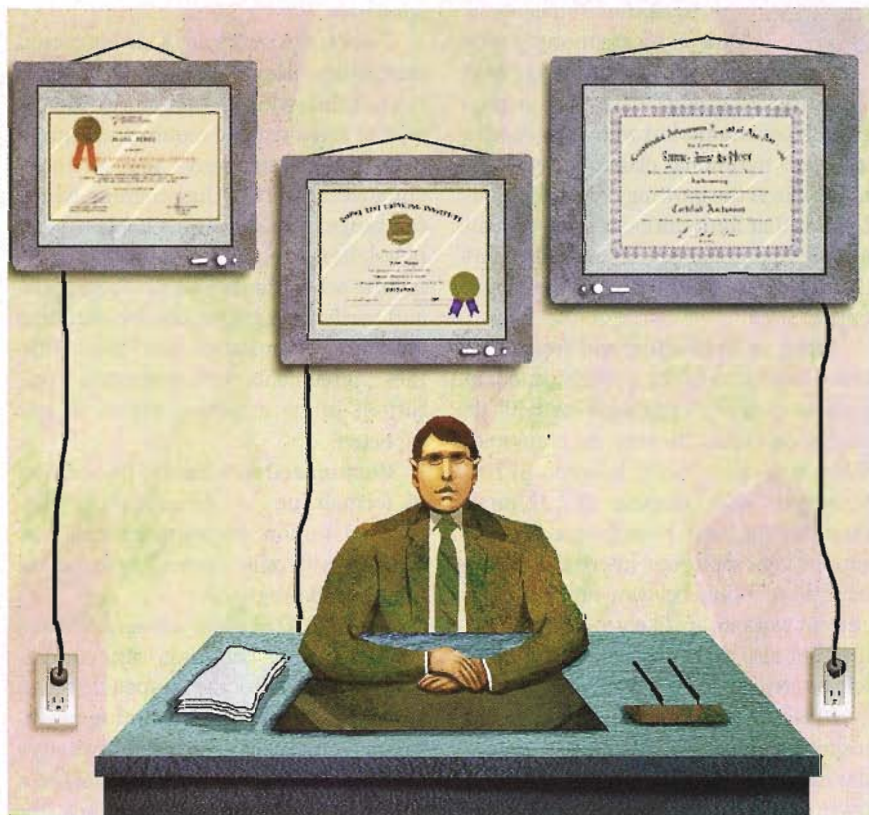


ILLUSTRATION BY WARREN GEBERT

increasing acceptance from employers, says Rock Primas, director of learning and development for PHH Mortgage in Mount Laurel, N.J. In building a better-educated workforce, online education presents a wealth of benefits.

Clear Advantages

Online education meets employers' needs in several ways, including increasing workforce knowledge, improving an organization's hiring and retention efforts, and stretching education dollars through tuition discounts and customized programs that combine training with degree programs.

Business advantages of online education include the following:

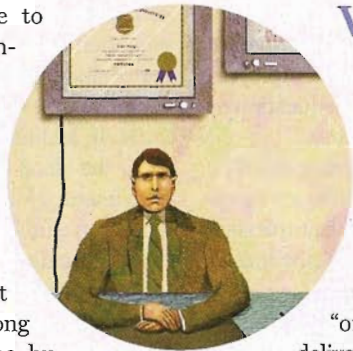
- **A more knowledgeable workforce.** Online education appeals to employees who otherwise could not pursue higher education due to time or geographic constraints. "It's advantageous to the company to support employees in online education because it draws more people to continue their degree, which can only benefit the company in the long run," says Julia Parastino, human resources business partner at Merck & Co. in Blue Bell, Pa.

A survey of Drexel University online students found that more than 70 percent said they would not have attended the same program on campus even though they lived or worked in the area. Online graduate student Kimberly Summa, a production material planner at L-3 Communications Systems-East, a communications systems company in Camden, N.J., wasn't thinking of pursuing a master's degree in engineering management, but after "looking casually at programs, the whole online thing really sold me."

Online education also gives employees more flexibility to choose their area of study. "If the degree is not offered locally, then online is a way to get the degree you want," points out Valeri Lee, manager of training and development at Lockheed Martin Corp.'s missiles and fire control unit. For instance, Lockheed

Martin engineers in Florida complete the hard-to-find master's in optics degree through Arizona State University online.

- **Increased hiring and retention.** L-3 has found its support for online education to be a powerful retention and hiring tool, says Barry Lem, the company's manager of training and development. Turnover at the company was below 3 percent last year. Summa cites the company's support for her continued pursuit of an online graduate degree as a "big selling point" in her decision to take a job with L-3. "It's a great benefit that I really appreciate," she says.



'Working professionals, particularly working parents, need flexibility to further education.'

Eduventures reports that online education is now viewed by all types of prospective students as "one choice among many delivery options," attracting even students who don't have time or geographic constraints but who simply prefer it over a traditional classroom environment. Given the growing demand, organizations that limit tuition reimbursement to only traditional courses may also hurt their chances of attracting and retaining talent.

Kling, an architecture and design firm based in Philadelphia, was motivated, in part, to formalize relationships with its online providers because its employees asked it to, says Sandy Koerner, SPHR, principal and director of human resources for the 400-employee firm. By supporting employees' interest in online education, Kling believes not only that current workers are likely to stay with the firm but also that prospective employees will be attracted to the company.

PHH Mortgage received similar inquiries from its employees before partnering with Drexel e-Learning two years ago. Even though the com-

pany also supports an MBA program taught on-site, employees favor the online school. "Working professionals, particularly working parents, need flexibility to further education," says Primas.

- **Cost savings.** Lee says Lockheed Martin's tuition reimbursement costs for online courses have been driven up in the past by surcharges such as technical fees. This is quickly changing thanks to increased competition among online providers and a growing emphasis on corporate-friendly practices such as tuition discounts.

Corporations that partner with Drexel

e-Learning, for example, receive a 10 percent to 20 percent discount for their employees over the rate paid by other students.

Tuition discounts are a major reason companies decide to formalize their relationship with an online provider. A typical arrangement requires an agreement on the company's part to make employees aware of the program, which can range from allowing schools to send newsletters to employees to simply inviting the school to on-site education fairs and verifying employment for enrolling students. Companies can enter into these agreements with numerous institutions since exclusive status is not expected.

- **Customized programs.** In addition to formalizing an agreement for discounted tuition, corporations can also contract with online providers to receive customized programs.

Kenneth Hartman, academic director of Drexel e-Learning, says companies sometimes request a specific series of courses to meet their training needs. These courses, if part of the university's regular curriculum, can count toward a degree. At Northcentral University, for

example, employees who are enrolled in professional recertification courses receive graduate credits toward a master's degree in education.

Lorraine Dischinger, manager of the office of corporate accounts, says the university also offers what's known as cohort online learning opportunities for companies looking to sponsor employee groups, which allow each group to take classes together throughout the degree program.

• **Convenience.** The timeliness and flexibility of online education earn high marks from busy employees and their employers. "We want to provide as much opportunity as possible for our employees to get smarter, advance themselves and gain career opportunities," says L-3's Lem. "Employee [education] needs are different, and we want to be flexible to accommodate these differences."

Koerner says online education allows employees "to attend class at lunchtime during the day or in the evening after the kids are in bed." It also "saves employees time since it eliminates their need to commute to school."

Online degree programs also serve the needs of a highly mobile workforce. Summa began her graduate studies while traveling internationally in her former job at IKEA. "Even if you travel, you're not missing anything school-wise," she says.

Hartman predicts a push toward greater "portability of content" spurred by the use of streaming audio and video and handheld devices. At some universities, students already can listen to class lectures via portable MP-3 players.

While many companies do not differentiate between online and classroom education when it comes to tuition reimbursement, promotions and other rewards, processing tuition reimbursements and admissions is sometimes easier for employees participating in online education. Some online schools work out a voucher system with their corporate partners, invoicing companies directly for tuition so their employees incur no upfront costs. Online schools also provide a streamlined admissions process and confer

preferential service for employees of corporate partners.

Many online programs also allow students to learn at a faster pace than they could in a classroom. At North-central University, for instance, online students may complete a 12-week course in one month.

Quality Assurance

While online education often carried a stigma in the past, a majority of college and university leaders now believe that the quality of online courses is equal or superior to face-to-face instruction. Employers attach higher value to online education, too. According to a 2005 survey of 107 employers by New York-based Vault Inc., an online publisher of career advice and employment information, 85 percent believe that online degrees are more acceptable today than just five years ago.

Online Resources

For additional information about online education, see the online version of this article at www.shrm.org/hrmagazine/06January. There you will find links to:

- The Sloan Consortium report on online education.
- The Council for Higher Education Accreditation.
- An HR Technology Focus Area article about an American Association of University Women report on online education.
- An article by the American Society for Training & Development on online learning.

Boeing's Coffey believes that online learning is "every bit as challenging as traditional [learning], sometimes more demanding."

Still, some online programs are better than others. If a school is accredited through a recognized agency, this ensures that the quality of education meets at least mandatory standards. The Council for Higher Education Accreditation provides a searchable database of schools and programs that have accreditation through agencies recognized by the council or the U.S. Department of Education. (For a link to the council's web site, see the online version of this

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article at www.shrm.org/hrmagazine/06January.)

Most companies reimburse tuition costs based on accreditation alone. When choosing an online program for PHH Mortgage employees, Primas felt

vide the same course content and degree status to on- and off-campus students, conveying the full advantage of the school's established expertise and reputation to the online degree-earner.

acceptance of online learning "depends on their learning style." Lee surveyed senior management and employees within her unit and found that the senior managers—all in their early 40s or older—unanimously preferred classroom learning while the other employees were evenly divided in their preferences.

Coffey says Boeing employees find online learning "more user-friendly than systems in place a few years ago—less cumbersome and more intuitive." Yet, "many Boeing students are still choosing classroom learning."

Merck's Parastino sees value in allowing employees to choose among multiple formats: "We promote any [learning] arrangement that supports employees and the corporation in the long run." ■

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that "not only was accreditation important, but reputation as well."

This is where long-standing traditional universities that now offer online programs, like Drexel University, have an advantage over newer virtual institutions with less of a track record. Drexel and most other traditional universities that offer online options pro-

A Better Blend

Although online education is growing rapidly, it is not replacing the classroom altogether, and is instead emerging as one more option in employee education.

At Lockheed Martin, where employees may choose from classroom or online learning, Lee finds employee



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