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## Impact Assessment of Sponsored Executive Education Programs for Organizations

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### Abstract

Various organizations across the globe invest in the higher education of their employees by sponsoring Executive Education Programs for the eligible employees in various Educational Institutes of repute. This initiative is undertaken as a part of their employee engagement as well as succession planning initiatives. Executive Education Programs provide the employees with long-term avenues of blended learning. As the employees attend courses while remaining on the job, they are able to take what they learn in the classroom and apply it to the benefit of the organization. The organization invests a sizeable amount in the reskilling and qualification up-gradation of its employees. Hence, it is imperative that the organization analyzes what returns they are getting on this investment. The employee in lieu is required to sign a service agreement with the organization for a period and amount decided by the Management of the organization. The study entails an understanding of what parameters are used by organizations in choosing an Executive Education Program while nominating their employees. It also tries to establish the possible ways in which an organization can gauge whether the nominated employees who have successfully completed the Executive Program have benefited from the program. The study will also help establish how the organisation can measure whether the organization has benefited from nominating employees for long-term Executive Education Programs.

### Keywords

*Executive Education, Up-skilling, Training and Development*

### Introduction

Executive Education is a Talent Development activity undertaken by various organisations. Under the executive education programs employees currently working in the organisation to undertake higher education with institutes of repute. These programs are generally aimed at improving and honing certain specific skills in the employees or offer them a means of up-skilling their skills and education.<sup>[1]</sup> These programs can be short term or long term depending upon the skills and knowledge they intend to impart. The roots of Executive Education can be found in the works of Fredrick Taylor.<sup>[2]</sup> At present most universities and their affiliated college across the globe offer Executive Education Programs under various faculties.

Executive Education Programs provide the employees with long-term avenues of blended learning. As the employees attend courses while remaining on the job, they are able to take what they learn in the classroom and apply it to the benefit of the organization.

Konstanin Korotov, European School of Management and Technology, in his working paper “Accelerated Development of Organizational Talent” describes accelerated development as career progression that takes place at significantly higher pace than the “traditional” development. The paper suggests that accelerated development programs should not be restricted to only fresh graduates but rather encompass the broader management pool. It also makes it clear that the developing people in an accelerated manner differ significantly from company to company and country to country.<sup>[3]</sup>

### Purpose and Objectives of Executive Education

Executive education has been introduced at various organisations in order to facilitate two avenues: Up-skilling and Talent Management. With this in mind the following objectives can be understood as the purpose behind the introduction of Executive Education Programs.

1. Transform talented performers into valuable leaders: The executives who opt for executive education programs have a lot of potential that needs to be utilized. Hence, when these performers take up executive education they are transformed into valuable leaders as this potential can then be harnessed by the organisation.
2. Bring new ideas and best practices to the organization: as executive education caters to only working individuals the employees who are utilizing this initiate come in contact with other peers at other organisation and can learn from them. Further, they are also exposed to various new theories.
3. Assist in the retention of high-potential employees: All employees working with the organisations have aspirations of growth and development. Executive Education programs enable employees to pursue

these aspirations and as the organisation is also a part of these development programs the employees tend to feel a sense of loyalty towards the organisation that helps organisations retain the high-potential employees.

4. Increase the organization's resources: As employees undergo Executive Education they develop new skills and competencies which are valuable to the organisation. These skills are a resource for the organisation as they can then be applied to various situations in the organisation.
5. Improve efficiencies: As newer skills and abilities are developed the quality of the work put in by the employees also improves. Thus, upskilling also improves the efficiency of the employees as they are able to do their work more effectively and with higher quality.
6. Build stronger teams: High-performing teams are those that have members having complementary skill-sets. These complementary skill-sets can be created using executive education as different employees will undergo different training. Thus, creating team members bringing to the table different skills.
7. Take better advantage of global opportunities: Executive Programs offer employees exposure to many new global opportunities in terms of knowledge as well as access to how things are done in other organisations. Hence, executive education programs help organisations take advantage of these global opportunities.

### **Importance of Executive Education**

According to an article published in Society of Human Resource Management upskilling and Employee Experience Management are in the top 10 trends in 2018.<sup>[4]</sup> And this will continue to be so in the years to come. Executive Education is one of the best ways to work towards these two goals. Upskilling is a primary objective of Executive education and a well-developed Executive Education Programme will go a long way in improving the skills of the employees and assist Talent Development. Employee Experience is the overall experience the employee has as a part of the organisation. Executive Education is an investment that the organisation is making for the future of the employee. This investment will pay dividends to the organisation by improving the experience of the employee as the employee feel that the organisation is interested in their development. This will ultimately result in an increased retention in the organisation. Thus, Executive Education has a two-fold importance in an organisation. The first is to improve Talent Development i.e. Upskilling and the second is to improve the retention rates by providing an engaging employee experience.<sup>[5]</sup>

### **Materials and Methods**

Various organizations were included as part of the study from the perspective of the maturity of the Talent Development / Management process within the organization. One of the organizations which was part of the study is a 150-year old manufacturing organization with an evolved Talent Management framework vis-à-vis a young 10-year old media organization which has a progressive Talent Management policy designed for the millennials.

Data was collected through semi-structured interviews. Interviews were conducted with Talent Management professionals of the organization who invest in long-term executive education programmes as part of their Talent Development / Management framework. This interview focused on understanding the overall Talent Management philosophy of the organization, the reason choosing long-term of education programmes for talent development, the kind of courses and institutes the organization had collaborated with, the degree of these collaborations, the tangible and intangible outcomes expected, the nomination process, the sponsorship terms with nominated employees and most importantly, the tangible and intangible outcomes achieved.

Interviews were also conducted with a sample of participants of these long-term executive education programmes. The interviews were focus on understanding whether the employees have moved towards achieving their career aspirations and / or taken higher responsibilities within the organization during or post attending an executive education programme. The interviews would also focus on understanding whether the learning from the course were relevant to the participants' job profile and whether they could practically implement those learning at their respective scope of work. The respondents were also asked to assess the programme design, course curriculum and faculty.

Additionally, some of the organizations studied also had detailed policies / process notes regarding the sponsoring long-term programmes. These policy and process documents were also studied.

### **Results and Discussion**

Organisations can may contribute in the Executive Development Programs in different ways. These can be monetary or non-monetary. In case of non-monetary contribution the organisation do not contribute in the fees of the executive programme but give the employees assistance in the program by means of granting leaves or giving certain special considerations to the employee during the course of the programme. In case where the organisations are contributing by way of monetary considerations again a few different models are practiced.

First, is where the organisation is scrutinizing who is undergoing the program and how the program is contributing to the organisational requirement. In this case the organisation has a predetermined list of Executive Education Programs that they sponsor. Any eligible candidate must choose from this list. Second, where the organisation doesn't have a predetermined list and decisions are taken on case by case basis. In this case, the organisation takes decision about both the candidate and the program. Third model is where the organisation has a predetermined amount that it is willing to invest per employee and the employee is free to take up any program. Here, the organisation contributes up to the set limit and remained amount is borne by the employee.

The organizations we studied, offered long-term education programmes to meet two key Talent Management objectives, one being talent development and the other talent retention.

For one of the media organizations studied, long-term education programmes are part of the talent development strategy to make the organization future ready. The organization encourages employees to take up courses which might not be relevant to their current job profiles, but might help them develop skills for the future. The organization has a robust Learning process and an e-learning platform to offer courses that address the current learning needs of their employees. On the other hand, one of the manufacturing organizations we studied, offers long-term courses as part of their talent retention strategy. This organization hires hundreds engineering graduates every year and invests heavily in their training. Retaining this pool was a challenge, as most of them aspired to pursue their Masters programme. Some would aspire to Master in technical studies and some would opt for management studies. In either case, the organization was losing on their trained talent pool. As part of their talent retention strategy, the organization started offering part-time Master's programmes. This not only helped the organization to retain key talent, but also develop their leadership pipeline. Lastly, some of the organization studied offered long-term programmes to employees on case-to-case basis and had no written policy around it.

Each of the organization studied treated sponsorship of these programmes differently. For some, all long-term programmes offered were completely sponsored by the organization. Some organizations offered sponsorship up to a predefined amount. Certain organization did not offer direct financial sponsorship, however, would provide the employees pursuing the programme to take requisite leave / flexi-timings. Certain organization had a written policy / process document detailing the same while some would treat each request on case-to-case basis.

Certain organization had hand-picked the courses that they were ready to offer to their employees. Employees could only avail of the sponsorship / leave benefits if they would enroll for the courses offered by the organization. On the other hand, certain organization would leave the choice of the course to the employees and their manager / business unit head. Some organizations had tied up with particular educational institutes and would offer sponsorship of course offered by those institutes only.

One of the organization studied had tied with one of the leading B-schools of the country and developed a customized programmes for their employees. The institute would run a dedicated batch of the course consisting of employees from the said organization. In fact, part of the course was conducted the Learning Center of the organization and part at the institute campus.

One of the organization studied had a robust nomination and selection process for sponsoring employees for long-term programmes. For every programme offered, business unit heads were expected to screen and nominate employees from their business unit. A central panel would then interview each nominated employee to understand their career aspiration and their contribution to the organization. Only the selected employees would then be sponsored by the organization for the course.

Organizations studied used different success measures to evaluate the effectiveness of the programmes sponsored. At an individual level, the success measures were number of role movements (horizontal and lateral), progress on the career paths agreed upon, improved engagement scores and improved performance ratings. At an organization level, success measures included lower attrition levels, better engagement scores, reduced external hiring at senior levels and reduced cost of hiring.

## **Conclusion**

Executive Education is an investment that an organisation is making in the Employee that work for the organisation. The organisations invest a sizeable amount in these programmes and hence it is important for the organisation to evaluate what is the impact that the organisation is able to create. In a constantly changing business environment like that being witnessed at present it important that the organisations make this investment. However, which programs to invest in and which not to; who should benefit from this investment and to what extent the investment needs to be made need to be studied. In the organisations studied under this research it was found that while the organisations had some mechanism to determine who should benefit, where they can attend the executive education program and till what extent the organisation will invest in the program there was a gap in the study of the impact that these programs generated. Especially, in terms of Return on Investment (ROI). While some organisations were evaluating on some aspects of the impact such as retention and promotions of the employees benefiting from the Executive Education programmes there needs to be some

work done in deriving a system of calculating ROI in terms of Man-hours saved, increase in efficiency, improved quality etc. which can be calculated in monetary terms.<sup>[6]</sup> With HR Analytics picking up speed models may be created to statistically calculate the ROI.

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