

# Guild

A guide  
to making  
education your  
competitive  
advantage

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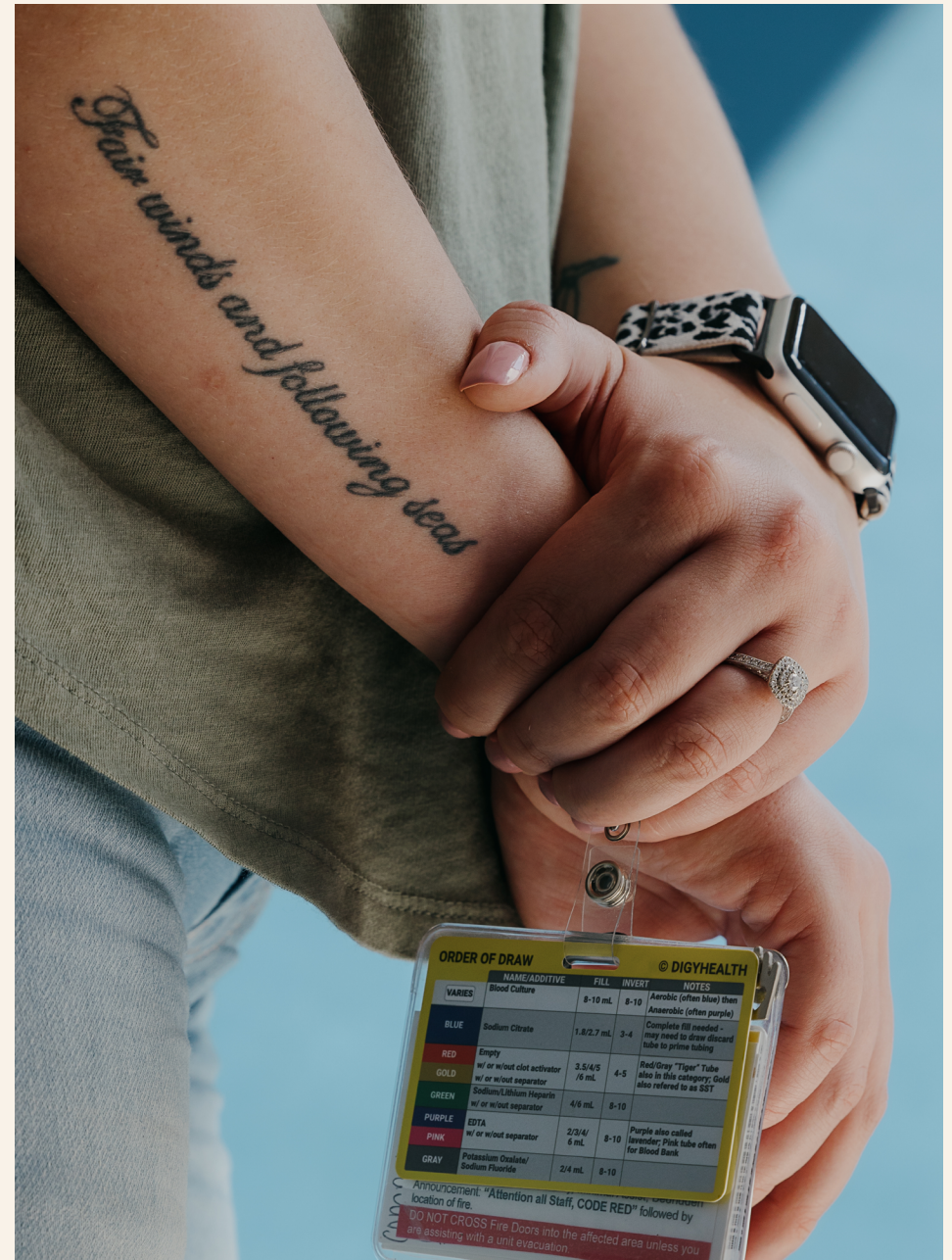
8 best practices for an effective employee education program





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# Introduction

Instead of simply being seen as a benefit, education is now a strategic investment in a company's talent strategy — and a competitive advantage.

Major employers like Walmart and Chipotle started the transformation years ago. Both companies were among the early innovators who noticed that standard tuition reimbursement programs were doing the opposite of what was intended. The programs were inequitable, saw low adoption rates, and ultimately proved ineffective.

In 2018, Walmart launched an education program to directly pay for education so their associates could enroll in learning programs ranging from high school completion to degrees and certificates. As they saw increased retention and promotion rates, the retailer continued to invest in the program, and in 2021, they made education available completely Walmart-funded to all 1.5 million employees.

Chipotle redesigned its tuition reimbursement program in 2016 to be tuition-free and found that crew members with less than 6 months of tenure were 2.1x more likely to retain if they were participating in Guild programs vs non-engaged crew members. They've also seen a 46% increase in applicants when marketing education to prospective employees.<sup>1</sup>

Now, more and more companies are seizing the moment. In 2021, organizations including Target, Waste Management, Sunrun, Macy's, and more have launched new programs to reskill their workforces through education.

But to see the gains of this kind of program — whether that's attracting, retaining, or developing talent — organizations must structure them accordingly. These next-generation education programs are more than a blanket benefit. They're driving transformational outcomes that lead to opportunity with an intentional approach to payment, policy, and learning options.

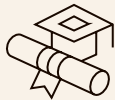
This guide provides an outline to this intentional approach. We'll cover best practices for structuring an effective employee education program, including how to rethink:

- Payment
- Policy
- Learning providers
- Bonus differentiators that set a program apart



1.5m

Walmart made educational funding available to all 1.5 million employees



46%

Chipotle saw a 46% increase in applicants when marketing education to prospective employees





# The 3 key elements of an effective education program



# Payment

The method of payment matters. A tuition-free program is the baseline for success, but certain models — such as vouchers or tuition reimbursement — create a poor employee experience and drive negative outcomes for the business.

As companies have expanded employee education beyond their corporate workforce to include the front line, payment has become the foundational element of equity and access.

## What does “tuition-free” mean?

It means the employer covers the complete cost of education — including tuition, books, fees, and tax implications — to ensure wherever possible that the employee doesn't pay out of pocket for any education-related expense. Previous models of employee education fail to meet the needs of all workers.

For example, tuition reimbursement was designed primarily for corporate workers, who are more financially equipped to pay for school upfront while waiting for reimbursement. Frontline employees often do not have that luxury — [data from within the last year](#) shows that a quarter of adults were either unable to pay their monthly bills or were one \$400 financial setback away from being unable to pay them in full.

## The data

[Guild research](#) has shown that:

# 49%

of employees surveyed indicate that the inability to pay a tuition bill upfront while waiting for reimbursement was one of the main reasons for low company adoption

# 32%

of employees agreed that they cannot afford the additional cost beyond what the company covers

# 84%

of employees have a more negative view of their employer after using their tuition reimbursement benefit

In contrast, Guild tuition-free programs can see up to a 2x higher adoption than tuition reimbursement programs among frontline workers, while 88% of prospective learners describe the Guild benefit as the reason they are now enrolling in school.





A program that's directly funded by employers is the baseline for an equitable, effective program.

Best-in-class programs, however, take payment systems a step further. Not only do they remove the financial burden from the employee, but they also remove the administrative burden — which can carry financial risk in itself when structured as a voucher.

## Why the voucher system is outdated

Voucher systems are a method of payment for employee education programs that require workers to apply for a financial aid voucher that they can then apply to their program. While an employer may cover all of tuition — making the program tuition-free — the employee has to navigate a cumbersome process to access the funds.

Unfortunately, it's an ineffective system that not only adds disproportionate strain on the employee, but also has the potential to burden them with unexpected debt. Workers have little visibility into the parameters of the voucher, while one missed step throughout the administrative process could result in an individual paying thousands of dollars in tuition.

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# \$36,000

is the national average debt for a bachelor's degree

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# +90%

More than 90% of Learning Marketplace learners incur no cost from tuition, textbooks or fees<sup>2</sup>

## The data

# Best-in-class learning provider recommendation

**The demographics of Guild's Learning Marketplace Learners mirrors the diversity of many frontline populations.**

Organizations should meet employees where they are in their educational journeys by offering a range of options, including foundational learning and high school completion, English Language Learning (ELL), college prep, certificates, bootcamps, degrees, and more.

In addition, **data from the Economic Policy Institute** reveals that three in 10 essential workers have some college (30%) or a high school diploma (29%), while 10% have not completed high school.

56%

identify as a person of color<sup>2</sup>

50%

have an average annual household income under \$35,000<sup>3</sup>

59%

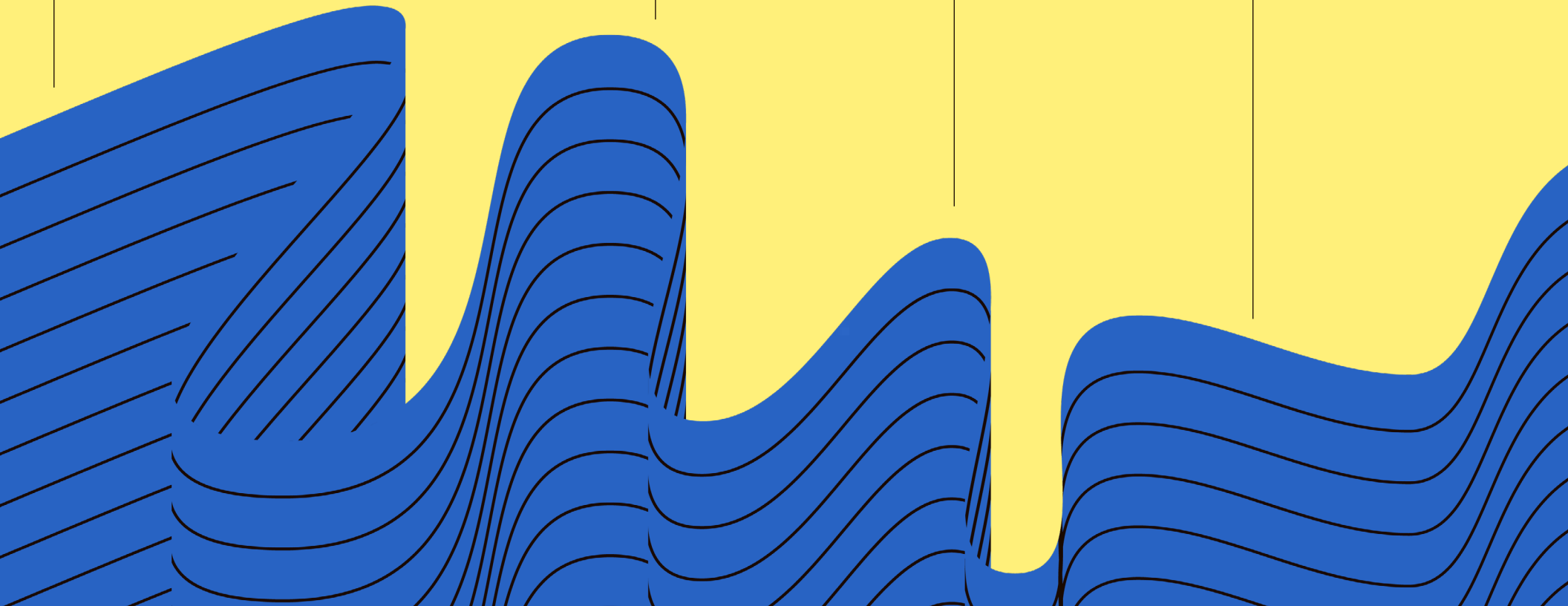
identify as female<sup>2</sup>

74%

Would be first-generation college students<sup>3</sup>

76%

aged 25+<sup>2</sup>





# Streamlined, tuition-free programs drive ROI

It's also important to remember that programs that adhere to payment best practices see a higher return on their investment in education. Guild research finds that employees at companies that offer funding exceeding \$5,250 per year are **2x more likely to have a positive view of their employers**. In addition, employees enrolled in Guild programs through their employer have a 34% higher retention rate than their peers.

## Payment best practice recommendation

To maximize program success, companies should remove financial barriers and implement a tuition-free, direct payment program that provides a seamless experience for both employees and employers.

On the other side – at the organizational level – there's no ability to see which employees are attending which programs, which in turn makes it impossible to track completion and attrition rates, skill development and internal talent pipelines, alignment to business goals, job mobility, or overall ROI. **The voucher system leaves employers completely in the dark about where their investment is going or how funds are being used** — or wasted. There is no data to optimize the program or even tell if it's successful in the first place.

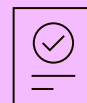
## With vouchers, employers have no ability to track:



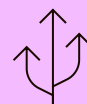
Completion rates



Attrition



Skill development



Internal talent pipelines



Alignment to business goals

With vouchers, **employees** are at risk of unexpectedly paying thousands of dollars in tuition if even a single step is missed in a cumbersome process.

# Policy

Tuition clawbacks, grade requirements, and shared funding discourage program adoption and create a negative employee experience that detracts from an organization's employer brand. Instead, best-in-class programs should focus on policies that are both equitable and accessible.

An education program is only effective when employees actually use it — which means policy that encourages adoption has a huge impact on outcomes.

Tuition reimbursement programs often have requirements and restrictions that are intended to instill accountability in employees. The theory is that by putting workers on the hook for grade requirements, manager approval, tuition clawbacks, partial pay, or certain tenure periods, employers will incentivize employees to complete their programs and stay with the company.



# Unfortunately, these policies actually dissuade employees from participating in the first place

Some of the most common examples include:



## Tuition clawbacks:

Employers that require their money be returned if an employee leaves the organization end up impeding program adoption and creating a negative experience by forcing workers to take on debt.



## Manager approval:

This can be a fraught experience for employees as team leadership can change often and unpredictably — and they might not feel comfortable asking their manager in the first place. Manager approval can also introduce biases, such as [similarity bias](#), which occurs when managers are [preferential towards employees who are similar to them](#). That means underrepresented employees experience outsized discomfort when requesting approval for education.



## Grade requirements:

While most employees are more than capable of college courses, working adults who have been out of school for years may be anxious about returning to school and find these policies discouraging.



## Shared funding:

When employers ask employees to share in the cost of tuition, even nominally, it prevents many frontline workers — who might be the future talent pipeline for high demand roles — from participating.



The result of these outdated policies is that the employer sees **no substantial gains** from a program while the **employee has a more negative experience** — which detracts from the employer brand.



## The data

**Guild research** shows that 38% of respondents working at companies with clawbacks indicated low adoption of education programs because employees felt discouraged by a required commitment to stay at the company after using the benefit.

Nearly a **quarter of respondents** also indicated low adoption of education because of the required manager approval process.

In addition, paying a portion of the tuition and/or books and fees are reported as the number one barrier to enrollment.



### Company spotlight

Target's education program provides an example of best-in-class policy. The retailer launched its tuition-free program in August 2021, and immediately made all U.S.-based part- and full-time employees eligible on day one of employment — with no clawbacks and all tuition, books, and fees paid for upfront.

## Best practice policy recommendation

Accessible policy supports an inclusive program. To encourage employees to enroll and persist through programs, employers should not implement strict tenure requirements, tuition clawbacks, grade requirements, manager approval, or partial funding.



# Marketplace of learning providers

Learning options should be as diverse as the workforce they empower and prepared to serve working adult learners.

A best-in-class education program serves the whole workforce — which means it should account for different educational journeys.

While MBAs have historically been a common focus of tuition reimbursement programs, today's education and skilling initiatives need to account for more learning options to support diverse workforces while also aligning to the skills and jobs of the future. Schools that have experience serving diverse groups can also be particularly effective — such as HBCUs, Hispanic-serving institutions, military-friendly schools, and more.

Frontline workers have different backgrounds than their corporate counterparts, and educational programming should account for these different starting points. For example, many employees would benefit from high school completion or language learning, while college prep courses can also be valuable for working adults who've been out of school for a number of years. Associate's, bachelor's, and master's degrees should be available as well.

## Short-form learning has entered the new normal

In addition to foundational learning and degrees, **businesses should consider skills-based, short-form learning**, such as certificates, career diplomas, bootcamps, and beyond. These programs can help workers build skills that align with the future of work while also promoting internal career mobility.

Many of these options can also stack together over time to provide value in the short term while allowing employees to build to a full degree over time.







# The 5 differentiators that set an education program apart

Beyond payment, policy, and learning providers, there are additional program elements that can transform employee education into an organization's competitive advantage. To create a compelling employee experience that drives outcomes — namely talent attraction, retention, and development — consider these factors to create a truly best-in-class program.



# 1. High-quality, curated learning programs built for working adults and proven to drive outcomes

Education won't drive outcomes unless the program is designed to meet specific talent objectives for an organization. This helps the business build the skills it needs internally and enables a clearer picture of their skills pipeline while attracting and retaining motivated individuals.

Intentional career pathway design can ensure your program is mapped to jobs that are in demand for your business, as well as to jobs aligned to the future of work.

While a breadth of options is important to meet employees where they are in their educational journeys, completely free-range choice can lead to decision fatigue and a poor experience. Many learning institutions aren't designed for working adult learners, and they aren't equipped to support these students well. An indiscriminate approach means employees may attend schools that are low quality at best and predatory at worst.

## The data

Because Guild partners with high-quality institutions and provides additional support services, **students enrolled in Learning Marketplace courses slated for completion over the last 12 months have demonstrated an 87% course passage rate.**

**87%**  
course passage rate<sup>2</sup>



## 2. Alignment of programs to career pathways that map talent pipelines into in-demand jobs

Education won't drive outcomes unless the program is designed to meet specific talent objectives for an organization. This helps the business build the skills it needs internally and enables a clearer picture of their skills pipeline while attracting and retaining motivated individuals.

Intentional career pathway design can ensure your program is mapped to jobs that are in demand for your business, as well as to jobs aligned to the future of work.

Employee education programs still tend to function as a blanket benefit with little additional structure beyond the course and tuition payments. Many programs lack the design needed to align skilling with real career mobility — as well as the employee support and measurement needed for success. It's also important to note that for career pathways to be effective, organizations need reliable tracking capabilities to understand if employees are completing and moving into new roles.



### Learner spotlight

Iris started at Chipotle as a crew member. She soon worked her way to kitchen manager, but knew she wanted a corporate position to ensure a more stable future for herself.

Through Chipotle's tuition-free education program and career pathways design, Iris became a General Manager, earned her bachelor's degree in HR, and now works as a field recruiter through the corporate office at Chipotle.

## The data

Chipotle has found that education program participants are 6x more likely to move into management within the organization, and have on average a 142% higher wage increase one year after enrolling. They have a clear path from frontline crew to GM and beyond.

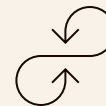
In addition, employees in Guild programs have a 2x higher likelihood of role change relative to peers.



6x more likely to move into management<sup>1</sup>



142% higher wage increase<sup>1</sup>



2x higher likelihood of role change<sup>1</sup>





### 3. End-to-end support services, including career and success coaching from application to graduation and beyond

Going back to school as a working adult is no easy feat. Most employees have been out of school for many years, while frontline workers are likely to have previous student loan debt or may be the first of their family to attend college.

As individuals juggle work, family life, and school, they face a number of logistical and psychological challenges — which is why dedicated, proactive coaching can be so impactful.

A best-in-class program that helps employees find the path that's right for them, stay motivated through coursework, and take the next step in their career. That requires a data-driven, proactive approach throughout the employee journey.

Logistics support for education programs has outgrown an organization's HR team, but some programs still only offer reactive support, similar to an IT help desk. Employees might be able to go there to ask questions, but the support is limited to basic troubleshooting. Employee education models that aren't directly tied to learning providers do not have visibility into whether a student drops out or even completes the program. Reactive coaching services do not provide the high-touch approach that builds learner confidence and drives completion and outcomes.

#### The data

Guild coaches provide a full spectrum of dedicated support to employees going back to school, from navigating the program to staying motivated, that also allows them to build relationships over time. Nearly 70% of active Guild learners cite coaches as **contributors to their success**.

# 70%

Nearly 70% of active Guild learners cite coaches as contributors to their success



## 4. Complete program administration, from employee and program marketing to financial administration

An effective program should enable organizational leaders to focus time and energy on strategic talent initiatives — not program administration.

As education programs have evolved, so have the tech and services available to support them. Companies can now rely on streamlined technology and wrap around support services that ensure all payments, paperwork, and compliance are in order — and that the employee experience as a whole surprises and delights.

Beyond administration, some education partners also offer strategic consulting, marketing support, and PR services to maximize employee adoption and ROI for the business.

Technology should have the ability to support an organization's unique program and policy decisions. For example, the system should not approve an ineligible employee, and it should provide visibility into funding amounts so employees aren't burdened with unexpected debt.

### The outcomes

Consider the full process of designing and administering an employee education program, which starts with building a solution tailored to an organization's priorities. A program moves from strategic design to implementation, launch, support services, internal and external marketing, policy management, outcome reporting, and continual optimization.

To be effective, employers should rely on a partner that supports the range of processes, rather than expanding their HR team.



## 5. Program measurement and in-depth ROI analysis

When education becomes a strategic investment, organizations must be able to track and measure that investment accordingly. A program can't be best-in-class if a company can't tell if it's working.

At a high level, organizations should be able to measure their program's impact on metrics such as time to hire, turnover rates, cost of talent acquisition, internal mobility, promotion rates, equity outcomes, and more. Some employee education partners can also work with you to determine overall return on investment.

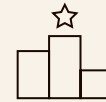
Organizations should ensure that they are tracking more than just employee enrollment. Without additional reporting and analytics, there's no way to understand what skills employees are gaining, how they're progressing through and completing programs, or the overall ROI of the program.

### The data

Guild research shows the demographic breakdown of working adults:



\$3 ROI for every \$1 invested in education and upskilling through Guild<sup>4</sup>



2.2x higher likelihood of internal mobility for Learning Marketplace learners compared to non-engaged employees<sup>5</sup>



2.1x less likely to leave their employer in the last 12 months, for Learning Marketplace learners relative to non-engaged employees<sup>5</sup>



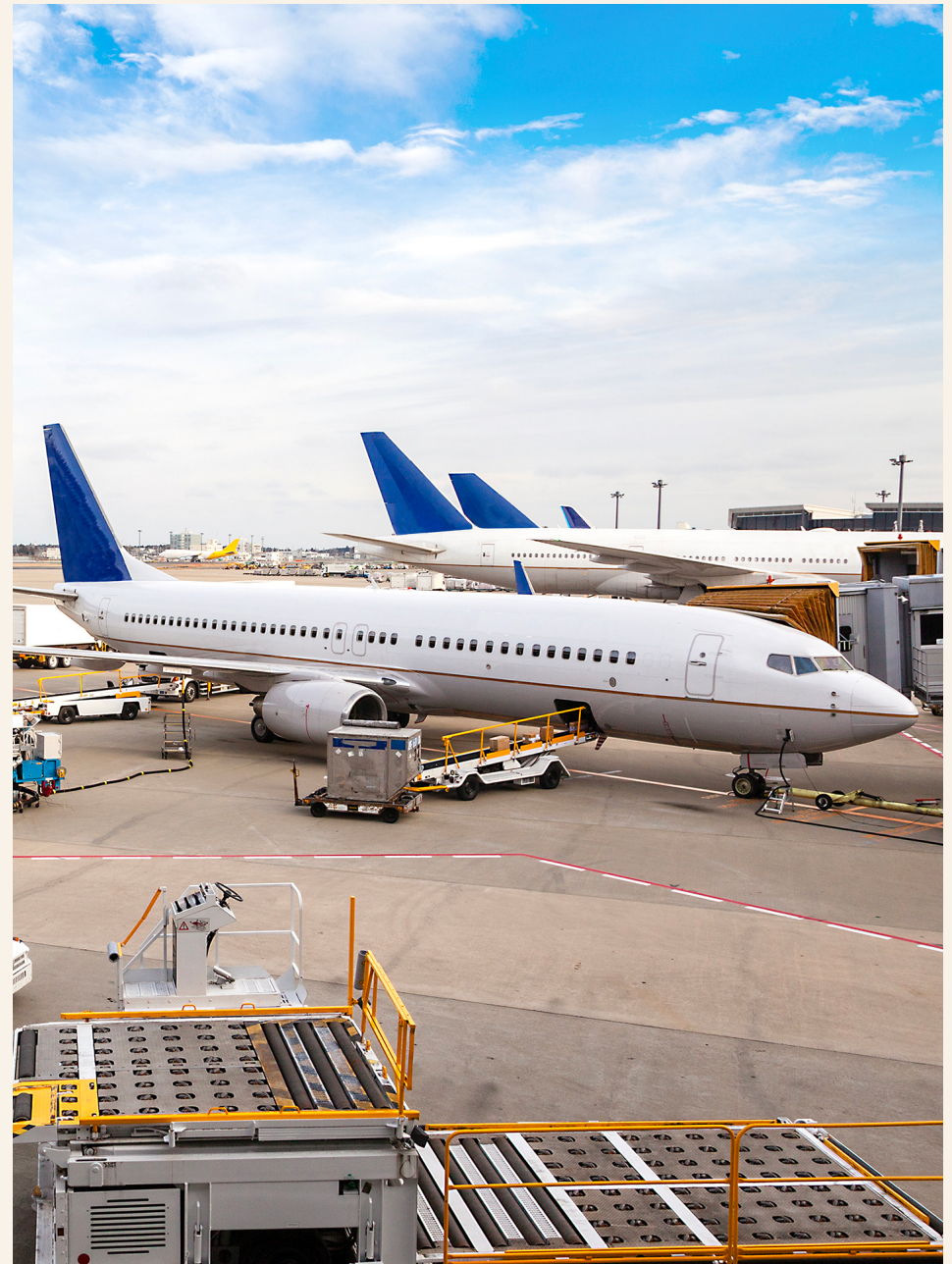
86% of employees engaged with the Guild education benefit are more likely to refer others to their employer<sup>6</sup>



# Conclusion

Employee education programs have the potential to drive transformative business outcomes, but it takes an intentional approach to see results. Here's a summary of the best practices that can create a competitive advantage in today's talent market.

- Remove financial barriers and implement a tuition-free, direct payment program that provides a seamless experience for both employees and employers.
- Avoid policies that discourage adoption, including strict tenure requirements, tuition clawbacks, grade requirements, manager approval, or partial funding.
- Offer a range of learning options, including foundational learning and high school completion, English Language Learning (ELL), college prep, certificates, bootcamps, degrees, and more.
- Leverage high-quality, curated learning programs built for working adults and proven to drive outcomes
- Align programs to career pathways that map talent pipelines into in-demand jobs
- Provide end-to-end support services, including career and success coaching from application to graduation and beyond
- Rely on technology that offers complete program administration
- Ensure program measurement and in-depth ROI analysis



## About Guild

Guild reskills your workforce for the jobs of the future through education. Our learning marketplace enables career pathways for every employee, increasing retention and driving talent development while supporting critical DE&I efforts.

→ [Our solution](#)

→ [Our platform](#)

## Get in touch

To learn more about building a best-in-class education program at your organization, visit our website or contact one of our experts.

→ [Visit our website](#)

→ [Contact one of our experts](#)

## Citations

- 1 As of June 2022
- 2 Guild's internal data over the last 12 months as of 01/01/2023
- 3 Guild's survey responses from random and representative Guild Certified Network new learners over the last 24 months as of 01/01/2023
- 4 Average of all return on investment analyses conducted by Guild for employer partners as of 01/01/2023
- 5 Guild's internal data over the last 12 months as of 01/01/2023 from employers who have provided the required data for at least 13 months post launch
- 6 Guild membership research survey conducted in September of 2019

# Guild

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Guild helps Fortune 1000 employers align their workforces with the economy of the future through thoughtful education benefits programs designed to attract, retain, and advance talent. To learn more, visit [guild.com](https://guild.com).