

Business Line

INTERNET EDITION

Financial Daily from THE HINDU group of publications

Wednesday, Feb 06, 2002

- Home
- News
- News Update

[eWorld](#) - [Human Resources](#)

A lesson to learn

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You want to study full-time without spending much money, and hold on to your job all the while? Done, if you are on the payroll of companies that value knowledge. You can also get a share of the stock on completing the course. Corporate India can take a few tips from such players.



KANNAN Govindarajan is currently on the payroll of Hewlett-Packard at Palo Alto, California. But this software architect does not go to work. Instead, he's on a sabbatical in Boston, pursuing a dream dear to his heart; a master's degree in Management of Technology at MIT's Sloan School of Management. The dream was dear to his wallet too, a whopping \$60,000 for the one- year course. But HP is funding it through its Resident Fellowship Program and is paying 75 per cent of his salary.

"Companies often pay for part-time master's programme in local universities. The issue was I wanted to study full-time in a top school. I wanted an environment where I could meet my peers and senior people in the industry. HP had a program to meet my needs and it's one of the reasons why I joined the company. Money is the number one criterion, but education is equally important," he points out.

Well, these are times when most folks are lucky to have a job. But recession or no recession, there are organisations out there that think it's important to fund the technical education of high performers. And it's not just high fliers. Almost all big

Stories in this Section
[Mobile & unputdownable](#)

[More isn't merrier](#)

[Let's just talk](#)

[Putting it all together is best](#)

[Unfolding space, memory](#)

[Testing the waters](#)

[A lesson to learn](#)

[Converting HTML files](#)

[Seeing is believing](#)

[Passwords that protect](#)

[Minimising sites](#)

[There's no stopping the talent show](#)

[Better safe than sorry](#)

[Helping files find their feet](#)

[Handy ... and explosive](#)

[Cyber Quest](#)

[Cartoon](#)

eWorld

- Columns
- eWorld
- Index

Features

- Investment World
- eWorld
- Catalyst
- Mentor
- Life
- Canvas
- Praxis
- Urban Pulse
- Brand Quest

Stocks

- Quotes
- SE Diary
- Scoreboard

Port Info

- Ships in Ports

Archives

- Yesterday
- Datewise

Group Sites

- The Hindu
- Business Line
- The Sportstar
- Frontline

companies continue to offer some sort of funding programme for their entire workforce. Acquiring higher technical skills is high on the agenda and it is made available both in-house and through tie-ups with universities.

In retrospect, most companies launched such programmes to maintain a high employee-retention rate. That was when the economy was buoyant. But with the slowdown, do such ventures add value to the organisation?

Paul Jackson, spokesman for the \$27.9-billion United Technologies Corporation (UTC), believes such initiatives help the company maintain leadership position. "It instills employee loyalty and makes for a better educational workforce. Smarter workers make better products," Jackson emphasises.

UTC's Employee Scholar Program was launched in 1996. Employees are entitled to paid time-off from work to study or attend classes. UTC fully pays for technical degree programmes in top-ranking universities such as Carnegie Mellon and MIT, and also funds a slew of certificate and degree courses in a number of universities. By the way, non career-related courses such as cookery or drama qualify for funding too!

Upon the completion of an accredited degree programme, an employee is awarded UTC common stock equal to \$10,000. For an associate's degree, the employee receives \$5,000 worth of common stock. "UTC has spent an estimated \$85 million on stock awards from 1996 to 2001," Jackson says.

Morale booster, for sure

Organisations are developing the e-learning model to take more learning to more people at lesser cost. While UTC has an employee-education portal, The Hartford Financial Services Group has an online corporate university. "We started the online university three years ago, and e-learning is a lot less expensive," says John Madigan, Vice-President, Human Resource (IT). While some courses are designed in-house, others are in collaboration with outside vendors such as universities and other organisations. The Hartford also reimburses tuition costs for degree and certificate classroom courses at universities.

According to Madigan, the recession has not changed The Hartford's commitment towards employees' education.

Mahalingam Kamalahasan, an employee at The Hartford, emphasises that such programmes help boost the morale of employees, especially in times of recession. "I am doing a part-time master's programme in Computer Information Technology at the Central Connecticut State University. My course fee amounts to \$10,000 and is fully paid by The Hartford."

Kamalahasan came to the US on contract work as a consultant with the Chennai-based CBSI. He joined The Hartford in 2000 and that very year, was funded to pursue his master's programme.

“Big companies are laying off people and I have friends in the Bay Area who were laid off. I know people who are going back to India. During such times, the employees' confidence level (in the company) is higher because of such programmes,” he points out.

Savings up, costs down

IBM is going strong on e-learning. Two years ago, 36 per cent of its employee training was moved to an online environment. According to IBM, this resulted in a \$350-million cost avoidance through the use of distributed e-learning. As per IBM estimates, more than \$400,000 in costs can be avoided for every 1,000 classroom days converted to distance learning. More than 2,00,000 employees have received education and training online.

In addition, IBM has an academic learning assistance programme, which provides reimbursement of tuition fees for career-related courses and degree programmes. It also funds full-time on-campus Ph.D programmes.

Academicians feel that this constant interaction of companies with universities is vital to an organisation's growth. According to Reda Ammar, Professor and Head of the Department, (Computer Science and Engineering), University of Connecticut, it is important for employees to learn new materials and approaches to use in the workplace. “Information technology is a very fast growing field with new advances every day in terms of speed, capacity, applications, etc. Companies' employees will transfer technology from academic laboratories into practice,” she emphasises.

This kind of symbiosis obviously adds value to the organisation, its employees, and academic institutions. However, across organisations, funding technical courses and firing employees go hand in hand. This seems to have evolved into some sort of natural law of the jungle. Companies point out that in an economic slump where profit warnings and layoffs are inevitable, it is no longer possible to guarantee job safety. Says UTC spokesman, Paul Jackson, “But what a company can do is help employees with the knowledge, so that they can stand on their own feet.”

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