

THE BUSINESS CASE FOR HIRING A VETERAN BEYOND THE CLICHÉS

March 5, 2012

Starbucks CEO Howard Schultz said that “hiring people is an art, not a science, and resumes can’t tell you whether someone will fit into a company’s culture.” Schultz’s suggestion that hiring is mostly “art,” and that resumes don’t adequately reflect the potential contribution of a prospective employee, represents one of the most significant impediments to addressing the unemployment situation of veterans in this country. This is because the business case for hiring a veteran has been largely informed in the public domain by non-specific clichés about leadership and mission focus.

To be clear: leadership ability and the strong sense of mission that comes from military service are characteristics that are highly valued in a competitive business environment. However, by themselves these generalizations are not enough to empower U.S. employers to move beyond “art” to science, and in doing so, fully benefit from the knowledge, training, and experiences represented by those who have served in the military.

Importantly, the business case validating the organizational value of a veteran is supported by academic research in a way that is both more robust and more complex than leadership and mission focus alone.

Specifically, academic research from the fields of business, psychology, sociology, and decision-making strongly links characteristics that are generally representative of military veterans to enhanced performance and organizational advantage in the context of a competitive and dynamic business environment. In other words, the academic research supports a robust, specific, and compelling business case for hiring individuals with military background and experience.

In what follows, we present the results of a comprehensive review of the academic literature positioned to illustrate the foundational elements around which employers can formulate a **research-informed** logic for recruiting and developing military veterans in the civilian workforce. The propositions below were developed based on a comprehensive analysis of: 1) academic research contrasting veterans/service members with non-veterans in the context of vocational tasks, skills, and experiences; and/or 2) a review of research focused on specific abilities, attributes, and characteristics required for success in a given work role, as compared to research focused on the abilities, attributes, and characteristics descriptive (generally) of military veterans.

Importantly, the scope of this review of the academic research is limited to the abilities, attributes, and characteristics conferred to the individual veteran as a consequence of military service, as those attributes complement performance in a competitive business environment. This research **does not** include elements of the business case for hiring veterans that are externally/market driven, such as enhanced reputational value to the firm, customer/stakeholder legitimacy, and other similar motivations.

“...academic research supports a robust, specific, and compelling business case for hiring individuals with military background and experience.”

THE VALUE OF A VETERAN IN A COMPETITIVE BUSINESS ENVIRONMENT*

RESEARCH INFORMED PROPOSITIONS

1) VETERANS ARE ENTREPRENEURIAL: Academic research focused on the attributes characteristic of successful innovators and entrepreneurs highlights that high-performing entrepreneurs have in common strong self-efficacy, a high need for achievement, are comfortable with autonomy and uncertainty, and make effective decisions in the face of dynamic environments. Across multiple studies, research illustrates that these same attributes are generally characteristic of military service members and veterans. For example, research focused on the current all-volunteer force suggests that those who are drawn to military service are individuals with a high need for achievement (self-selection). Further, military training and socialization processes have been demonstrated to instill high levels of self-efficacy, trust, and a strong sense/comfort with autonomy and dynamic decision-making processes. These attributes, as they are linked to entrepreneurship and an entrepreneurial mindset among military veterans, have been consistently demonstrated in practice. According to multiple studies commissioned by the U.S. Small Business Administration and others, military veterans are twice more likely than non-veterans to pursue business ownership after leaving service, and the five-year success rate of ventures owned by veterans is significantly higher than the national average.

“...veterans exhibit an inherent and enduring belief that they can efficiently and effectively integrate and contribute to a new or existing team.”

2) VETERANS ASSUME HIGH LEVELS OF TRUST: The ability to trust co-workers and superiors has been consistently highlighted in organizational behavior literature as a significant predictor of high-performing teams, organizational cohesion and morale, and effective governance systems. Research studies focused on both military personnel and veterans indicate that the military service experience engenders a strong propensity toward an inherent trust and faith in co-workers, and also a strong propensity toward trust in organizational leadership. In turn, the academic literature broadly supports the finding that organizations where trust between co-workers—and between employees and leadership—is strong, organizational performance is enhanced.

3) VETERANS ARE ADEPT AT SKILLS TRANSFER ACROSS CONTEXTS/TASKS: The ability to recognize and act on opportunities to transfer skills learned in a specific context, to a disparate context, represents a valuable organizational resource. Several studies focused on skills transfer have highlighted that military service members and veterans are particularly skilled in this ability. Research has attributed this finding to the fact that military training most often includes contingency and scenario-based pedagogy, and as a result service members and veterans develop cognitive heuristics that readily facilitate knowledge/skills transfer between disparate tasks and situations.

4) VETERANS HAVE [AND LEVERAGE] ADVANCED TECHNICAL TRAINING: Military experience, on average, exposes individuals to highly advanced technology and technology training at a rate that is accelerated relative to non-military, age group peers. Research validates the suggestion that this accelerated exposure to high-technology contributes to an enhanced ability to link technology-based solutions to organizational challenges, and also the transfer of technological skills to disparate work-tasks. In other words, not only do military veterans (on average) have more advanced exposure to high-technology relative to their age-group peers, but they also make the most of that knowledge by effectively leveraging knowledge across disparate work-related tasks.

5) VETERANS ARE COMFORTABLE/ADEPT IN DISCONTINUOUS ENVIRONMENTS: The contemporary business environment is dynamic and uncertain, and research consistently highlights the organizational advantage conferred to firms that are able to act quickly and decisively in the face of uncertainty and change. Cognitive and decision-making research has demonstrated that the military experience is positively correlated to the ability to accurately evaluate a dynamic decision environment, and subsequently act in the face of uncertainty. Several studies highlight that this ability is further enhanced and developed in individuals whose military experience has included service in a combat environment.

6) VETERANS EXHIBIT HIGH-LEVELS OF RESILIENCY: The notion of resiliency refers to a condition where individuals can successfully adapt despite adversity, overcome hardships and trauma, achieve developmental competencies, and excel even in the face of harsh environments. Multiple studies have found that military veterans exhibit high levels of resilient behavior; that is, as a consequence of the military experience veterans (generally) develop an enhanced ability to bounce back from failed professional and/or personal experiences more quickly and more completely, as compared to those who have not served. The business strategy and applied psychology literature highlights the positive benefits of employee resiliency in multiple contexts/settings where intermediate or terminal failures are likely to be high, such as in new product development, early-stage ventures, sales, high-technology ventures/work-roles, and in environments where customer relationships are transaction-based.

7) VETERANS EXHIBIT ADVANCED TEAM-BUILDING SKILLS: Several studies have compared military service-members and veterans to non-veterans in the context, of team-building skills and efficacy. Findings from that research illustrate that (as compared to those that have not served in the military) veterans are more adept with regard to 1) organizing and defining team goals and mission, 2) defining team member roles and responsibilities, and 3) developing a plan for action. Further, research also suggests that those with prior military service have a high level of efficacy for team-related activities; that is, veterans exhibit an inherent and enduring belief that they can efficiently and effectively integrate and contribute to a new or existing team. Taken together, the academic research supports the notion that veterans will enable high-performing teams in an organizational setting.

8) VETERANS EXHIBIT STRONG ORGANIZATIONAL COMMITMENT: Socialization tactics can have profound implications for the identity of organizational members, facilitating identity change so that one's conception of self becomes informed and intertwined with the identity of the organization. Military institutions are particularly adept at institutional socialization, and as a result the military experience engenders a strong linkage between the individual and the organization. Research has demonstrated that military veterans bring this strong sense of organizational commitment and loyalty to the civilian workplace. For the organization, this strong sense of organizational commitment can contribute to reduced attrition/turnover, and will also be reflected in the employee's work product. Further, in situations where organizational commitment is high, research suggests that organizational norms, customs, and ethical standards are more strongly internalized and adopted across the firm.

9) VETERANS HAVE [AND LEVERAGE] CROSS-CULTURAL EXPERIENCES: The nature of military service today necessarily dictates that veterans must be skilled at operating across cultures and international boundaries. Multiple studies consistently highlight that those individuals with military backgrounds 1) have more international experience, 2) speak more languages/more fluently, and 3) have a higher level of cultural sensitivity as compared to age-group peers that have not served in the military. The cross-cultural experiences characteristic of veterans represent a competitive advantage for the firm, given the increasing globalization of the business environment.

10) VETERANS HAVE EXPERIENCE/SKILL IN DIVERSE WORK-SETTINGS: While the military has been publically criticized for a lack of diversity on several important dimensions, research has consistently highlighted the fact that the all-volunteer military actually represents a very heterogeneous workforce across a myriad of dimensions including educational background, ethnicity, culture, values, and the goals/aspirations of organizational members. As a consequence, multiple studies have found that those with military experience are (on average) highly accepting of individual differences in a work-setting, and exhibit a high-level of cultural sensitivity with regard to such differences in the context of workplace interpersonal relationships.

* The scope of the research reviewed was cross-disciplinary, and is bounded by the all-volunteer era of military service (1973-present).

REFERENCES

- Baron, R.A., (2007). Opportunity recognition as pattern recognition: how entrepreneurs “connect the dots” to identify new opportunities. *Academy of Management Perspectives*, February, 104 – 119.
- Boyce, L. A., Jackson, R., & Neal, L. J. (2010). Building successful leadership coaching relationships. *Journal of Management Development*, 29(10), 914-931.
- Brehmer, B. (1992). Dynamic decision making: Human control of complex systems. *Acta Psychologica*, 81(3), 211-241.
- Cohany, Sharon R. The Vietnam-Era Cohort: Employment and Earnings, *Monthly Labor Review*, June 1992.
- Drucker, Peter F. (2002). Discipline of Innovation. *Harvard Business Review*; Aug2002, Vol. 80 Issue 8, pp. 95-103.
- Fals-Stewart, W., & Kelley, M. (2005). When Family Members Go To War--A Systemic Perspective on Harm and Healing: Comment on Dirkzwager, Bramsen, Adèr, and van der Ploeg (2005). *Journal of Family Psychology*, 19(2), 233-236.
- Godé-Sanchez, C. (2010). Leveraging coordination in project-based activities: What can we learn from military teamwork? *Project Management Journal*, 41(3), 69-78.
- Goldberg, M. & Warner, J. (1987). Military Experience, Civilian Experience, and the Earnings of Veterans. *The Journal of Human Resources*, 22(1), 62-81.
- Haigh, M. M., Pfau, M., Danesi, J., Tallmon, R., Bunko, T., Nyberg, S., & ... Temple, B. (2006). A Comparison of Embedded and Nonembedded Print Coverage of the U.S. Invasion and Occupation of Iraq. *Harvard International Journal of Press/Politics*, 11(2), 139-153.
- Hardy, L., Arthur, C. A., Jones, G., Shariff, A., Munnoch, K., Isaacs, I., & Allsopp, A. J. (2010). The relationship between transformational leadership behaviors, psychological, and training outcomes in elite military recruits. *Leadership Quarterly*, 21(1), 20-32.
- Harris, G. A. (2009). Recruiting, Retention, and Race in the Military. *International Journal of Public Administration*, 32(10), 803-828.
- Haynie, J. Michael, & Shepherd, Dean. (2011). Toward a Theory of Discontinuous Career Transition: Investigating Career Transitions Necessitated by Traumatic Life Events. *Journal of Applied Psychology*, Vol. 96, No. 3, 501 – 524.
- Hirschfeld, R. R., & Bernerth, J. B. (2008). Mental Efficacy and Physical Efficacy at the Team Level: Inputs and Outcomes Among Newly Formed Action Teams. *Journal of Applied Psychology*, 93(6), 1429-1437.
- Hitt, M. 2000. The new frontier: transformation of management for a new millennium. *Organization Dynamics*, 28(3), 6-18.
- Hitt, M.A., Keats, B.W. & DeMarie, S. 1998. Navigating in the new competitive landscape: building strategic flexibility and competitive advantage in the 21st century. *Academy of Management Executive*, 12(4), 22-42.
- Honig, A. L. (2010). War then and now: From surviving to thriving. *International Journal of Emergency Mental Health*, 12(3), 207-212.
- Knouse, S. B., & Dansby, M. R. (1999). Percentage of Work-Group Diversity and Work-Group Effectiveness. *Journal of Psychology*, 133(5), 486-496.
- Lester, P., Hannah, S., Harms, P., Vogelgesang, G., & Vvolio, B. (2011). Mentoring Impact on Leader Efficacy Development: A Field Experiment. *Academy of Management Learning & Education*, 10(3), 409-429.
- Lievens, F., Van Hoye, G., & Schreurs, B. (2005). Examining the relationship between employer knowledge dimensions and organizational attractiveness: An application in a military context. *Journal of Occupational & Organizational Psychology*, 78(4), 553-572.
- Mangum, S & Ball, D. (1987). Military Skill Training: Some Evidence of Transferability. *Armed Forces & Society Spring*, 13: 425-441.
- McGeary, D. D. (2011). Making sense of resilience. *Military Medicine*, 176(6), 603-604.
- Melkonian, T., & Picq, T. (2010). Opening the “black box” of collective competence in extreme projects: Lessons from the French Special Forces. *Project Management Journal*, 41(3), 79-90.
- Murnieks, C. Y., Allen, S. T., & Ferrante, C. J. (2011). Combating the effects of turnover: Military lessons learned from project teams rebuilding Iraq. *Business Horizons*, 54(5), 481-491.
- Pech, R. J., & Slade, B. W. (2004). Manoeuvre theory: Business mission analysis process for high intensity conflict. *Management Decision*, 42(8), 987-1000.
- Punamäki, R. (2006). Resiliency in Conditions of War and Military Violence: Preconditions and Developmental Processes. In M. Garralda, M. Flament, M. Garralda, M. Flament (Eds.), *Working with children and adolescents: An evidence-based approach to risk and resilience* (pp. 129-177). Lanham, MD US: Jason Aronson.
- Reid, P. (2010). The role of emotional abilities in the development of cross-cultural competence and their impact on cross-cultural adjustment and job satisfaction. *Dissertation Abstracts International*, 71, US: ProQuest Information & Learning.
- Richard, B. & Wilhite, A. (2006). Military experience and training effects on civilian wages. *Applied Economics*, 22(1). 1-25.
- Sarasvathy, S. D. 2001. Causation and Effectuation: Toward a theoretical shift from economic inevitability to entrepreneurial contingency. *Academy of Management Review*, 26(2), 243-288.
- SBA Office of Advocacy (2004). Evaluating Veteran Business Owner Data. *Small Business Research Summary* (ISSN 1076-8904).
- Stewart, W. H., & Roth, P. L. (2001). Risk propensity differences between entrepreneurs and managers: A metaanalytic review. *Journal of Applied Psychology*, 86: 145-153.
- Vashdi, D. R., Bamberger, P. A., Erez, M., & Weiss-Meilik, A. (2007). Briefing-debriefing: Using a reflexive organizational learning model from the military to enhance the performance of surgical teams. *Human Resource Management*, 46(1), 115-142.
- Wiens, T., & Boss, P. (2006). Maintaining Family Resiliency Before, During, and After Military Separation. In C. Castro, A.B. Adler, T. W. Britt, C. Castro, A. B. Adler, T. W. Britt (Eds.), *Military life: The Psychology of Serving in Peace and Combat* (Vol. 3): *The Military Family* (pp. 13-38). Westport, CT: Praeger Security International.