

## The Effect of Combat Service and Military Rank on Entrepreneurial Careers: The Case of Israeli MBA Graduates

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### ABSTRACT

“This study examines whether military service in a combat unit and in a leadership position is associated with entrepreneurial activities in the ensuing civilian career. It also examines whether an officer rank is a determining factor of entrepreneurship. Following the Institution/Occupation thesis that appears frequently in the military sociology literature, in combination with leadership theory and the theory of social capital accumulation, it was hypothesized that patterns of service that can be characterized as institution-oriented enhance motivation to embark on an entrepreneurial career more than service that is characterized as occupation-oriented. The effect of combat experience and rank in the choice of an entrepreneurial career was examined on 166 graduates of business administration (MBA) in Israel, controlling for gender differences. Combat service and risk-taking propensity were the main variables distinguishing entrepreneurs from non-entrepreneurs in the regression of the male subsample. In contrary, an officer rank was not a significant distinguishing factor among them.”

### RESEARCH HIGHLIGHTS

- This study examines the association between entrepreneurship and military service in a combat unit and leadership position for Israeli veterans enrolled in a Master of Business Administration (MBA) degree program. Similar to Israeli veterans, previous studies have shown that American veterans are more likely to venture into entrepreneurship. Therefore, though this study is on Israeli veterans, the findings on the association between entrepreneurship and military service might enhance our current knowledge of entrepreneurship and combat and leadership experience in the military for American veterans enrolled in an MBA program.
- The authors found that combat experience is associated with the accumulation of unique social capital, including the skills necessary for entrepreneurial success, such as innovation, risk taking, flexibility, adaptation to new environments, team building, mutual support, and self-efficacy.
- Given the association between military service and entrepreneurship, business schools with student veterans should foster learning experiences and opportunities within their programs that build upon the social capital many veterans possess. Social skills and capital business schools might build upon include camaraderie, mutual support, teamwork, and goal setting. Building upon these skills will help foster leadership and effective team management, encouraging successful entrepreneurship in the civilian workforce.

## IMPLICATIONS

### FOR PRACTICE

Veterans venturing into entrepreneurship should consider applying the many social skills they attained during their military service, including the ability to work in team environments. Family members and friends of veterans interested in entrepreneurship or business administration should recommend that their veteran speak with a career counselor. Career advisors should discuss with servicemembers and veterans how their social skills can be applied outside the military, especially pertaining to employment and entrepreneurship. Career advisors should continue working with organizations, nonprofits, and companies interested in hiring servicemembers veterans with leadership experience. Recognizing the significance of their skills, veterans should discuss their leadership and business skills and knowledge with interviewers. Business schools and entrepreneurship departments should foster a culture that encourages opportunities for veterans and other studies to develop and improve their social skills through activities such as student organizations, case competitions, and school-sponsored volunteer opportunities.

### FOR POLICY

Though this study is on Israeli veterans, many of the policy implications can be applied to American veterans. Given the findings on transferring military skills to the civilian sector, the Department of Labor's (DoL) Transition Assistance Program (TAP) might continue helping recently transitioned servicemembers transfer their skills from the military to the civilian workforce. The DoL might continue with its TAP program. To help veterans understand which military skills can be transferred to the civilian job sector, the DoL might innovate new military skills transfer tools. To help veterans succeed in the civilian job sector, TAP might offer programs and tools that teach servicemembers interviewing skills, maximizing social media platforms, such as LinkedIn, and explaining their leadership and management positions in the military to perspective employers. Given the importance of education, TAP might continue improving its efforts to educate servicemembers about using their GI Bill. The Department of Defense (DoD) and the DoL might continue offering servicemembers opportunities to explore their strengths and how they these strengths can be applied in the civilian sector.

### FOR FUTURE RESEARCH

Future researchers should duplicate this study in other countries where military service is voluntary, such as the United States. While this study was very effective at examining the relationships between combat service and leadership in the military and entrepreneurial propensity, a significant limitation is that the sample was homogenous, only including MBA graduate students. Given that MBA students are already interested in business, future studies on combat service, leadership in the military, and entrepreneurship should include other graduate fields of study. Similar analysis should confirm if the same conclusions can be made when other academic disciplines are included. Another limitation of this study is that it does not analyze the relationship between military service, variables such as risk propensity and innovation, and the likelihood of pursuing entrepreneurial activities after exiting the military. Future researchers should analyze the relationship between military service and entrepreneurship after military service. Since the sample in the study included very few women, further research should be conducted to determine if the findings hold true for female veterans. Future studies should also identify whether different factors affect female veterans' likelihood of becoming entrepreneurs. To better understand veterans' entrepreneurial experience, researchers should investigate the market sectors veteran entrepreneurs enter. Given that this study is more than 10 years old, it would be beneficial to study what has changed with veteran entrepreneurship in the last decade.

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