REVISITING THE BUSINESS CASE FOR HIRING A VETERAN

A Strategy for Cultivating Competitive Advantage

J. Michael Haynie, Ph.D.
ABOUT THE WORKFORCE READINESS BRIEFS

Upon military separation, veterans often enter the civilian workforce to either extend their career in a similar civilian role or embark on an entirely new and unrelated career path. The Institute for Veterans and Military Families (IVMF), as part of its broader employment research series, and with the generous financial support and collaboration of USAA, is exploring the topic of workforce readiness as it relates to transitioning service members and veterans in the civilian labor force. This paper marks the second in a series of short Workforce Readiness Briefs that will cover several related topics such as:

· understanding how the concept of workforce readiness applies to transitioning service members and veterans;
· examining interactions between career preferences, job matching, performance, and retention;
· exploring the links between financial readiness, spouse employment, and workforce readiness; and
· employer perspectives on workforce readiness and key factors and practices that influence retention and job satisfaction among veteran employees

ABOUT THE AUTHOR

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Dr. Mike Haynie is the Vice Chancellor of Syracuse University, responsible for Veteran and Military Affairs. In that role Dr. Haynie provides strategic leadership to the University’s veteran and military-connected programs, partnerships, and research—and works to develop new military-connected initiatives across the institution. Dr. Haynie also serves as the Founding Executive Director of Syracuse University’s Institute for Veterans & Military Families (IVMF), and as the Barnes Professor of Entrepreneurship at SU’s Whitman School of Management.

Mike completed his doctoral degree in Entrepreneurship and Business Strategy at the University of Colorado at Boulder, and his academic research has been published in many of the world’s leading entrepreneurship and business journals. Dr. Haynie currently serves on the editorial review boards of the Journal of Business Venturing, the Strategic Entrepreneurship Journal, the Journal of Management Studies, and the Journal of Military, Veteran and Family Health. Before beginning his academic career, Haynie served for 14 years as an officer in the U.S. Air Force. In 2006, Dr. Haynie founded the Entrepreneurship Bootcamp for Veterans with Disabilities (EBV) program, designed to empower veterans through entrepreneurship. Haynie later went on to launch the Institute for Veterans and Military Families at Syracuse University (2011), as the nation’s first interdisciplinary academic institute, focused purposefully on informing and impacting the policy, economic, wellness, and social concerns of the nation’s veterans and their families.

Haynie is a sought after advisor and speaker related to business strategy, veterans issues, and entrepreneurship. His work has been widely featured by the media, to include by the CBS news magazine 60 Minutes, in a story titled “Succeeding as Civilians.” Dr. Haynie currently serves as the chairman of the U.S. Secretary of Labor’s Advisory Committee on Veterans’ Employment, Training, and Employer Outreach. In 2015, U.S. Secretary of Veteran Affairs Bob McDonald appointed Haynie to serve as the vice chairman of the newly created MyVA Advisory Committee, chartered to set the course for long-term excellence and reform at the Department of Veteran Affairs.

SUGGESTED CITATION

REVISITING THE BUSINESS CASE FOR HIRING A VETERAN

A Strategy for Cultivating Competitive Advantage

J. Michael Haynie, Ph.D.
EXECUTIVE SUMMARY

OVERVIEW
In the years since IVMF’s 2012 release of The Business Case for Hiring a Veteran: Beyond the Clichés, many private-sector firms have mobilized—at an unprecedented scale—to positively impact the employment situation of the nation’s veterans. Many high-profile firms have developed veteran employment programs, and have also advanced the narrative that hiring veterans represents both good citizenship and good business. However, as private-sector veteran hiring programs have evolved and matured over the past decade, discourse related to veterans’ employment has taken a subtle yet important shift in tone and substance. Today’s drumbeat is increasingly focused on the ways and means to best capture the value or return on investment (ROI) created for the firm, given the investment required to resource and sustain veteran employment programs.

This paper responds to recent dialogue on measuring companies’ ROI for their veteran hiring programs. The paper first cautions industry leaders against fixating on any single or generalized benchmark for their veteran hiring programs. Rather, return on investment is unique to the firm and is grounded in and defined by the values and reasons for which it created a veteran initiative in the first place. Second, the paper draws upon business research to argue that leaders can only realize the full value from their veteran programs by enacting a purposeful strategy that places veterans in their first, best use within their company. Finally, the article concludes by offering a broad framework and recommendations to guide leaders in developing their own strategy toward leveraging veteran toward gaining a competitive advantage.

A FRAMEWORK FOR CULTIVATING COMPETITIVE ADVANTAGE WITH VETERAN TALENT

1. TALENT ACQUISITION
   1. START “IN THE BUSINESS”
      Identify marketplace-connected skills and competencies that are central to current and future competitive advantage for your firm or in your industry.
   2. APPLY A RESOURCE ENDOWMENT LENS TO HUMAN CAPITAL NEEDS ASSESSMENT
      Look across the organization and apply a skills and competency inventory to identify both areas within the firm where existing skill and competencies are both superior and lacking.

3. RE-VISIT HOW YOUR FIRM RECRUITS AND HIRES VETERANS
   Define and introduce a competency-based recruiting and selection process into your veteran hiring initiative.

TALENT DEPLOYMENT

1. FOCUS RELENTLESSLY ON ALIGNMENT WITH THE MARKETPLACE
   Deploy veterans within the firm to occupy work roles and situations so that veterans’ rare, valuable, and differentiating attributes are best leveraged to contribute uniquely toward the firms’ strategic goals and objectives.

2. MEANING AND PURPOSE ARE IMPORTANT TO VETERANS
   Veterans typically have a strong, intrinsic need to find meaning and purpose in their work and was what attracted them to military service in the first place. Continually and consistently reinforce how and why the veteran’s assigned work-role contributes toward the performance objectives of the firm.

TALENT DEVELOPMENT

1. PROVIDE EARLY, FREQUENT, AND INFORMAL PERFORMANCE FEEDBACK
   Veterans expect this type of engagement, will be receptive to it, and often flounder without it. Veterans frequently report a lack of understanding related to workplace norms and customs, organizational reporting structures, and the basis for performance evaluation.

2. BE ABLE TO SAY WHAT’S NEXT
   Share with the veteran opportunities for further development, training and certification, and what may be opportunities to expand, move, repurpose, or refocus as needed.

3. SET CHALLENGING GOALS
   Link veteran performance goals to organizational objectives and to engage the veteran in the goal-setting process as a means to cultivate organizational commitment.

4. IDENTIFY EXEMPLARS
   Veterans will naturally seek and act on opportunities to model their behaviors on organizational exemplars. As a supervisor, be transparent with the veteran employee about who and why certain peers and colleagues are high performers.

5. UNDERSTAND THAT POTENTIAL AND READINESS ARE NOT THE SAME
   Take the time to develop and mentor high-preforming veterans “where they’re at,” as a means to ensure they have the right mix of experience, skills and personal qualities to assume additional organizational responsibilities and leadership.
For the firm to extract value (financial and non-financial) from its veteran hiring initiative, it must develop and enact a strategy positioned to acquire, deploy, and develop veteran talent in a way that leverages veterans as a rare, valuable, and differentiating resource.

**STRATEGICALLY EMBED VETERAN TALENT**

**TALENT ACQUISITION**
Make purposeful choices to source and acquire veteran talent in a way that aligns with firm-specific opportunity to leverage the rare, valuable, and differentiating attributes of veteran talent within the marketplace.

**TALENT DEPLOYMENT**
Make purposeful choices to deploy veterans within the firm for work roles and situations that will maximize these rare, valuable, and differentiating attributes that best contribute to achieving the firm’s objectives.

**TALENT DEVELOPMENT**
Make purposeful choices to develop and advance veteran talent within the firm to leverage the uniqueness of military conferred knowledge, skills, and abilities.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Summary</td>
<td>ii</td>
</tr>
<tr>
<td>Introduction</td>
<td>2</td>
</tr>
<tr>
<td>The Foundation for Competitive Advantage</td>
<td>6</td>
</tr>
<tr>
<td>Veteran Talent: A Rare, Valuable, and Differentiated Resource</td>
<td>8</td>
</tr>
<tr>
<td>Cultivating Competitive Advantage: A Framework</td>
<td>10</td>
</tr>
<tr>
<td>Talent Acquisition</td>
<td>10</td>
</tr>
<tr>
<td>Talent Deployment</td>
<td>12</td>
</tr>
<tr>
<td>Talent Development</td>
<td>12</td>
</tr>
<tr>
<td>Summary</td>
<td>15</td>
</tr>
<tr>
<td>Endnotes</td>
<td>16</td>
</tr>
</tbody>
</table>
INTRODUCTION

In 2012, the Institute for Veterans and Military Families published *The Business Case for Hiring a Veteran: Beyond the Clichés*. The purpose of that work was to leverage academic research from the fields of business, psychology, sociology, operations research, and decision-making to demonstrate how and why the characteristics and competencies generally representative of military veterans are well-positioned to confer enhanced performance and organizational advantage for private-sector firms that hire military veterans. In other words, the purpose of *The Business Case* was to advance a research-based logic as the foundation for a robust, specific, and compelling business case supporting why the nation’s employers should recruit, hire, and develop veterans as a human capital resource across the private sector.

In the four years since the publication of *The Business Case for Hiring a Veteran: Beyond the Clichés*, many private-sector firms have mobilized—at an unprecedented scale—to positively impact the employment situation of the nation’s veterans. To that end, high-profile business leaders have supported the development of veteran employment programs within their organizations, and have also advanced the narrative that hiring veterans represents both good citizenship, and good business.

However, as private-sector veteran hiring programs have evolved and matured over the past decade, discourse related to veterans’ employment is beginning to take a subtle but important shift in tone and substance. Specifically, today’s drumbeat—originating from C-suite leaders, HR executives, and front-line managers alike—has increasingly focused on the ways and means best suited to quantify the value created for the firm, relative to the investment required to resource a veteran employment program. This new narrative is likely motivated by the best intentions, namely, the desire to prescribe a long-term strategy that will sustain and institutionalize veteran hiring programs within firms and across industries.

Should anyone be either surprised or troubled by this shift in narrative? Surprised—No. Troubled—Maybe.
IN THE PAST 4 YEARS...

Positive impact on the employment situation of veterans
Private-sector firms positively impact the employment situation of the nation’s veterans over the past decade.

→ Employment taking a shift in tone and substance
  As the conversations have evolved and matured, veterans’ employment program is beginning to take a subtle but important shift in tone and substance.

→ Quantifying value of a veteran employment program
  Increasingly focused on the means and mechanisms best suited to quantify the value created for the firm, relative to the investment required to resource and sustain a veteran employment program.
No one should be surprised by an increasing emphasis on value creation and return-on-investment (ROI) related to veteran hiring initiatives? The logic is quite simple.

The contemporary business landscape is such that firms face both an increasingly competitive and increasingly resource constrained business environment. Executive leaders and front-line managers alike find themselves pressed to achieve unprecedented levels of resource efficiency, while at the same time delivering on expectations of increasing sales and revenue growth. As a consequence, specifying how and why veteran employment initiatives contribute to bottom-line performance of the firm is (justifiably) important for many leaders—particularly as the answer informs future strategy and investment in such programs.

On the other hand, one can also envision how and why this new emphasis on value creation and ROI related to veteran hiring programs can potentially have unintended and decidedly negative consequences for the firm, and also for the veteran. Importantly, this is not to say that purposeful consideration of the firm’s ROI related to its investment in veteran hiring is an inappropriate question. Instead, it is to suggest this shifting narrative as potentially troubling because any effort to develop an approach or metric(s) to quantify the organizational ROI of a veteran hiring program represents an inherently complex endeavor. The temptation is to make what’s hard into something easy—or as one notable business leader shared recently, ‘my worry is that as a community we’ll settle on a metric or two—like retention or promotion—as the sole means to define success or failure. We have to resist that temptation, because we’re asking a much more complex question.’

It is true that we’re hearing from some corners of the community that what’s needed is in fact a generalizable metric—a mechanism and a measure—that can be applied across all private-sector firms to measure and quantify the organization’s ROI for its veteran employment initiatives. Consistent with the cautionary sentiment of the business leader cited above, we suggest that this call represents a potentially dangerous game.

Why? There are three, primary reasons:

1. First, given the exceptional variation that exists between and within firms, markets, and industry sectors, it’s simply an unrealistic expectation that one could develop an ROI model that is both robust and generalizable to all firms and all types of veteran hiring initiatives.

2. In a related way, it’s important to acknowledge that firms hold different (but equally valid) motivations for pursuing veteran employment programs (i.e., specific knowledge/skill acquisition versus brand value versus stakeholder alignment versus culture/values alignment). Again, it is unlikely that a generalizable ROI model can appropriately capture this wide degree of intangible differences between firms.

Before citing the third reason that we believe a generalizable metric—a mechanism and a measure that can be applied across the universe of private-sector firms to quantify the organizational ROI of a firm’s veteran hiring program—is a shortsighted objective, it is important to make clear what we are not suggesting. This does not suggest that individual and firm-specific efforts to understand and quantify the ROI of its veteran employment initiative are inappropriate, or for that matter, even to say that such an effort would be exceedingly difficult, assuming careful and firm-specific consideration of how best to inform such a calculation. However, it is to say to executive leaders, HR executives, and front-line managers that they should be highly skeptical of, and resist pressures to apply and adopt, externally prescribed ‘solutions’ in instances where those metrics have not been crafted to fully incorporate the specific goals and expectations motivating your firm’s veteran employment initiative. Otherwise, you’re likely to do harm to both your veteran employment initiative, your veteran employees, and your firm’s bottom-line.

Still, there is a third, separate, and distinct reason to exercise extreme caution in the rush to act on emerging conversations to quantify the organizational ROI of veteran employment initiatives. Specifically,

3. The organizational value proposition espoused by the research findings summarized in The Business Case for Hiring a Veteran: Beyond the Clichés, is based on one critically important assumption. That assumption is that:

“The firm will only extract value and realize competitive advantage stemming from the unique abilities, attributes, and characteristics conferred to an employee as a consequence of the military service experience, if and only if [emphasis added] organizational processes, practices, and strategy are aligned so as to ensure the firm acquires, deploys, and develops veterans within the firm as a differentiated human capital resource.”
In other words, the logic that underlies the business case for creating, sustaining, and ultimately institutionalizing veteran hiring programs across the private sector assumes, as a necessary condition, that those hiring, managing, and developing veteran employees are doing so based on a purposeful strategy to place veterans as a human capital resource in their first and best use within the firm.

What does this mean in practice? We asked ourselves that very question, with a particular focus toward informing the emerging conversation concerning the organizational value of veteran hiring programs.

What did we learn?

First, we realized that addressing the why’s and how’s related to this critical assumption represents work undone. We realized that The Business Case for Hiring a Veteran: Beyond the Cliches fell short in one, important regard; that is, we did not take the step to offer employers an actionable and prescriptive strategy to effectively deploy and manage veterans as a human capital resource—and thus realize a competitive advantage in the marketplace.

Second yet equally important, we recognized that for a firm to meaningfully ‘value’ its veteran hiring program, it must first ensure that it’s organizational processes, practices, and veteran hiring strategy are aligned with the objective of best leveraging veteran talent as a differentiated human capital resource within the firm. It’s in this regard that we suggest that the increasing emphasis on quantifying ROI related to veteran hiring programs may potentially represent a ‘garbage in, garbage out’ scenario. In other words, if the firm has failed to purposefully and strategically hire, deploy, and develop veterans as a differentiated human capital resource—to position them in their first and best use within the firm—then any attempt to quantify the organizational ‘value’ of a veteran hiring program will yield false results. Further, any attempt to act on those false results will likely have negative consequences for the firm, for the individual veteran, and for the future of veteran hiring initiatives across the private sector.

Accordingly, the important, prescriptive insight here is that developing and enacting a strategy with the goal of hiring, deploying, and developing veterans as a differentiated human capital resource represents a critical intermediate step toward eventually quantifying ‘the value of a veteran’ for the firm.

To that end, the remainder of this article is focused on this critical intermediate step. Specifically, in what follows we first briefly summarize a theory of competitive advantage called the Resource Based View, as an organizing framework appropriate to demonstrate how and why the organizational value (ROI) of the firm’s veteran hiring program is inherently linked to firm-specific decisions related to acquiring, deploying, and developing veterans within the firm as a differentiated human capital resource. We then draw from academic research conducted in the fields of organizational design, human resources, business strategy, and competitive strategy—and also on insights and lessons learned by class-leading firms—to summarize an initial set of prescriptions that offer an informed basis for a firm-specific strategy to realize both economic value and competitive advantage from its veteran hiring program.

### THE FOUNDATION FOR COMPETITIVE ADVANTAGE

A great many of the world’s leading business strategists espouse an approach to achieving and sustaining competitive advantage based on the Resource-Based View (RBV) economic theory. Most simply, the core argument of RBV is that the resource endowments controlled by the firm—and specifically the characteristics of those resources—are responsible for the firm’s ability or inability to achieve and sustain competitive advantage relative to others. Importantly, it’s the nature of

### THREE REASONS FOR CAUTION

when we apply a generalizable metric on the Return on Investment (ROI) for veteran employment program

1. An unrealistic expectation to have a ROI model that is both robust and generalizable to all firms and all types of veteran hiring initiatives.
2. An unrealistic expectation to have a ROI model that can appropriately capture the degree of ‘intangible’ firm-level heterogeneity.
3. The firm will only extract value and realize competitive advantage stemming from the unique abilities, attributes, and characteristics conferred to an employee as a consequence of the military service experience, if and only if organizational processes, practices, and strategy are aligned so as to ensure the firm acquires, deploys, and develops veterans within the firm as a differentiated human capital resource.
the differences between the resources controlled by competing firms—or resource heterogeneity—that is the key to both achieving and sustaining competitive advantage. More simply, some firms have superior resource endowments relative to others, and are therefore better able to satisfy customer needs. Consequently, those firms control superior resource endowments and realize superior market returns.

However, it’s not enough that a firm’s resources are different from competitors, but rather the type of resource differences also matters. Research has demonstrated that competitive advantage is a function of whether or not the firm’s resources meet certain conditions. For the firm to achieve and sustain competitive advantage, the resources it controls must meet the following conditions:

1. **THE FIRM’S RESOURCE ENDOWMENT MUST BE RARE**
   Resources that can only be acquired by one or few companies are considered rare. When more than few companies have the same resource or capability, it results in competitive parity.

2. **THE FIRM’S RESOURCE ENDOWMENT MUST BE VALUABLE**
   Resources are valuable if they enable firms to increase the value offered to the customers. This is done by increasing differentiation or/and decreasing the costs of the production. The resources that cannot meet this condition, lead to competitive disadvantage.

3. **THE FIRM’S RESOURCE ENDOWMENT MUST BE DIFFICULT TO IMITATE AND DIFFERENTIATED**
   A firm that has valuable and rare resource can only achieve temporary competitive advantage. However, the resource must also be costly to imitate or to substitute for a rival, if a company wants to achieve sustained competitive advantage.

So what’s the strategic take-away? How does this inform positioning the firm’s veteran employment initiative to achieve and sustain competitive advantage in the marketplace?

First and foremost, it’s critical to recognize and act on the proposition that military veterans—when considered as a human capital resource—potentially represent one of the most compelling forms of resource differentiation available in the marketplace. As illustrated by the academic research summarized in *The Business Case for Hiring a Veteran: Beyond the Clichés*, veterans draw from their unique and specialized military experience to apply relevant and market-connected knowledge, skills, and competencies within the firm. Both HR professionals and front-line managers must understand specifically—in the context of their specific firm—how and why the skills and competencies conferred by military service can be a rare, valuable, and differentiating resource, and subsequently act on that understanding in a way that is strategic and purposeful.

Second, to extract financial and non-financial value from the firm’s veteran hiring program, those responsible for the firm’s veteran hiring program must develop and enact a purposeful strategy to acquire, deploy, and develop veteran talent to its “first-best-use” within the organization. Broadly, that means:

**A FIRM HAS A COMPETITIVE ADVANTAGE WHEN IT IS...**

1. Rare
2. Valuable
3. Difficult to imitate/differentiated

Veterans potentially represent one of the most compelling forms of resource diversity available in the marketplace....draw from their unique and specialized military experience, to confer relevant and market-connected knowledge, skills, and competencies to the firm.

Firms must develop and enact a purposeful strategy positioned to acquire, deploy, and develop veteran talent to its “first-best-use” within the organization.
1. ACQUIRE TALENT
Make purposeful choices to source and acquire veteran talent in a way that aligns with firm-specific opportunity to leverage the rare, valuable, and differentiating attributes of veteran talent in the marketplace.

2. DEPLOY TALENT
Make purposeful choices to deploy veterans within the firm to work roles and situations so that the rare, valuable, and differentiating attributes of veteran talent are best-leveraged to contribute uniquely toward achieving the performance objectives of the firm.

3. DEVELOP TALENT
Make purposeful choices to develop and advance veteran talent within the firm, in a way that leverages the uniqueness of military-conferred knowledge, skills, and abilities—specifically as a tactic to embed a rare, valuable, and differentiating resource within organizational resource groupings that are costly to imitate or to substitute for a rival.

While these prescriptions might seem intuitive to some, it’s imperative that HR professionals and front-line managers understand how these principles apply specifically to the case of veterans as a human capital resource. This is because, for the firm to extract value (financial and non-financial) from its veteran hiring program, it must develop and enact a strategy positioned to acquire, deploy, and develop veteran talent in a way that leverages veterans as a rare, valuable, and differentiating resource.

VETERAN TALENT: A RARE, VALUABLE, AND DIFFERENTIATED RESOURCE
Recall that the academic research cited in The Business Case for Hiring a Veteran: Beyond the Clichés—comparing and contrasting military veterans with non-veterans in the context of civilian vocational tasks, skills, and experiences—identified 10 specific abilities, attributes, and characteristics of veteran talent that can be characterized as rare, valuable, and differentiating relative to non-veterans. Those abilities, attributes, and characteristics identified and validated by published academic research include:

- **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.

- **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.

- **VETERANS ARE ADEPT AT SKILLS TRANSFER ACROSS CONTEXTS AND 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.

- **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.

- **VETERANS ARE COMFORTABLE AND 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 enhanced and developed in individuals whose military experience has included service in a combat environment.

- **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.

- **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 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.

- **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.

- **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 and/or speak 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.

- **Veterans Have Experience and Skill in Diverse Work-Settings**
  Research has consistently highlighted the fact that the all-volunteer military represents a very diverse workforce across a myriad of dimensions including educational background, ethnicity, culture, values, and the goals or 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.

So how does one build a bridge between these rare, valuable, and differentiating characteristics of veteran talent, and a strategy to acquire, deploy, and develop veteran talent within the firm so as to generate a market-place advantage?

Put mostly simply, to formulate a strategy positioned to generate a return to the firm from a veteran hiring program, the focus of that strategy must be on leveraging differences, as opposed to the more conventional approach to acquiring, deploying, and developing human capital based on achieving person-organizational “fit.” In what follows, we draw from both academic research—and also the practical experiences lessons learned from some of the IVMF’s private-sector partners—to detail an actionable and prescriptive approach to firm-level strategy development aligned with the proposition that the firm and the veteran are best served when the rare, valuable, and differentiating characteristics of veteran talent are leveraged in their first-best-use across the organization.

**Cultivating Competitive Advantage: A Framework**

The presentation of this framework is organized based on a “human-capital lifecycle” model (talent acquisition, talent deployment, talent development), but assumes concurrent, as opposed to linear, implementation of the strategies and prescriptions identified as appropriate to support a veteran employment program best-positioned to create value for the firm.

**Talent Acquisition**

In the context of the firm’s veteran employment initiative, the objective of the strategy for talent acquisition strategy should be to source and acquire veteran talent in a way that aligns with firm-specific opportunity to leverage the rare, valuable, and differentiating attributes characteristic of veterans as a human capital resource. Based on both class-leading practices and approaches supporting this objective identified by research—and also the practical experiences lessons learned from some of the IVMF’s private-sector partners—the following strategies and prescriptions are appropriate to best-position the firm’s veteran employment program to create value for the firm.

1. **Start “in the Business”**
   Identify marketplace-connected skills and competencies that are central to current and future competitive advantage for your firm or in your industry.

   For veterans specifically, it is imperative to think “beyond” skills to consider market-connected competencies (i.e., communication, critical thinking, influencing/persuading, leadership, cross-cultural, helping, artistic and design, decision-making, etc.). Role- and task-specific skills can be taught or learned on the job, but what’s most often overlooked—and
ironically what many employers today represent as the rarest, most valuable, and most differentiated attributes conferred to the individual by military service—are not role-specific skills, but generalizable competencies. Accordingly, when considering current and future competitive advantage in the context of leveraging a veteran employment program, extend your thinking to a competency-based framework. What are those marketplace-connected skills and competencies central to current and future competitive advantage? Create an inventory.

2. APPLY A RESOURCE ENDOWMENT LENS TO HUMAN CAPITAL NEEDS ASSESSMENT

Look across the organization and apply the skills and competency inventory from above, to identify both:

a. Areas within the firm where existing skill and competency-based resource endowments are superior. That is, areas where the firm has an existing marketplace advantage relative to competitors, given the skills and competencies represented by its current workforce.

b. Areas within the firm where existing skill and competency-based resource endowments are inferior. In other words, areas where the firm where there are identified skill or competency ‘gaps’ as represented by the current workforce.

Developing a needs assessment to inform a hiring strategy for the firm’s veteran hiring program is an effort to bolster areas within the firm where the existing skill- and competency-based resource endowments are superior, and to seed and cultivate market-connected skills and competencies within the firm in areas where the existing skill and competency-based resource endowments are inferior.

Many firms have exclusively approached sourcing and acquiring veteran talent a means to address a skill or competency deficit within the organization. This is a strategy that has not necessarily proven effective for the firm or for the veteran, and that candidly is unlikely to meaningfully contribute to near-term advantage in the marketplace. Accordingly, developing a needs assessment and subsequent hiring strategy should not represent an effort focused exclusively on identifying competency-based “gaps” across the firm, but instead the higher-potential opportunity is to frame the firm’s veteran hiring initiative as an opportunity to bolster and enhance the existing skill and competency resource endowments of the firm, where those endowments are already superior, relative to others, and are identified to confer future competitive advantage in the marketplace. This assumes that you have correctly identified those resource endowments are central to your firm or in your industry.

3. RE-VISIT HOW YOUR FIRM RECRUITS AND HIRES VETERANS

Given the above, define and introduce a competency-based recruiting and selection process into your veteran hiring initiative. Define and introduce a process that is based recruiting and selecting for the behavioral qualities, experiences, and attributes that may bolster and enhance the existing competency-based resource endowments of the firm, particularly where those resource endowments are rare, valuable, and differentiated in the marketplace, relative to competitors. Such an approach will empower the employer to think beyond the veteran candidate’s military-learned skills (military specialty), and accordingly introduce a lens to the recruiting and selection process that is purposefully
and strategic linked to aligning the firm’s veteran hiring program, with the firm-specific opportunity to leverage the rare, valuable, and differentiating competencies of veterans as a means to enhance and bolster the existing resource endowments of the firm that already confer competitive advantage.

**TALENT DEPLOYMENT**

In the context of the firm’s veteran employment program, the objective of talent deployment should be to think and act beyond the traditional lens of person-job-fit. Rather, make purposeful choices to deploy veterans within the firm to occupy work roles and situations such that the rare, valuable, and differentiating attributes of veterans as a human capital resource may contribute uniquely toward achieving the organizational objectives of the firm. Based on both class-leading practices and approaches supporting this objective identified by research—and also the practical experiences lessons learned from some of the IVMF’s private-sector partners—the following strategies and prescriptions are appropriate to best position the firm’s veteran employment initiative to create value for the firm.

1. **FOCUS RELENTLESSLY ON ALIGNMENT WITH THE MARKETPLACE**

   The core premise of this strategy is based on deploying veterans within the firm to occupy work roles and situations such that the rare, valuable, and differentiating attributes characteristic of veterans are best leveraged to contribute uniquely toward achieving the organizational objectives of the firm.

   Accordingly, not only is it important for the firm to recruit and select in a way that aligns the firm’s veteran hiring initiative with this objective, but then it is critically important that managers employ veteran talent consistent with opportunity. This is one of the most significant and strategic mis-steps we’ve identified in how some firms have approached operationalizing their veteran hiring initiatives. The firm’s hire with the espoused intent and objective of introducing and leveraging military-learned skills and competencies within the firm, but deploy veteran talent to work roles and situations where those differentiated skills and abilities are not relevant or even appropriate, given the demands of the marketplace.

   Focus relentlessly on identifying opportunities for the differentiated and unique attributes of veteran talent to be leveraged by the firm to best align with advantage in the marketplace, and act on those opportunities to employ veteran talent in its first and best use to that end. If you’re hiring veterans as a means to introduce unique and market-connected competencies, you must deploy those competencies (in the form of the veteran) to work roles and situations where those differentiated competencies are most relevant and market-connected in order to realize a return on that investment.

2. **MEANING AND PURPOSE ARE IMPORTANT TO VETERANS**

   One of the most consistent and compelling findings identified by research and by veterans themselves, is the fact that many veterans have a strong, intrinsic need to find meaning and purpose in their work. For many of them, it was this motivation that attracted them to military service, and they expect and need the same motivation in the context of their experiences in the civilian world of work.

   The absence of meaning and purpose in work has been identified as one of the primary reasons veterans leave their first and second post-service civilian jobs. Accordingly, it is important to understand and consider the motivations and self-interests of the veteran when making decisions about the specific work-role assigned to a veteran within the firm. Further, it is also critical that managers continually and consistently reinforce how and why the specific work-role assigned to the veteran contributes to achieving the performance objectives of the firm.

**TALENT DEVELOPMENT**

In the context of the firm’s veteran employment initiative, the objective of the strategy for talent development should be to advance veteran talent within the firm in a way that leverages the uniqueness of military-conferred knowledge, skills, and abilities—specifically as a tactic to embed a rare, valuable, and differentiating resource within organizational resource groupings that are otherwise non-differentiated relative to competitors. Based on both class-leading practices and approaches supporting this objective identified by research—and also the practical experiences lessons learned from some of the IVMF’s private-sector partners—the following the strategies and prescriptions are identified as appropriate to best-position the firm’s veteran employment program to create value for the firm.

1. **PROVIDE EARLY, FREQUENT, AND INFORMAL PERFORMANCE FEEDBACK**

   It is a somewhat ironic finding, given the military experiences and wartime service characteristic of veterans of the current
generation, that many report that they are intimidated by the civilian work environment. Specifically, veterans frequently report a lack of understanding related to workplace norms and customs, organizational reporting structures, and the basis for performance evaluation. Moreover, in the face of this situation, they often indicate their reluctance to ask the questions necessary to obtain this information.

As a consequence, it is important that front-line managers provide early, frequent, and informal performance feedback to veteran employees. Veterans expect this type of engagement, will be receptive to it, and often flounder without it. Feedback is best when it is timely, relates to a specific goal, and is expressed as a means to help improve performance.

2. BE ABLE TO SAY WHAT’S NEXT

It is often the case that veterans come to the civilian world of work with a propensity for high levels of organization commitment, and often a military experience characterized by frequent and planned work-role transitions. These attributes, when combined, play out in a civilian work environment as the need to understand how to develop a career path, as opposed to simply a job.

Share with the veteran opportunities for further development, training and certification, and what may be opportunities to expand, move, repurpose, or refocus as needed.

3. SET CHALLENGING GOALS

Veterans are task-orientated and maintain a high need for achievement. It is critical to link their performance goals to organizational objectives, and to engage the veteran in the goal-setting process as a means to cultivate organizational commitment.

4. IDENTIFY EXEMPLARS

Veterans are products of a military culture based, in part, on a role-modeling approach to professional development. Accordingly, veterans will naturally seek and act on opportunities to model their behaviors on organizational exemplars. As a supervisor, be transparent with the veteran employee about who and why certain peers and co-workers represent those organizational exemplars.

5. UNDERSTAND THAT POTENTIAL AND READINESS ARE NOT THE SAME

Many organizations and leaders—albeit with good intentions—do veterans a disservice when they confuse performance with potential, and potential with readiness. It’s often the case that veterans come into the organization and deliver beyond expectations related to discrete role- and task-specific outcomes. However, it is important to recognize that readiness for “next-level” opportunities (high potential) means more than simply high (initial) performance ratings. Too often we have witnessed “high performing” veterans advanced quickly within an organization—under the label of “high potential”—and find themselves in a situation where the necessary conditions for their success have not been satisfied. The result is many of these high-potential veterans self-select out of the organization.

Take the time to develop and mentor high-preforming veterans “where they’re at,” as a means to ensure they have the right mix of experience, skills and personal qualities to assume additional organizational responsibilities and leadership.
SECURING A COMPETITIVE ADVANTAGE

LEVERAGING THE RARE, VALUABLE, AND DIFFERENTIATING ATTRIBUTES OF VETERAN TALENT

For the firm to extract value (financial and non-financial) from its veteran hiring initiative, it must develop and enact a strategy positioned to acquire, deploy, and develop veteran talent in a way that leverages veterans as a rare, valuable, and differentiating resource.

STRATEGICALLY EMBED VETERAN TALENT

TALENT ACQUISITION
Make purposeful choices to source and acquire veteran talent in a way that aligns with firm-specific opportunities to leverage the rare, valuable, and differentiating attributes of veteran talent in the marketplace.

TALENT DEPLOYMENT
Make purposeful choices to deploy veterans within the firm for work roles and situations that will maximize these rare, valuable, and differentiating attributes that best contribute to achieve the firm’s objectives.

TALENT DEVELOPMENT
Make purposeful choices to develop and advance veteran talent within the firm to leverage the uniqueness of military conferred knowledge, skills, and abilities.

COMPETITIVE ADVANTAGE
SUMMARY

As previously stated, the logic that underlies the business case for creating, sustaining, and ultimately quantifying the value of veteran hiring programs across the private sector, assumes that those hiring, deploying, managing, and developing veteran employees are doing so based on a purposeful strategy to position veterans as a human capital resource in their first and best use within the firm. This article draws from research, and the practical learnings of several leading private-sector firms, to present a broad framework and actionable prescriptions positioned to support such a strategy.

It is also important to highlight that while the intent of this article is to inform and support C-suite leaders, HR executives, and front-line managers related to the means and mechanisms best suited to create value for the firm from a veteran employment program, it is also true that the approach to firm-level strategy development detailed in this report represents an approach aligned with the objective of advancing social, economic, and wellness outcomes for the nation’s veterans and their families.

The choices that employers make with regard to hiring, deploying, and developing veteran talent within the firm have profound and surprisingly predictable implications for the veteran and his or her family. Consider, for example, that past research conducted by the IVMF and others highlights high levels of veteran attrition—particularly among first time veteran job-seekers—stemming largely from dissatisfaction relative to perceptions of how, why, and to what end the veteran’s unique knowledge, skills, and experiences are being leveraged by the firm. Not only are these high levels of attrition a concern for the employer, it is also important to highlight that research suggests that even short-term unemployment among veterans increases the likelihood that the veteran will experience financial challenges and instability within the family unit. Conversely, contemporary research on human capital and talent management strategies to enhance organizational performance and marketplace advantage demonstrates the employee-centric advantages of such an approach. This body of research suggests a strong correlation between a wide range of positive, employee-centric outcomes and employer actions that position the unique and differentiated knowledge, skills, and abilities of employees in their first-best-use across the organization. These outcomes include increased job satisfaction, enhanced organizational commitment and citizenship behaviors, increased levels of wellness and emotional well-being, and strengthened relationship and community attachments.

In summary, it is important to highlight—to both the employer and the veteran—that firms that act on the ways and means best suited to create value for their firm through a veteran employment program also serve the equally important objective of advancing social, economic, and wellness outcomes for the nation’s veterans and their families.
ENDNOTES


ABOUT THE INSTITUTE FOR VETERANS AND MILITARY FAMILIES (IVMF)

The IVMF is the first interdisciplinary national institute in higher education focused on the social, economic, education, and policy issues impacting veterans and their families post-service. Through the focus on veterans programming, research and policy, employment and employer support, and community engagement, the Institute provides in-depth analysis of the challenges facing the veteran community, captures best practices, and serves as a forum to facilitate new partnerships and strong relationships between the individuals and organizations committed to making a difference for veterans and military families.

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