

Why Hire a Vet?

The Business Case for
Hiring Military Veterans



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“I invest in veterans not to do them a favor; they are actually doing me a favor, because the qualities they bring to the workforce are invaluable.”

— Roger Staubach, JLL Americas,
Pro Football Hall of Fame Quarterback and Veteran





Unemployment among U.S. military veterans, particularly those of the post-9/11 era, peaked in 2011 and has since declined steadily as a result of aggressive private-sector initiatives. Shrewd CEOs and managers recognize the value veterans bring to the table. Veterans add essential technical and interpersonal skills, discipline, leadership, loyalty, and many other attributes to a company's workforce—all of which improve the organization and the bottom line.

With about 200,000 service members transitioning out of the U.S. military each year, this exceptional talent pool keeps growing. Companies are learning that veterans offer a broad spectrum of skills and knowledge that can enhance small, midsize and large-scale enterprises.

As part of a multi-year initiative, the SHRM Foundation is supporting research and developing resources to provide practical solutions for hiring and retaining veterans at firms of all sizes and in all sectors. This publication explores the business case for hiring vets.

Over the past decade, recognition of the tremendous value veterans bring to U.S. companies has led to accelerated hiring initiatives at major firms, including Walmart, Siemens, AT&T and Verizon. In addition:

- In March 2017 Starbucks pledged to build more stores near military bases and to hire 25,000 vets and spouses by 2025.
- In April 2017 Hilton Hotels and Resorts announced a plan to hire 20,000 veterans by 2020.
- In July 2017 Allstate Insurance launched an effort to recruit vets in sales and as agency owners in the Pacific Northwest.
- Prudential Financial and Rutgers University now operate VETalent, a program to educate and hire vets in IT careers.
- Dominion Power employs 1,200 vets in 14 states and runs an energy-sector jobs initiative.



Does It Pay to Hire a Vet? Measuring Return on Investment

Return on investment (ROI) varies depending on each organization's priorities and modes of integrating veterans into its workforce, but most companies find both direct financial benefits and less tangible, but equally valuable, organizational benefits when they hire veterans.

At a meeting hosted in early 2017 by the SHRM Foundation and the National Association of Veteran-Serving Organizations (NAVSO), participants from the public and private sectors examined the short- and long-term effects of hiring veterans, drawing conclusions about risks and rewards. They determined that despite some challenges in the short term, the long-term positive outcomes outweighed the negative.

Some of the potential challenges identified included the perceptions that recruiting veterans can be more costly and time-consuming than drawing from traditional talent pools, can create new stresses in a firm's organizational culture and might initially increase employee turnover. It was also noted that some veterans enter their new jobs with skills gaps that must be addressed. Unfortunately, misconceptions and inaccurate information can play into employers' negative perceptions, including inflated estimates of how many veterans experience post-traumatic stress disorder. Managers often lack knowledge of military culture and of the specialized vocabulary that appears on veterans' resumes, making it harder to evaluate a candidate's skills and experience.

Event participants identified significant positive short-term and long-term effects of implementing a program to hire veterans, including:

Positive short-term impact:

- Identifying and filling talent needs.
- Creating a stronger and more diverse workforce.
- Generating goodwill internally and outside the company.

Positive long-term impact:

- Improved performance and bottom line.
- Creating a diverse and talent-driven organizational culture.
- Improving leadership.
- Bringing the organization into agreement with a larger national issue.



Small and Midsize Firms Are Key

Although high-profile programs at large corporations tend to make headlines, small and midsize companies are playing key roles in placing vets in good positions across the country. In Texas, Renters Warehouse is veteran-owned and regularly hires veterans. CEO Rich Drake credits his ex-military employees with “constantly exceeding our clients’ expectations” and driving the company’s success. The same is true of VetCor, a small home and business repair firm in Florida, and Tilson, a midsize engineering and IT company in Oregon. Tilson CEO Josh Broder explains that the military ethic of placing “service above self” is what keeps him determined to hire more veterans.

A 2013 study of veteran hiring, performance and turnover found that veterans, on average, perform at higher levels and are less likely to turnover, generating positive outcomes for businesses. The analysis showed that for a company of 1,000 employees with 25 percent veteran new hires, cost savings amounted to \$325,000 per year.

—CEB Corporate Leadership Council
The Business Case for Hiring
Veterans (2013)

Organizational Benefits

The results of the recent SHRM/NAVSO meeting and studies by the RAND Corporation, Syracuse University’s Institute for Veterans and Military Families and other research institutions clearly show that organizations gain employees with truly wide-ranging experience and competencies when they hire veterans. Vets deliver subject matter expertise, years of on-the-job training and advanced skills in everything from information technology to transportation logistics and from supply-chain management to public relations. Vets can raise a company’s workforce to the next level in many areas, including:

- **Leadership and teamwork.** Military service creates individuals who work to earn the respect of their peers and understand how to bring people together to pursue strategic common goals.
- **Problem solving and decision-making.** Servicemen and servicewomen are required to react quickly and precisely, adapting to new information in dynamic, high-pressure situations.
- **Honesty and attention to detail.** Many veterans have high-level security clearances, and all are trained to meet the highest standards when it comes to ethics, safety and other organizational imperatives.
- **Global perspectives.** Members of the military usually have years of on-the-ground experience working with international teams of diverse individuals—a distinct advantage in our globalizing economy.



Direct Financial Benefits

There are direct financial benefits that come with hiring military veterans, in addition to the improvements in a company's bottom line as a result of better performance, diverse talent, stronger leadership and the other outcomes discussed above. Organizations may be eligible for Work Opportunity Tax Credits (WOTC) of up to \$5,600 for each unemployed veteran hired, and up to \$9,600 for each veteran with a service-related disability. A few restrictions apply, so it is important to look at the specifics of the WOTC during the hiring process.

Many military veterans will also be eligible for a variety of programs that can contribute to their professional development and their ability to relocate or retrain. Through the Veterans Benefits Administration, the U.S. Department of Veterans Affairs offers educational benefits, home loans and a variety of technical and employment training programs. The Department of Defense may also offer relocation assistance.

The Goodwill Factor

Companies generally gain enormous goodwill from customers and a boost in their public image when they commit to hiring more military veterans. Lauren Chess of Colonial Life and Accident Insurance Company says that recruiting veterans improves her organization's brand value, and is "the best way to say 'thank you' to the people who risked their lives for us."

A 2017 study of veteran hiring argues that it simply represents "good citizenship and good business." The military is among the most respected and trusted institutions in the United States, so for most organizations there is no downside to being associated with it.

Conclusion: Veterans Have What Companies Are Looking For

Stanley Black & Decker is one of more than 230 firms involved in the Veteran Jobs Mission coalition, which plans to hire 1 million vets by 2025, having already hit its earlier target of 100,000. Lessons learned from the initial 100,000 jobs initiative can help CEOs and managers seeking to further increase their return on investment as they develop their own hiring initiatives. Those lessons include:

- Educate managers on the value of veteran employees so they see the business case clearly.
- Improve the cultural competency of those who hire and interact with veterans, focusing on awareness of issues specific to the military community.
- Allocate recruitment resources strategically by tracking which job fairs and other recruitment tools show the most benefits.
- Take advantage of federal resources that allow companies to connect with and train transitioning veterans early in the process.
- Invest resources in onboarding, career development and retention—not just recruitment.
- Track veteran recruitment, performance and retention metrics to gain a deeper understanding of which strategies are most effective and which offer the greatest return on investment.

Ralph Doran of Stanley Black & Decker sums up the case for hiring veterans succinctly, explaining that their unconventional resumes are exactly what makes them so valuable: "While veteran resumes may not read like the natural industry progressions we see in other talent pools, their results clearly reflect everything we are looking for."

Additional Resources

As part of its Veterans' Initiative, the SHRM Foundation is developing a variety of resources to help employers hire, retain and engage veteran talent. These complimentary resources are available at shrmfoundation.org

- The U.S. Chamber of Commerce Hiring Our Heroes initiative has valuable tools and information for employers regarding hiring veterans and their spouses.
- The Institute for Veterans and Military Families, Syracuse University provides superb array of resources, including *The Business Case for Hiring a Veteran* (2012) and *Revisiting the Business Case for Hiring a Veteran* (2016).
- For information about forming a structured campaign to bring veterans into a workforce, the National Association of Veteran-Serving Organizations (NAVSO) is worth investigating, especially for its educational webinars.
- The SHRM Foundation's collaboration with NAVSO includes a variety of resources to help employers understand the process and value of hiring vets, including *Why Hiring Veterans Makes Good Business Sense* and the report, *Integrating and Engaging Veterans in the Workforce*.
- Military.com's Employer Resource Center provides articles and resources for employers, including a "Military Skills Translator," which matches veterans' skills to civilian job positions. The site also provides details about tax credits for hiring veterans, job fairs and other hiring events.
- For information specifically targeted to hiring members of the National Guard and Reserve, the Employer Support of the Guard and Reserve offers an array of helpful materials.

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