



The Military Advantage Why don't more companies seize it by recruiting veterans?

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There's a talent pool of workers who are disciplined, skilled at overcoming obstacles and achieving objectives, understand teamwork, accept responsibility for their actions, communicate clearly, and live their lives with integrity. And chances are, you're ignoring it.

Coors Brewing Co. was -- that is, until Carl Barnhill, the company's chief revenue officer, realized that the company needed a better pipeline for developing its future leaders. So Barnhill, a former Marine himself, began recruiting Marines ready to enter the civilian world through military job fairs for his sales staff. Coors puts its recruits through an intensive twelve-week boot camp that teaches business basics -- profit and loss and the art of sales -- and which Barnhill describes as "either up or out -- you either pass the test or you leave the company."

Those who don't wash out get assigned to Coors' toughest markets. "The people who have graduated from the boot camp are the best salespeople in our company," Barnhill says. His Marines typically achieve a 5 or 6 -- or even higher -- percentage increase in annual sales in those markets, a phenomenal feat in an industry with an annual growth rate of less than 2 percent.

The magic of their success isn't just a result of Barnhill's boot camp. The veterans he recruits have qualities, developed in the armed forces, that are crucial to the company. They have the essentials of leadership.

The "M" Word

Coors isn't alone in its efforts to recruit veterans. American Express, Hershey, 7-Eleven, General Motors, Home Depot, and Johnson & Johnson also regularly seek to hire from the armed forces. But these and a handful of other companies remain exceptions.

In a 1995 report to the Joint Chiefs of Staff on veterans' experiences seeking private-sector jobs, author Wesley Poriotis, chairman of the diversity-recruitment agency Wesley, Brown, & Bartle Co., cited a corporate bias against veterans entering the workforce. That prejudice, which Poriotis called "the 'M' word," persists today.

But the "M" word didn't always inspire such sneering. Soldiers returning from World War II were heroes. Educated via the G.I. Bill, some went on to become corporate leaders. Navy veteran Charles Brown rose to become CEO of AT&T, and Don Regan served in the military before becoming CEO of Merrill Lynch and later President Reagan's treasury secretary and chief of staff.

Anti-veteran bias developed during the 1960s, when much of the nation turned its back on both the unpopular Vietnam War and the soldiers who fought it.

With the elimination of the draft in 1971 and the return to an all-volunteer armed forces, corporate America eventually lost touch with the military skills that transfer laterally to the workforce.

In his report, Poriotis wrote, "The gate-keepers making private-sector hiring decisions have little or no experience with career military people and are screening them out before they gain access to meaningful job interviews." The veterans who responded to the survey consistently viewed their leadership ability as one of their most valuable skills, but the report noted a "glaring disparity": "The military stress[es] leadership and management skills but the private sector hires 'functionally'" for all but the highest levels of businesspeople.

Military service has lost its equity for employers. Today, Poriotis says, one out of every 150 corporate executives has some type of military experience, while among human-resource workers the rate drops to one in six hundred. Additionally, in the years since his report, Poriotis notes, the HR community has become younger and predominantly female, which distances it -- both emotionally and practically -- from the typical veteran. "The hiring mafia," he says, "creates a de-selection based on lack of familiarity," which leads to a bias comparable to racial or gender prejudice.

It also results in an enormous waste of talent and skill, garnered at taxpayer expense. You can't grasp the significance of the problem, Poriotis explains, until you've sat with hundreds of transitioning soldiers, seen what they have to offer employers, and heard the stories of their desperate job searches -- and then witnessed HR people's unmistakable reluctance to consider interviewing someone from the military.

Charles Phillips, president of Oracle, a former Wall Street stock analyst, and former Marine, experienced the bias firsthand. "People just did not want to even consider someone ex-military," he says. "I've seen it in my career since I've been on Wall Street, and now in the software business. People will set aside a résumé if it has military experience on it. They don't believe the skills translate at all."

Most HR people, like many Americans, also have a skewed impression of the armed forces, tending to see military leaders through the lens of Beetle Bailey and Gomer Pyle: as screaming sergeants barking at hapless recruits. "When you think about the military leader as a tough, heartless SOB, that's not true," says Bob Corcoran, president of the GE Foundation. "The military does a great job. They look at the same things we look at and develop."

But the bias runs even deeper, grounded in a perception that people who opt for military careers are inherently



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unsuited for the business world. A lot of business-minded civilians can't understand why anyone would choose to go into the military rather than embark on a lucrative private-sector career. And with that comes a class bias: Joining the military is seen as something that poor kids do.

Yet for many -- especially underprivileged youths -- the military is a legitimate start to a career, teaching recruits the leadership skills necessary to thrive in business. David Moore spent twenty years in the Army, watching what he calls disadvantaged young men become "squared away" -- Army talk for turning a recruit into a responsible citizen. After retiring from the military, Moore went to work at a community college, expecting the college to perform a similar function in a civilian setting. It didn't. For a dozen years, Moore says, he tried to "square away" students but usually failed. Faculty members were unwilling to accept disadvantaged students, students declined to accept responsibility, and without military-style discipline, there was no way to force the issue. Frustrated, in 1995 Moore founded Corinthian Colleges Inc. -- a company with annual revenues of \$800 million and rising -- to bring military-style values to civilian education.

Leadership Drills

Veterans form a talent pool that retired Army Gen. John Watkins, now chief technical officer at Fairchild Semiconductor, calls "a national treasure." Considering the \$17 billion that the military spends on training each year, Watkins' assessment is both literally and figuratively accurate. Indeed, veterans are an obvious source of workers for certain industries: Defense contractors value them for their knowledge of the military and their ability to achieve. Companies doing business in Iraq and other foreign hot spots also seek out veterans for their capacity to overcome obstacles under extreme stress.

There's no difference between the application of military leadership and corporate leadership, Watkins explains. The difference is in the training. Military leadership training is studied and methodical. It begins with a recruit's first day in boot camp, when the soldier begins learning to lead by learning to follow. The corporate world all too often leaves the process to chance. "By the time we promote a young officer to lieutenant colonel," Watkins says, "we have put him through both academic leadership training and real-world experience, where the officer had to take a group of people and mold them into a cohesive unit with the purpose of winning, not really caring who takes credit for it. When I look at most of the peers I associate with on the commercial side, it's unfortunate that they've not had that training."

It's also unfortunate that companies looking to hire rarely appreciate such training. For example, Oracle's Charles Phillips began studying leadership in the Air

Force Academy, where he earned a degree in computer science. By the time he was 18 years old, he was already immersed in leadership theory, and at 21 he'd been assigned leadership roles managing enlisted members of the Air Force. Later, as a Marine, Phillips rose to the rank of captain and earned both an MBA and a law degree. His experience, he says, got him "to form good habits in terms of leading people, influencing people, and mastering how to relate to people -- skills that will last a lifetime."

But his leadership abilities, education, and technological know-how didn't make storming the towers on Wall Street for a civilian job any easier. "Out of the hundreds of people I wrote letters to, zilch," Phillips says. He did not receive a single call for a job interview. Granted, non-military job-seekers also face an uphill battle searching for positions, but Phillips' skills and experience should have given him an edge, especially in an era that demanded strong high-tech knowledge. Eventually, he found a job and went on to spend a decade as one of Wall Street's top-rated stock analysts, specializing in enterprise software, before he moved to Oracle in 2003, where his responsibilities have included overseeing the hostile takeover of PeopleSoft.

Phillips' move from the military to Wall Street was successful partly because he had acquired the skills to analyze the computer industry while he served in the military. But soldiers who specialize in the arts of war -- we see them patrolling the streets of Baghdad on the nightly news -- have hard skills that don't easily translate to the corporate world. However, their leadership skills translate laterally, and when these abilities are rounded out with the business applications in programs like Coors' boot camp, the results can be stunning.

Before going to Merrill Lynch twelve years ago, Tom Weisenfels graduated from West Point, served as an Army combat engineer officer, and fought in the 1991 Gulf War. "We traveled with tank battalions to take down obstacles that they would encounter when the tanks were on the offense," he says. "We would set up defensive positions, minefields, wire, berms, that kind of thing." After leaving the Army as a first lieutenant during the military downsizing in 1992, Weisenfels' experience looking for his first civilian job mirrored that of Phillips. He sent out résumés and cover letters by the dozen and never received a call for an interview. Eventually, he turned to professional recruiters, who were able to get him interviews leading to a string of job offers, including one at Merrill Lynch's Wilmington, Del., complex, where he is currently a vice president and senior financial adviser.

Like Coors' Carl Barnhill, Weisenfels now hires from the armed forces with excellent results. "People from the military have a higher internal drive for excellence," he



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points out. "We see that they're self-policing. They have less of a disposition to blame outside events or organizational issues for lack of success. They typically are self-driven and have a higher moral compass, as well. In military terms, given a mission, they set out to achieve it without a whole lot of oversight."

One must presume that Weisenfels brings these qualities to Merrill Lynch, for he rarely says the word "I" unless asked a direct question that requires it. According to Barnhill, this is typical. "Military people always talk about 'we' and 'team,' and others who haven't been in the military talk about 'me' and 'I.'" While this might imply that veterans make better team players than leaders, what it really shows is that the military doesn't emphasize teaching its people how to sell themselves and their leadership skills.

Yet the leadership potential is tremendous. Andy Edelman, a managing director in Merrill Lynch's institutional advisory division, served in the Marines during the Vietnam War, where he reached the rank of captain and learned some valuable leadership lessons: "No. 1: You can't demand loyalty -- you have to earn it," he points out. "No. 2 is that you can't lead from behind, and I would never ask someone to do something that I wouldn't do. Earning respect requires communication. Do the people trust you? Do they look upon you as taking them to the next level, and do they have confidence in your ability to do that in a professional manner? If you translate that into the business world, if individuals know what is expected, you build a very effective team."

Shooting for Integrity

People in the military live in a fishbowl, says retired Army Gen. Mike McDuffie, now Telos Corp.'s chief marketing officer. "The whole training dynamic in the military is to put people in difficult situations -- pressure-filled, near-combat conditions, with lack of sleep, lack of food, cold and rain -- to see how they react to it. Everybody knows what everybody else makes; everybody knows if you're in physical condition or not; everything you do, you are being observed."

It's an environment that helps soldiers learn what they're made of. It winnows and shapes leadership ability in a crucible of stress, accomplishment, and camaraderie. Just like a successful business, it's a situation that requires efficient, effective teamwork and good communication. But the military team differs significantly from the business team in one key way: These aren't matters of profit and loss, dividends, market share, and executive compensation -- they're matters of life and death. Ask anyone serving in Iraq or Afghanistan. These are stretch assignments in which personal survival is subjugated to the mission and the success of good teamwork.

As director of logistics for the Joint Chiefs of Staff, McDuffie tackled one of the greatest team-building exercises ever undertaken by the military: the Department of Defense's effort to create a combined war-fighting force, turning the Army, Navy, Air Force, and Marines into a single team. It's imperative, for instance, that a squad of Marines on the ground in Iraq trusts the Air Force to provide support when it's needed. Teamwork in the military requires absolute trust, McDuffie says, and absolute trust is possible only when it's rooted in integrity and ethics. "Ethics are taught and trained on a day-to-day basis," McDuffie remarks. "The team must rely on each other, trust each other. So the whole idea of bounding or wrapping people in ethical ideas, ethical decisions, and ethical concepts is essential." Much as it is, needless to say, in a corporate setting.

While the shocking Abu Ghraib photos opened the world's eyes to renegade U.S. military conduct, few would argue that the soldiers involved were the rule rather than the exception. The ethical grounding that military personnel receive, Corcoran says, is among the most valuable traits they bring to the corporate world. "Leaders must have integrity, and they must demand it of others. And integrity is not 'mostly integrity' -- it's binary. You either have it or you don't. It's that simple."

And it's not something that can be quantified. Observes Dennis Hightower, a retired Disney executive, Harvard Business School professor, and Army major: "In business, there is often the tendency to rely solely on the numbers, but numbers don't get things done -- only people do. The overarching notion is that managers do things right, but leaders do the right thing."

A Few Good Men On the Internet

If there is indeed resistance to hiring ex-servicemen, it hasn't inhibited a lively employment market from developing. A number of firms -- many of them online -- specialize in placing veterans in civilian-sector positions. The largest of the online employment companies, Monster, has a division, Military.com, that exclusively targets the military, but there are many more smaller sites -- among them MilitaryHire, RecruitMilitary, and Corporate Gray Online -- that are military-specific.

Here's how they work: The employer specifies location and key words pertaining to job function in order to narrow the search of résumés. Costs appear reasonable. Military.com, for instance, charges \$365 to post a job for sixty days and from \$400 to \$1,000 to search through résumés posted by candidates. Most of these sites do not engage in contingency hiring, meaning they don't work with individual companies or candidates, as a traditional headhunter does. Other firms, like



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RecruitMilitary, offer both contingency and database options to its clients.

Lucas Group, an executive-search firm, claims to place more than one thousand veterans -- mostly junior military officers (JMOs) -- annually in management and leadership positions in mainline companies. "The military provides much more leadership experience to people in their 20s and 30s than most CEOs have in a lifetime," says Bryan Zawikowski, who heads Lucas' military division. "In fact, when JMOs registered with Lucas go up against civilians with MBAs for leadership positions, our candidates win hands-down. There's a big difference between someone who has only been at school and somebody who's been shot at." MilitaryHire president Michael Weiss agrees but concedes that veterans face a learning curve: "They're so used to following orders that it takes them longer than most people to develop a sense of thinking outside the box," he says. "But once they're on the job for a while, they normally exceed the expectations of their supervisors."

Employers must also be ready to deal with a high degree of impatience in their new military hires. "They are given so much responsibility in the service," observes RecruitMilitary vice president Mike Francomb, "that they tend to feel they are immediately ready for greater responsibility in their new jobs."

--Vadim Liberman

These Generals For Hire

If a new pilot program is successful, retired generals may soon find it easier to find work. Called "Generals in Transition," the program is co-sponsored by the Leader to Leader Institute, The Conference Board, and the Mandel Foundation. Its specific purpose: to find senior-level positions for generals in the social sector and non-defense-oriented industries.

"By legislative fiat, there are 320 Army generals at any given time," points out Daniel Rabuzzi, until recently CEO and president of the Leader to Leader Institute. "About forty retire each year, and about half are hired by defense industries. That leaves about twenty to twenty-five entering the workforce every year, plus other recently retirees still looking to find senior positions that take advantage of their experience and expertise."

In Rabuzzi's view, the nonprofit sector presents a natural outlet for former generals, just as the generals present a natural hiring problem. "Most of them have

worked for one employer their entire lives, so the transition for them is of a very particular sort. Certainly they don't participate in the kind of career planning that we civilians are used to. They don't sit around and wonder: What will I do when I retire? They work to the last hour, and then start thinking about the future. Usually, they are in their 50s, so they have a lot of work years in front of them."

The "Generals in Transition" program is still in the incubation stage, but a few months ago, Rabuzzi, a former banker, was busy creating "brand awareness on the supply side" -- the generals themselves. "We've put together a panel of recently retired generals to talk to their counterparts, and we've also set up a website. The harder part is convincing people on the other side -- executive recruiters -- that generals should be considered serious job candidates. That means getting beyond misperceptions and stereotypes. To a lot of people, the word general means George C. Scott as Patton. Also, many perceptions are related to age. I'm 45. If you're 50 or younger, you most certainly haven't had any military experience. If you're 50 to 65, your experience will be heavily colored by events in Vietnam. As for anybody in their 30s or 40s -- and that includes an awful lot of frontline recruiters -- they just don't know the Army."

To showcase the possibilities for generals, the program is building up a database of generals who have jobs with nonprofits. Among them: retired Brig. Gen. Anthony Smith, president of the French-American Foundation; retired Maj. Gen. Arthur Dean, chairman and CEO of the Community Anti-Drug Coalitions of America; retired Brig. Gen. Don Palladino, who chairs a group of nonprofit executives that advises members of the International Save the Children Alliance; and retired Brig. Gen. Jesus "Yogi" Mangual, COO of National Industries of the Blind.

--A.J. Vogl

A General Who Made It To the Other Side

As the accompanying article suggests, the civilian job world is not altogether welcoming of ex-servicemen. But if NCOs and junior military officers have problems, what about generals (and admirals, too)? After all, junior officers, after several years of service, are still relatively young, so employers might rightly expect they'd be flexible in adapting to corporate life. But general officers, with thirty-plus years of service, might be perceived to have a narrower worldview, with more



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limited adaptive abilities. True or not? ATB editor A.J. Vogl talked with Lt. Gen. (Ret.) Dan Christman. A combat veteran, Christman also served as the superintendent of the U.S. Military Academy at West Point. Last year, he was named senior VP for international affairs at the U.S. Chamber of Commerce.

Is it more difficult for the retiring senior officer to find a good job than it is for his junior counterpart?

My impression is yes. Since I retired from the army, I've probably had two dozen generals come to me asking "Quo vadis" -- their way of asking, "Where am I going?" That's a tough question to answer for somebody who's spent thirty or thirty-five years in the military, who really loves the service -- which is why he stayed in it so long -- who has a patina about him that may be off-putting. Now, of course, many four-star combatant commanders are offered directorships on corporate boards, and some of them serve as lobbyists for the defense industry. But that leaves a lot of others who were hoping their day of retirement would never come. It can be a tough transition to civilian life.

You've been at the Chamber for almost nineteen months. How was your transition?

Pretty easy, actually. Before joining the Chamber, for two years I was president of the Kimsey Foundation in Washington, where I helped launch a program of political reform in China. The counsel I give flag officers is not to do what I did, which is to look too rigorously at the first job they get in the private sector. The fact is there's a lot of to-ing and fro-ing, and the first job should be looked at as part of a process. It may turn out to be a second career, but more often than not it doesn't. For me, when the Chamber came calling, it was the right time for me to leave. I found the transition remarkably smoother going from one non-military, nongovernmental job to another than going from an Army career to a job in the civilian world.

Do you think general officers are better suited to the nonprofit world than the private sector?

I don't know about better, but they can be a very good fit. Based on my experience running a nonprofit and being around dozens of other nonprofits, I find that nonprofits often lack leadership, a vision and mission for how they're going to use the corpus. This sort of mission or task analysis that is so much a part of the military lends itself beautifully to the nonprofit world.

The nonprofit world is also much less efficient than it should be, because each of the nonprofit domains -- the boards and the chairs -- have their own idea of what should be done, but they're unwilling to share, and that attenuates their effectiveness. Personally, that's the reason I entered the nonprofit sector: I was turned on by the prospect of bringing some discipline to what was

really a motley array of programs.

There's more potential for immediate satisfaction, too, because a flag officer can wind up being president or executive director of a foundation, while few boards would risk making that officer the CEO of a for-profit corporation; instead, he would be subordinated into the larger business hierarchy.

Is there a difference between military and corporate leadership?

More than a little. Now, I know we hear a great deal about the so-called new Army, and how it's become more decentralized and more attuned to the idea of delegation; but, at the risk of making too stark a comparison, the military suffers in the area of mental agility, which is where the corporate sector beats us hands-down. Overall, I think the military remains more risk-averse than the private sector. The private sector is more willing to take calculated risks and, also, to delegate authority to a junior person and let that person run with it.

Could it be that there is less risk-taking in the military because the consequences of failure are so profound -- that is, lives lost?

I attribute it more to the way we reward, through our performance evaluations, our so-called OERs -- officer efficiency reports. There's a zero-defect mentality in the army, and things are so competitive that just a few minor slip-ups are all that a rater needs to make a distinction in a harsh and severe evaluation climate.

Still, though the corporate sector is ahead of the military in mental agility, there is one area where the Army can serve as a model: In tactical operation, barriers -- what would be called stovepipes in the private sector -- quickly break down because the armed services have a set of ethical values that stress integrity and mutual respect, particularly at the highest levels.

Working at "Home"

Perhaps no business focuses on hiring from the military the way The Home Depot does. With more than 1,800 retail locations in North America -- and a new store opening every two days -- the company faces a growing demand for people to manage its 300,000 workers. But Home Depot wants more than just managers. It wants leaders, explains Dennis Donovan, executive VP of human resources. As a result, the company heavily



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recruits junior military officers.

Home Depot CEO Robert Nardelli discovered that military officers make good leaders when he ran General Electric's transportation business in the 1990s. Today, more than half of the seven hundred people in Home Depot's Store Leadership Program are junior officers, which the company often recruits using military outplacement firms. To gain acceptance into this two-year program designed to train store managers, applicants must have four to ten years of experience either in a business environment or as a commissioned military officer. "JMOs walk in the door with very effective leadership skills," Donovan says. To round out those abilities with business knowledge, the store's leadership program combines more than 250 hours of classroom instruction, four different job rotations, and mentoring by company leaders.

Recently, Home Depot joined forces with several government departments in a new hiring initiative called Operation Career Front, geared toward helping veterans transition into civilian jobs. In 2003, the company hired nearly ten thousand vets to work in various capacities at its stores, and the number topped that mark last year. "It's part of our patriotic duty," Nardelli recently said at a recent event at which The National Committee for Employer Support of the Guard and Reserve honored Home Depot for its work with the military. "We hire men and women who have served in the armed forces because it makes great business sense. Time and again, these associates have demonstrated great qualities that all employers want. From leadership to discipline, to teamwork and enthusiasm, I have experienced countless examples of their commitment to excellence and pride in getting the job done."

--R.Z.