

The Top 10 Secrets America's Best Companies
Don't Want You to Know about
Hiring Former Military Professionals



TOP SECRET

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Most employers are aware that military veterans make great hires because they possess intangibles superior to non-military job seekers, such as work ethic, teamwork, and flexibility, which prepare them to excel in the civilian workforce. What you probably have not considered are the more practical reasons to hire military, factors that will contribute to your bottom line. These reasons are held secret by America's top companies and they are specifically **what your competition does not want you to know.**

An article on WashingtonPost.com by *Kathleen Brill*, titled "*Bringing Military's Values to the Civilian Job Market*", told how former Marine *Derrick Dortch*, currently a career counselor at Georgetown University, learned to "improvise, adapt and overcome" in the military. Dortch suggests that it is these qualities that translate directly to the workplace, especially in unpredictable situations.



The same article highlights experiences by former Air Force Colonel *Tim Davidson*. Davidson states that military personnel are trained to do things right. "If they say they have done something, they've really done it; if they say they will do something, they will do it."

Hiring a diverse workforce is a challenge frequently faced within most Talent Acquisition strategies. According to the article "*More Employers Recruit Military Work Ethic*" in USA Today, "Companies seeking to create a more diverse workforce are turning to the military for recruiting. About 36% of members of the military are minorities vs. 33% of the total population. The U.S. military is one of the most diverse organizations in America. With over 200,000 service members entering the civilian workforce each year, military veterans are one of the largest sources of skilled diversity talent in the world.

When it comes to harnessing the power of military veterans to increase the effectiveness of your hiring initiatives, attract more productive employees, and diversify your workforce, these initial factors are just the tip of the iceberg. The key performance indicators demonstrated by military personnel and the impact that veterans have historically made in the workforce make this a candidate pool you CANNOT afford to overlook. ***But exactly how can hiring a veteran have an immediate impact on your bottom line?***



We know you want tangible evidence and we have compiled that evidence for you to see. Keep reading to discover how you can leverage **The Top Ten Secrets America's Best Companies DON'T Want You to Know about Hiring Military Talent.**

1. MILITARY RELOCATION

According to the **Employee Relocation Council (ERC)**, member companies moved, on average, 308 employees over a year period with the average new hire relocation cost falling just under \$50,000. This cost can be staggering when multiplied. This is where hiring military can save you money. The **U.S. Government** has programs in place to pay relocation costs for veterans entering the civilian workforce. The majority of costs are covered and that immediately nets, according to the ERC, a savings of approximately \$50,000.

2. TAX SAVINGS

Hiring a veteran can result in major tax benefits for corporations. Tax credits for hiring former military can be up to three times more than a tax deduction. In 2007, the *Work Opportunity Tax Credit Program* (WOTC) expanded its eligibility requirements and increased the available tax credit for businesses to \$4800.00 per eligible veteran employed.

There are also 41 states with *Enterprise Zone Program*, designed to stimulate economic growth in depressed areas. This can benefit employers by up to \$37,000 in tax credits during a five-year period. Each state has different specifications, but businesses regularly claim 50% of the veteran employee's first year W-2 wages, up to \$12.00 per hour.



3. DRUG-FREE

Hazelden, one of the world's largest and most respected private not-for-profit alcohol and drug addiction treatment centers, reports that 76 percent of illicit drug users are employed, and, of the 12.4 million heavy drinkers, 80 percent are employed. According to the **U.S. Department of Health and Human Services**, alcohol and drug abuse cost U.S. businesses an estimated \$81 billion in lost productivity, per year.

As a member of the U.S. Military, personnel are required to undergo regular drug and alcohol testing. **Department of Defense** (DOD) labs test approximately 60,000 samples monthly and have installed regulatory programs such as the **Army Drug Testing Program**. Under strict controls that civilians are not privy to, military personnel are less likely to engage in drug and alcohol abuse, resulting in less cost to employers.

4. 90% 2-YEAR RETENTION RATE

Every employer knows that hiring a good employee who is willing to stay with the organization is difficult, if not downright impossible. The **Society for Human Resource Management** (SHRM), the world's largest association dedicated to professional human resource management, estimated that it costs \$3,500.00 to replace one \$8.00 per hour employee when all costs; recruiting, interviewing, hiring, training and reduced productivity, were considered. The cost only increases as position and level of responsibility elevate.

Military veterans who transition to the civilian workforce have a retention rate of 90% after two years of employment. Assuming that only one employee leaves per year, for an \$8.00 per hour position, that is a savings of approximately \$7000.00 over two years (according to the SHRM statistics).

5.

WORKPLACE SAFETY COST REDUCTIONS

A report titled, *"The Liberty Mutual Workplace Safety Index,"* issued by **Liberty Mutual of Omaha**, a leading insurance company, indicated that overexertion costs approximately \$13.6 billion annually and accounts for nearly 27% of workplace injuries. Bodily reaction costs \$4.7 billion annually and accounts for nearly 9.6% of workplace injuries. Military professionals are trained to work efficiently while physically overexerted and with quick, precise reactions. Hiring veterans could easily contribute to the reduction of the nearly \$18.3 billion spent on overexertion and bodily reaction workplace injuries.

6.

MORE EFFICIENT OPERATIONS

The article from **The Washington Post** by *Kathleen Brill*, *"Bringing Military's Values to the Civilian Job Market"*, states, "the military teaches how to identify weakness in a system or team and how to avert problems. Such willingness to resolve issues quickly can allow people to become 'agents of change' within businesses." Some specific examples of this efficiency, as listed on www.baseops.net, include the following:

"Increased employee retention rate by 16 percent by focusing on training, team building and recognition programs. Earned reputation as one of the most progressive and innovative IT organizations in the Army's communications and IT community."

"Received Army Achievement Medal for completing 400+ medical evaluations and developing patient database using MS Access. The database improved reporting functions and tracked patient demographics, records, medication, appointments and status."

7.

YOUNG AND EXPERIENCED

The majority of civilians who have transitioned from military life are under the age of 35. According to **The Washington Times** article, *"Benefits of Hiring Young Veterans"*, "the majority takes off the military uniform and permanently enters civilian life before age 25. Less than 15 percent of those who start active duty stay the minimum 20 years required for retirement."

The intensive training invested in these professionals, coupled with their young age, provides an unprecedented opportunity to potential employers.

8.

LOWER HEALTH CARE PREMIUMS

Not only are these veterans young and trained well, they are healthy. Physical fitness is of great importance in the military and generally speaking, they are at the top of the physical fitness pyramid. This translates into cost savings on health premiums and claims for employers.

Retired veterans (who are as young as 37) are eligible to receive free health care coverage for life through **TRICARE**, the military's health care program, as well as reduced cost for their family members. In addition, all separated service members have at least basic eligibility to use the **Veterans Administration** system for qualified medical issues. Also, military reservists can use **TRICARE** as a supplement instead of utilizing their employer's plan.

A report issued by the **National Coalition on Healthcare** estimated that premiums for employer-based health insurance rose by 6.1 percent in 2007. As costs continue to rise, hiring a military veteran can result in decreased health insurance premium costs if they participate in **TRICARE** or utilize the **Veterans Administration** for qualified medical events.



9.

TECHNOLOGICAL EXPERTISE

One of the most alluring skills available to employers by hiring veterans is technological expertise. **The Washington Times** article, "Rewards of Hiring Veterans," points out that a young private on an Army personnel carrier or a Marine Corps tank will be trained to use, maintain and understand the basics of nearly a dozen high-tech instruments embedded in these modern military vehicles from computer-generated thermal images, to global positioning navigation systems tied to satellite tracking devices, to digital-data graphics and movement presentations relayed between moving vehicles via wireless control. The days of the "low-tech" world of the infantryman and tank crewman are long gone.

The cost of training an employee to be technologically savvy can be limitless. A veteran is already equipped with the latest training and technological knowledge. When hiring a veteran, cost savings make an immediate impact. According to the **U.S. Chamber of Commerce** some 60% of enlisted personnel can program in at least one computer language compared with only 2% of the general population.



10.

COMMANDING LEADERSHIP

One of the most obvious reasons to hire military is the leadership training they possess. *Karen Stevens* a staffing specialist at **Goodyear** says that even her low-ranking veteran employees have supervisory and leadership experience. Each branch of the Armed Forces contains its own leadership training centers. At the **U.S. Army Center For Creative Leadership**, military personnel are trained to understand strategic visions, communications and adaptability.

John DiPiero, military program manager at **USAA** and an **Air Force** veteran, explains, "military people are brought up and trained to be leaders and managers, to get the mission completed – great skills for any employer." And this leadership experience pays off in the long run. In 2006, analysts with the Economist Intelligence Unit (EIU) concluded that Fortune 500 companies whose Chief Executive Officers had military experience consistently beat Standard & Poor's 500 Index over the last ten years.

Furthermore, the cost of inadequate leadership can have a direct impact on the bottom line, including high turnover rates, which lead to high recruiting costs as well as lost productivity, which lead to less effective operations and decreased output. It is estimated that leadership training can cost between \$2,000 and \$10,000 per employee. This statistic includes seasoned managers and executives. Hiring veterans, who are already equipped with elite leadership training, can save an estimated \$10,000 to \$50,000 in leadership training for just five new military hires.

How can your organization leverage these classified secrets?

Sourcing³

MilitaryStars' Sourcing³ concept has revolutionized the way employers find the military veterans needed to improve their bottom line. Our "One Cost, Unlimited Hires"[®] three-dimensional approach creates a hiring pipeline that reduces wasted time screening unqualified candidates while saving your company money in the process. Our three-tiered method combines Hiring Events, Online Job Board Postings, and Resume Database Access to bring your hiring managers qualified military talent, all for less than the cost of running a newspaper advertisement. **Contact us** today to learn more.