



CEB Corporate Leadership Council™

The Business Case for Hiring Veterans

A FRAMEWORK FOR MEMBER CONVERSATIONS

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CEOs believe that human capital is their number one challenge, and inadequacies in human capital management has prevented achievement of key strategic objectives.

TALENT SCARCITY LIMITING GROWTH

CEOs Rank Human Capital as Biggest Challenge in 2013

Human Capital and Operational Excellence are the Top Global Challenges for 2013		
Global Rank	Challenges 2013 ^a	Score
1	Human Capital	2.44
2	Operational Excellence	2.10
3	Innovation	1.99
4	Customer Relationships	1.72
5	Global Political/Economic Risk	1.68
6	Government Regulation	1.55
7	Global Expansion	1.31
8	Corporate Brand and Reputation	0.92
9	Sustainability	0.82
10	Trust in Business	0.46

n = 729.

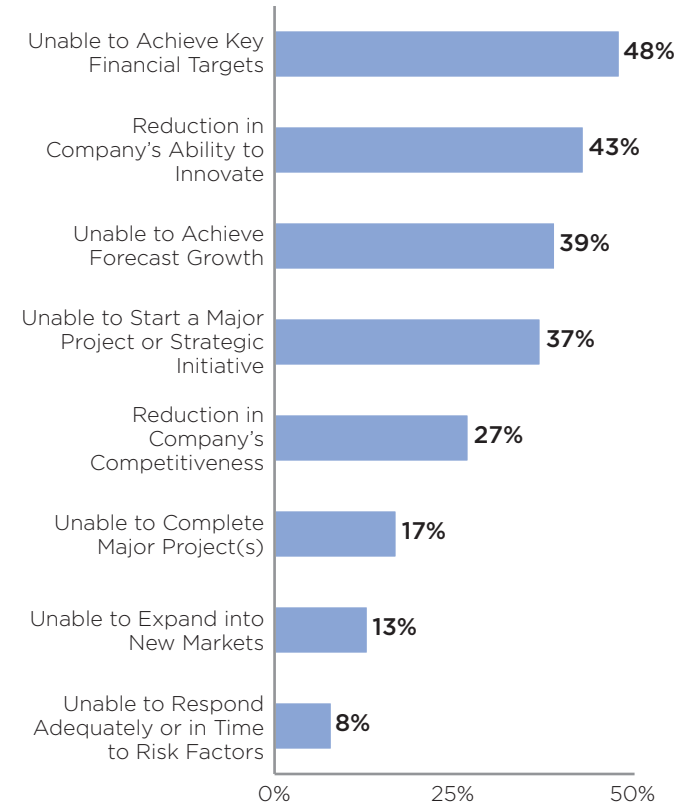
Source: "The Conference Board CEO Challenge" 2013, Conference Board.

Note: N = Number of overall responses. The response rate varies for each challenge. Each score represents the mean of the ranks given the challenge. For information about the scores were created, see "About the 2013 Survey" on page 24 of the CEO Challenge 2013 summary report.

^a Operational Excellence was added to the list of challenges in 2013 replacing Cost Optimization. Trust in Business was also added in 2013 replacing Investor Relations.

Poor Human Capital Management Leading to Business Problems

Have any of the following occurred at your company in the past 18 months as a result of inadequacies in human capital management?



Source: AICPA and CIMA, Talent Pipeline Draining Growth, 2012.



Despite historically elevated unemployment rates, organizations still struggle to find high quality talent

TRADITIONAL RECRUITING POOLS NOT PAYING OFF

New Hire Underperformance

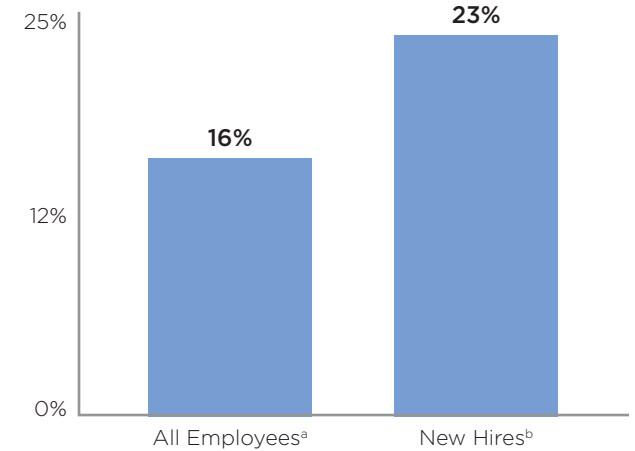


One in five new hires are “bad” or “regretted decisions” according to hiring managers on their team.

n = 2,527.

Source: CEB Q4 2012 Global Labor Market Survey.

New Hire Turnover



^a 490 organizations (all employees).

^b 201 organizations (new hires).

Source: CEB analysis.

Post 9/11 veterans have a higher unemployment rate and the numbers set to leave the military in 2014 are expected to increase.

POST 9/11 VETERANS UNEMPLOYMENT LEVELS ARE ELEVATED

Table 1: Unemployment Rates For:	Rate of Unemployed September 2013	Percent Change from August to September 2013
All Americans	6.8	-0.3
All Veterans	6.5	+0.3
Gulf War Era (Post 9/11) Veterans	10.1	+0.1
Gulf War Era I Veterans	5.5	0.0
WWII, Korean War, and Vietnam Veterans	5.5	+0.4
All Nonveterans	6.8	-0.4

Post 9/11 Vets have an unemployment rate that is almost 3.5% higher than other populations.

An estimated 132,000 Veterans are expected to leave the military in 2014. In addition, more than 1,000,000 are expected to leave across the next five years.

Source: The Employment Situation for Veterans, Syracuse University, Institute for Veterans and Military Families.

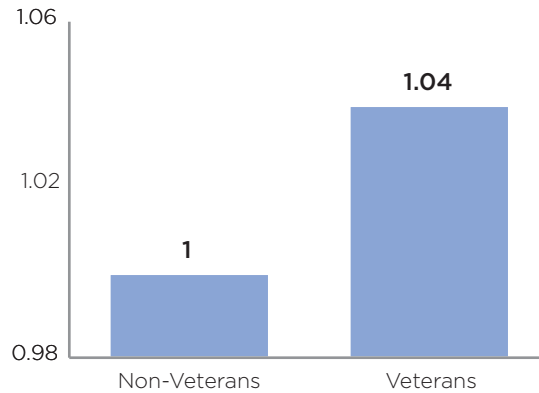
Note: Data is based on respondents that are 18 years old and above and not seasonally adjusted.

CEB Corporate Leadership Council analysis shows that veteran hires are more valuable employees.

- Veterans, on average, perform at higher levels and are less likely to turnover generating significant business outcomes.

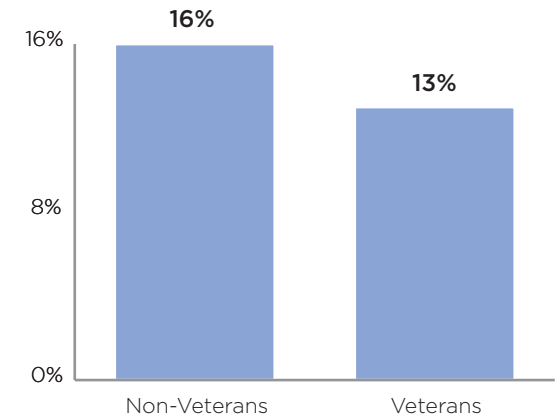
VETERANS MAKE BETTER EMPLOYEES

Employee Performance
Indexed



Source: CEB analysis.

Employee Turnover
Average Turnover Rates



Source: CEB analysis.

Doing the Math

For a company of 1,000 employees and average revenue per employee of \$150,000, decreasing turnover by 3% saves \$1.3 million annually and increasing performance by 4% improves revenue by \$6 million.

	Company A Hires No Veterans	Company B One in Four New Hires are Veterans
Number of Employees	1,000	1,000
Percent of New Hires that are Veterans	0%	25%
Revenue Improvement per year by one of four hires being veterans		\$1,500,000
New Hire Cost Savings per year by one of four hires being a veteran		\$325,000

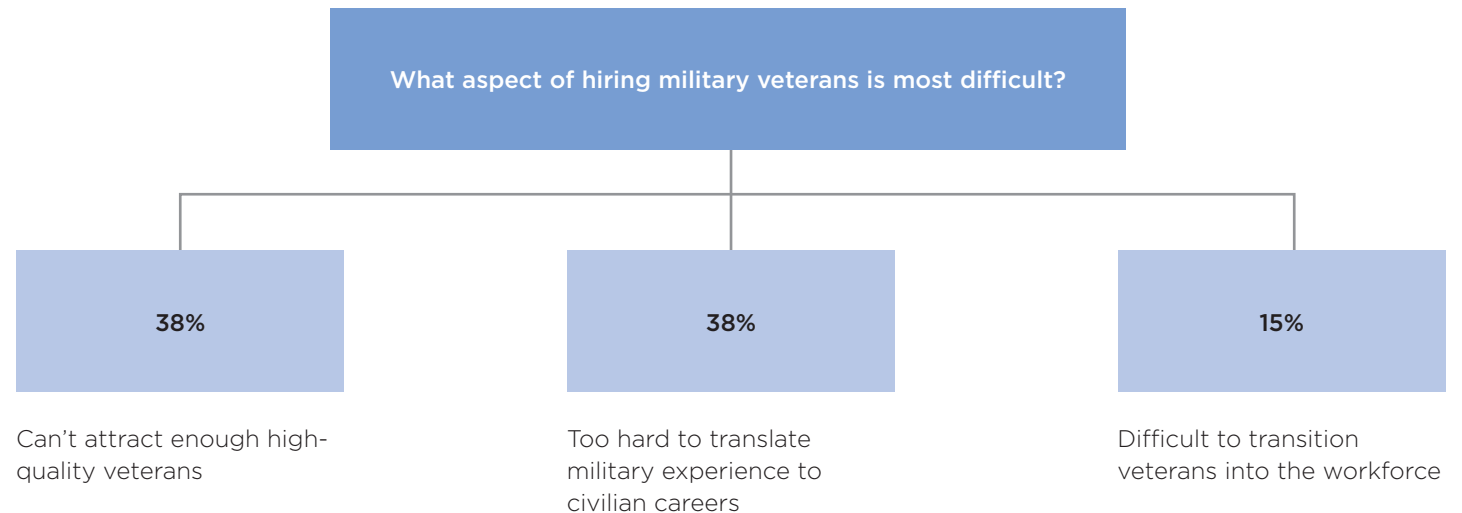
Source: CEB analysis.



Even with the importance of veterans in the workplace, organizations struggle to hire veterans.

ORGANIZATIONS STRUGGLE TO HIRE VETERANS

When asked “How satisfied are you with the effectiveness of your military hiring program?” Only 7% of HR executives at fortune 500 companies responded as satisfied or very satisfied with their veteran hiring program.



n = 84 organizations.
Source: CEB analysis.