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### Value of a Veteran Challenge: Attrition and Turnover of Veterans

*Employee attrition has been a major issue for American companies, and many firms participating in this study cited attrition of veterans as a concern.*

According to the U.S. Chamber, the current trend among veterans is to change jobs twice within the first three years of civilian employment. The underlying cause of the job switch is likely a poor fit between the veteran and the job (specifically compensation level), personal investment in the firm or the work role, or inflexibility of the position, given external demands (family, medical, etc.) imposed on the veteran. The trend shows that (on average) it takes veterans three employment experiences to find the “right job”—the first two jobs tend to be situations that meet their needs in terms of income and geography, while the third job tends to be a job they want and are passionate about, and in which they tend to stay permanently. Employers are not yet experienced in working with candidates to identify their strengths, experiences, and skills, and to fit the position to those attributes and characteristics, nor are veterans yet adequately prepared to translate military skills, training, education, and experience. There is a need for familiarity with transition concepts, and for employee and employer tools to discover strengths, grasp job duties and descriptions, and to find a correct job fit. Application of these tools will decrease attrition rate and provide employment stability within the firm.

Another factor in turnover intention is geographic location and employment stability, or conversely, willingness to move for a career opportunity. If veterans find meaningful employment in a preferred geographic location, particularly employment that may provide career development and opportunity for advancement, the veteran may be more likely to stay in a job. This reduced turnover may reduce costs of attrition. Job availability may not be consistent with veteran employment preferences because many enlisted veterans select geographic location as a first factor in transition out of military service. However, many veterans are also used to periodic military moves, and according to Monster.com’s Veteran Talent Index,<sup>1</sup> 68% of surveyed veterans said they would relocate for a job. In comparison, less than half (43%) of U.S. job seekers found on Monster.com state they would relocate in 2011. Of veterans willing to relocate, over half (53%) of those surveyed said they would relocate anywhere in the U.S. It may be the case that targeting transitioning members early, combined with better job matching, will result in lower unemployment rates and reduced turnover. This trait may also be a significant benefit to employers recruiting veteran talent, providing a mobile workforce when needed.



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An excellent incentive to cultivate a loyal veteran workforce, in addition to better job matching at the recruitment stage, is the high attrition cost of up to 18 months' salary (averaging as much as \$125,000) for each manager or professional who leaves and up to one half of a year's pay for each hourly employee who leaves. Reduced attrition may also positively impact the firm by reducing direct recruitment and training costs and other costs, which include preparing for and implementing a search, employee burden of doing the jobs of individuals who have left, and inefficiencies during training for replacements.<sup>2</sup>

According to GE employee data collected over the past 10 years, the attrition rate for veteran employees is 7% lower than for non-veteran employees. GE indicates their veteran employees are more likely to stay, and GE uses their annual review process to track their employee turnover data. In addition to attrition, there are further benefits of productivity from veteran employees. TriWest's measured absenteeism from work is lower amongst military employees. This is also in accord with data on people with disabilities, another group that may face employer stigma and that has direct relevance to wounded veterans. Employees who feel valued may have lower absenteeism, and those who perceive that their employer doesn't stigmatize may have similar stability and reduced absenteeism. Of course it may be that veterans, wounded and not wounded, as well as people with disabilities, may feel as though they have fewer alternatives and may stay due to a concern about lack of opportunity.

Citations:

<sup>1</sup> Monster Inc. (2011). *Veteran Talent Index: U.S. Job Conditions Insights and Analysis from Veteran Professionals, Recruiters and Hiring Managers*. Maynard, MA: Monster Inc. Retrieved from [http://www.aboutmonster.com/sites/default/files/MonsterVeteranTalentIndex\\_Nov2011.pdf](http://www.aboutmonster.com/sites/default/files/MonsterVeteranTalentIndex_Nov2011.pdf).

<sup>2</sup> Montana, Department of Labor & Industry, Workforce Service Division (n.d.). *Business Service – Employer Resources Tool: Employee Turnover Cost Calculator*. Retrieved from <http://wsd.dli.mt.gov/tools/toolsturnover.asp>. (Includes line-listing of costs hard and soft.)



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