



Veterans in Industrials:

The Two Percent Problem

Turning military experience into industrial operating capability

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Industrial companies do not need another statement of support for veterans. They need a system that can recognize military experience, assess it against the work, and develop it into lasting operating capability.

A national employer survey points to a gap between interest and execution. In a 2024 SHRM Foundation survey sponsored by USAA, 90% of HR professionals agreed to some extent that hiring veterans was appealing to their organization. At the stronger threshold of “agree” or “strongly agree,” 61% found veteran hiring appealing, but only 31% considered their organization effective at it. Just 2% reported using a military skills translation tool[1].

That is the two percent problem: a visible gap between the desire to hire veterans and the processes used to recognize their skills. A translator is only one part of the answer. The larger task is to connect recruiting, credential recognition, operational assessment, and career development.

The business case is operating capability: recognizing relevant technical and leadership experience, testing it against the work, and closing any gaps. Veteran status is a starting point for assessment, not a substitute for evidence of fit.







[1] SHRM Foundation, with support from USAA, Completing the Mission: Best Practices for Recruiting and Hiring Veterans (2024). Survey of 1,076 HR professionals, fielded February 26–March 4, 2024 through SHRM’s Voice of Work Research Panel. https://shrmres.cloudinary.com/image/upload/v1728927785/Foundation/Research_SHRM_Research_Report_on_Recruiting_and_Hiring_Veterans.pdf

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What the leadership evidence suggests



Ayna's analysis of monthly share-price returns covered a panel of 962 industrial companies from January 2015 through August 2026. It identified six companies led by former commissioned officers. Their average annualized volatility was 27.8%, compared with 39.0% for the average of the corresponding sector peer medians; five of the six had lower volatility than their peer benchmark. The panel showed no statistically significant difference in share-price returns[2].



Exhibit 1

Lower observed volatility in a small comparison

Veteran-led companies	Corresponding sector peer medians
27.8%	39.0%
Average annualized share-price volatility	Average of corresponding peer medians

Six companies within a 962-company panel; January 2015–August 2026. Returns exclude dividends. No statistically significant return difference was found; this is not evidence of equal returns or a causal leadership effect[3].

[2] Ayna analysis: monthly share-price returns, excluding dividends, January 2015–August 2026; six companies led by former commissioned officers within a 962-company panel. Volatility comparison: average of the six company values versus average of their corresponding sector peer medians. Observational, not causal.

[3] Ayna, industrial-company leadership comparison. See note 2.

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This small observational comparison does not establish a general veteran-leadership effect. The absence of a statistically significant return difference does not establish equal returns, and share-price volatility is not a direct measure of operating performance.

Earlier academic research offers a separate perspective. In “Military CEOs,” Efraim Benmelech and Carola Frydman studied a historical sample covering 4,013 executives and 2,402 firms from 1980 to 2006. They found no significant overall relationship between military service and Tobin's Q, a measure of firm valuation, but associated military leadership with less alleged corporate fraud and stronger valuations during industry distress[4].

Neither study establishes that military service causes better corporate performance. For boards and operating leaders, the practical question is how an individual's experience applies to safety, compliance, project execution, and financial discipline, not whether veterans command a universal leadership premium.



[4] Efraim Benmelech and Carola Frydman, “Military CEOs,” Journal of Financial Economics 117, no. 1 (2015): 43–59. Public working-paper version: NBER Working Paper 19782. Historical sample: 4,013 managers at 2,402 firms, 1980–2006. Alleged-fraud and industry-distress findings are associations and should not be generalized into a hiring guarantee.
https://www.nber.org/system/files/working_papers/w19782/w19782.pdf

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Two paths from service to industrial leadership

Jim Taiclet and Tony Guzzi illustrate different routes from military service to senior industrial leadership. In both cases, service was the beginning of a longer development path, not a substitute for civilian operating experience.

Taiclet served as a U.S. Air Force officer and pilot before building a civilian career that included Pratt & Whitney, AlliedSignal, and American Tower, and ultimately leadership of Lockheed Martin. At Pratt & Whitney, he worked in engine overhaul and maintenance; AlliedSignal and American Tower added experience in aerospace services and infrastructure[5]. For employers, the relevant lesson is to examine how capabilities accumulated across assignments rather than treating the military credential as a complete explanation.

Guzzi served as a U.S. Army light infantry officer, then added business education and experience leading distribution and aftermarket operations at Carrier before joining EMCOR in 2004[6]. His route is particularly useful because it is not a simple technical job match. It illustrates how leadership experience can be extended through industry knowledge, commercial responsibility, and years of operating work.



[5] Lockheed Martin, James D. Taiclet leadership biography. Military service and civilian roles at Pratt & Whitney, AlliedSignal/Honeywell Aerospace Services, American Tower, and Lockheed Martin. https://www.lockheedmartin.com/en-us/who-we-are/leadership-governance/james-taiclet.html

[6] EMCOR Group, Anthony J. Guzzi executive biography and board profile. Army service, business education, Carrier experience, and October 2004 arrival at EMCOR. https://emcorgroup.com/about-us/executive-team/anthony-j-guzzi; https://emcorgroup.com/corporate-governance/board-directors

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Exhibit 2

Service is a foundation, not the whole career

Jim Taiclet	Tony Guzzi
U.S. Air Force officer and pilot	U.S. Army light infantry officer
Pratt & Whitney and AlliedSignal	Business education and Carrier
American Tower	EMCOR, joined in 2004
Lockheed Martin	

Two illustrative paths combine military experience with civilian learning and operating responsibility.[7,8]



The hiring lesson is to assess the whole career: what the person learned in service, how subsequent roles extended that experience, and what development the civilian assignment still requires. A technical specialty may connect directly to a job; broader leadership experience may need a more deliberate bridge.



[7] Lockheed Martin, James D. Taiclet biography. See note 5.
[8] EMCOR Group, Anthony J. Guzzi biography and board profile. See note 6.

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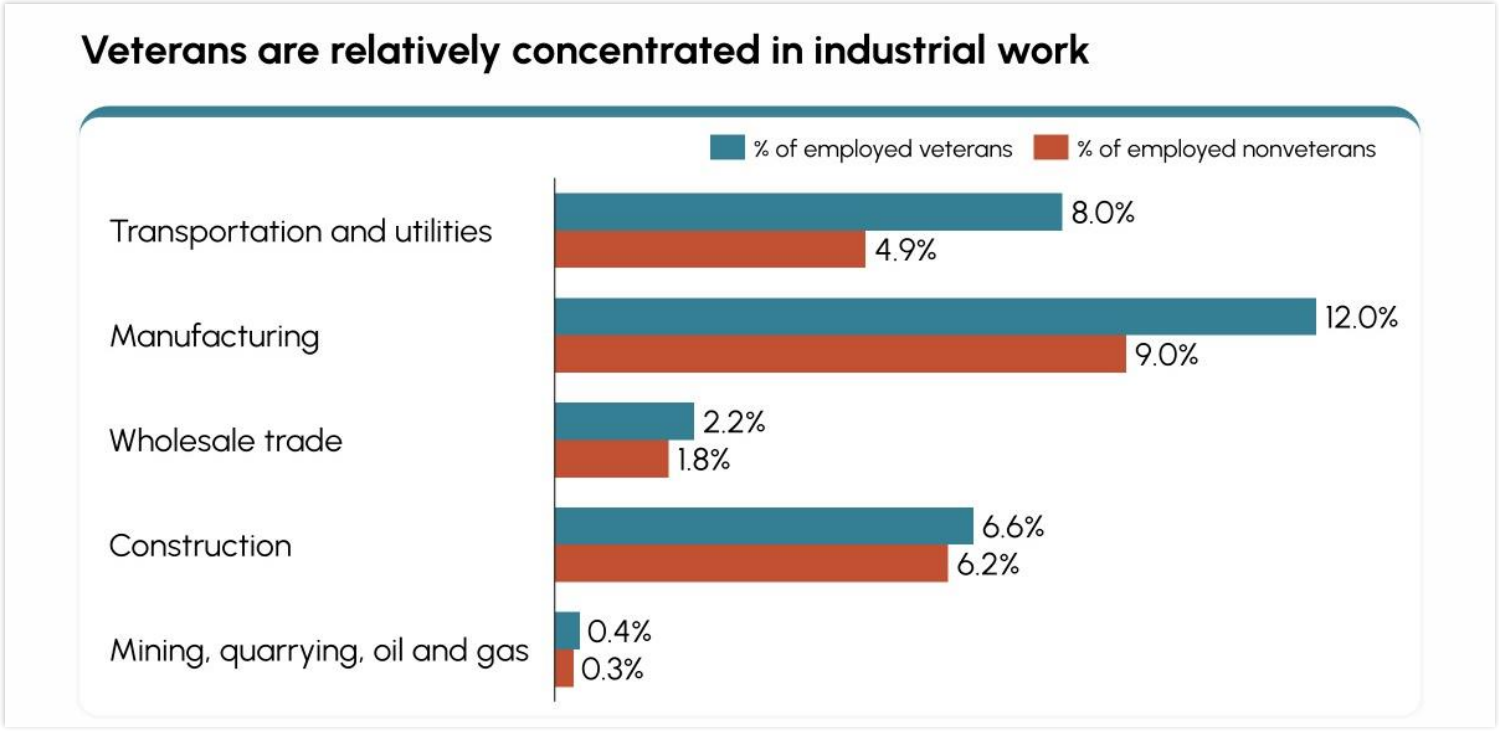
Veterans are already part of the industrial workforce



The opportunity is not to introduce veterans to an unfamiliar sector. Many already work in industrial businesses. The task is to make their next opportunity, and the transition of those following them, less dependent on whether an individual recruiter happens to understand a military résumé.

In the BLS 2025 annual averages, manufacturing employed 12.0% of employed veterans, compared with 9.0% of employed nonveterans. Adding the published shares for mining and extraction, construction, manufacturing, wholesale trade, and transportation and utilities yields 29.2% and 22.2%, respectively[9].

Exhibit 3

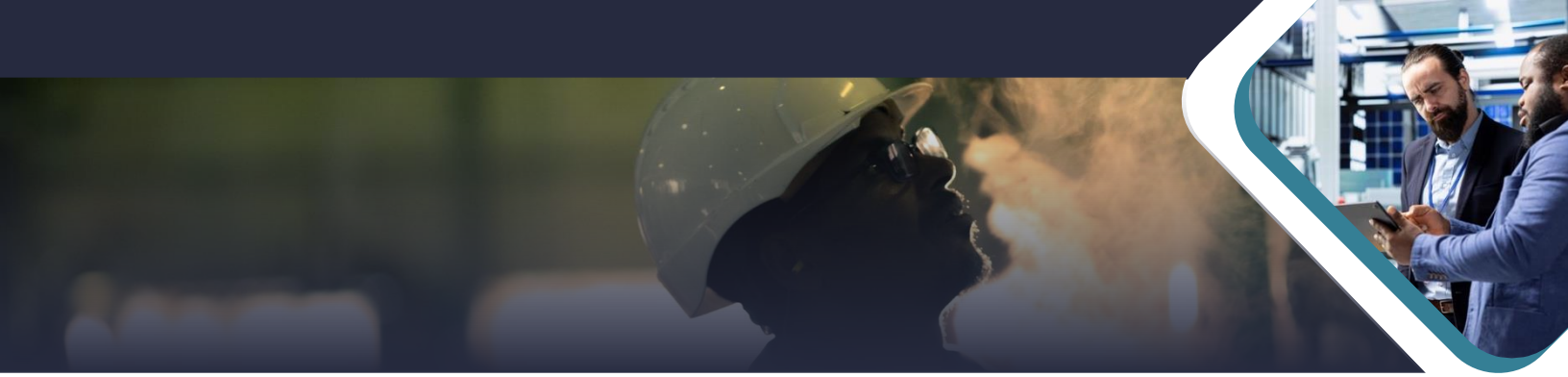


Shares of each group's employed population, not veterans' share within each industry. The five sectors total 29.2% for veterans and 22.2% for nonveterans, using rounded published percentages. BLS, 2025 annual averages[10].

[9] U.S. Bureau of Labor Statistics, Employment Situation of Veterans—2025, Table 5, released April 28, 2026. Percent distribution of employed people age 18 and over. The five-sector totals are the authors' sums of rounded published percentages. The 2025 annual estimates average 11 months, excluding October because CPS data were not collected during the federal shutdown. A new industry classification means 2025 industry data are not strictly comparable with earlier years. https://www.bls.gov/news.release/vet.t05.htm

[10] BLS, Employment Situation of Veterans—2025, Table 5. See note 9.

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These are shares of each group's employed population, not veterans' share of the workforce within each Industry. The distinction matters: the figures show that veterans are relatively concentrated in industrial work, not that veterans make up 29.2% of industrial employees.

Roughly 200,000 service members transition to civilian life each year[11]. Not every veteran wants an industrial career, and not every military assignment maps directly to an industrial role. The scale nevertheless warrants a deliberate recruiting approach.

The broader workforce need provides context. The Manufacturing Institute and Deloitte estimated in 2024 that U.S. manufacturing could need as many as 3.8 million additional workers between 2024 and 2033, with 1.9 million positions potentially unfilled if workforce challenges persist[12]. Veteran hiring cannot resolve that entire challenge. It should, however, be part of a workforce strategy that takes relevant experience seriously wherever it was acquired.



[11] U.S. Government Accountability Office, DoD SkillBridge Program, GAO-24-107352 (2024), describing approximately 200,000 service members transitioning to civilian life each year. https://www.gao.gov/products/gao-24-107352

[12] The Manufacturing Institute, "Manufacturers Need as Many as 3.8 Million New Employees by 2033," reporting the 2024 study with Deloitte. https://themanufacturinginstitute.org/manufacturers-need-as-many-as-3-8-million-new-employees-by-2033/

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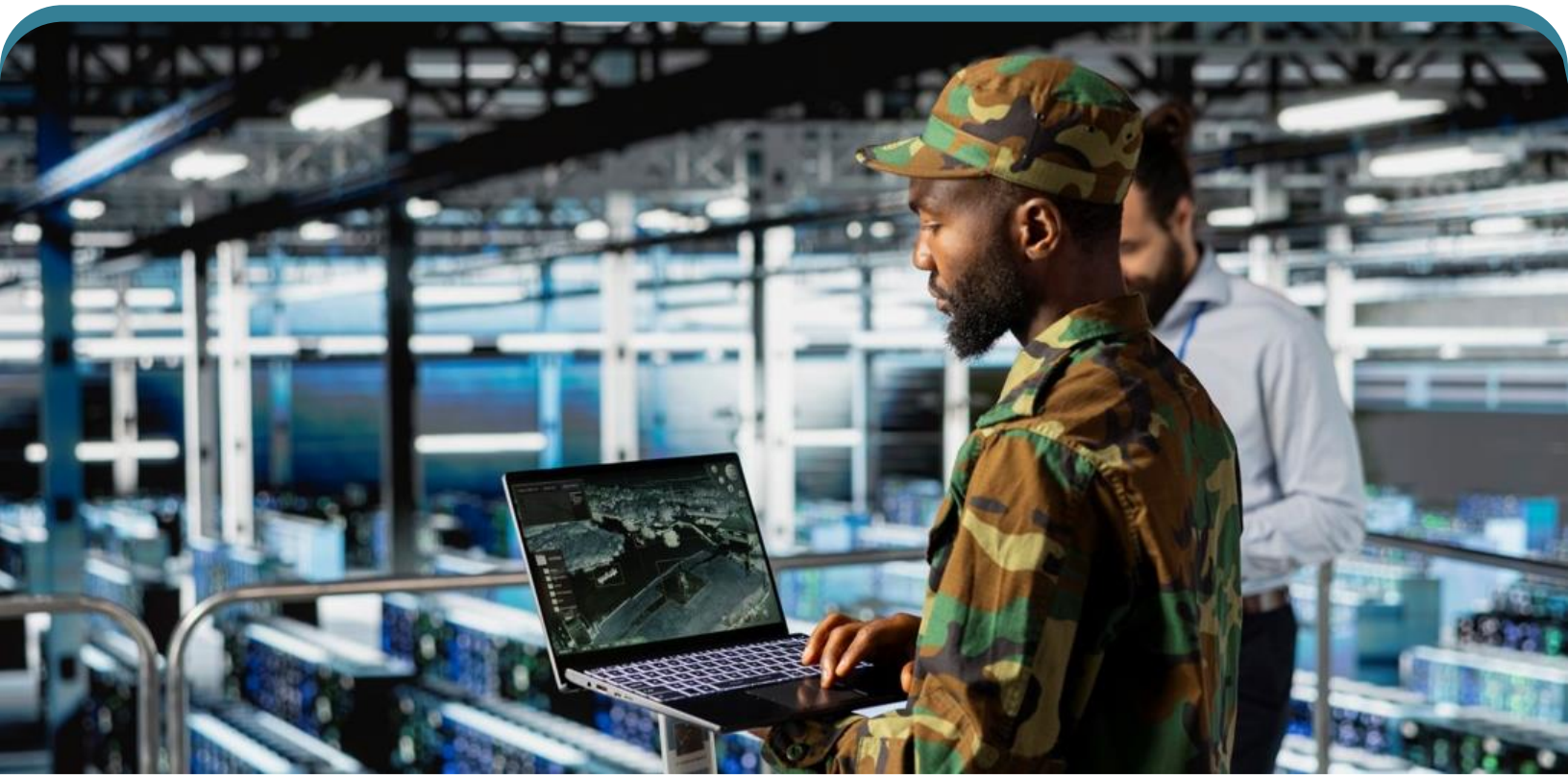
Where recognition breaks down



The SHRM findings locate an important part of the problem before the hire. Sixty-seven percent of respondents reported at least one major challenge recruiting and hiring veterans, compared with 39% reporting a major challenge retaining them[13]. These are reported obstacles, not measured turnover rates, but the contrast suggests that employers should scrutinize how candidates get through the door.

Matching military skills to civilian job requirements was a major hiring challenge for 23% of respondents. Only 2% reported using a military skills translation tool; within that small subgroup, 46% said the tool had helped them hire veterans who otherwise would have been screened out as unqualified[14].

The tool-user subgroup is small, and the survey does not establish how employers without a dedicated translator assess military experience. The appropriate response is to examine the company's own process, not assume either that it is broken or that it works.



[13] SHRM Foundation, Completing the Mission (2024). See note 1.
[14] SHRM Foundation, Completing the Mission (2024). See note 1.

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Four points in the process deserve attention.





1: Credential recognition

Military training and experience are documented through resources such as the Joint Services Transcript and the Verification of Military Experience and Training. Credentialing Opportunities On-Line programs and the United Services Military Apprenticeship Program provide additional routes for identifying or earning civilian credentials[15]. These resources serve different purposes; none should be treated as an automatic substitute for every civilian qualification.

2: Screening context

A résumé organized around military units, occupational codes, and assignments may not use the vocabulary of a civilian job description. Employers should test whether their screening process recognizes demonstrated capability, with trained reviewers assessing ambiguous cases rather than assuming a keyword mismatch is a skills deficit.

[15] American Council on Education, Joint Services Transcript guidance; milConnect, VMET FAQ; MyArmyBenefits, Army COOL; and United Services Military Apprenticeship Program: https://www.acenet.edu/Programs-Services/Pages/Credit-Transcripts/Understanding-the-Joint-Services-Transcript.aspx/1000; https://milconnect.dmdc.osd.mil/milconnect/public/faq/Training-VMET; https://myarmybenefits.us.army.mil/Benefit-Library/Federal-Benefits/Army-Credentialing-Opportunities-On-Line-(COOL)?serv=122; https://usmap.osd.mil/

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3: Licensing and qualification gaps

Related military experience may satisfy some requirements while leaving others unmet. Hiring teams should identify the actual gap for the occupation and jurisdiction, then determine whether targeted training or credential support can close it. The objective is a clearer route to qualification, not an exemption from necessary standards.

4: The relationship before separation

SkillBridge provides an opportunity for approved civilian training and work experience during the final portion of military service. Participation is subject to command approval and applicable eligibility and service rules, and the maximum program window is not an entitlement for every participant[16]. An employer should plan around an approved training arrangement, not assume immediate access to a full-length placement.

[16] Military OneSource, DoD SkillBridge; GAO-24-107352. The maximum window is the final 180 days of service, subject to approval and applicable service policy. https://www.militaryonesource.mil/resources/gov/dod-skillbridge/ ; https://www.gao.gov/products/gao-24-107352

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Exhibit 4

Four places to improve the transition into industrial work

Point in the process	Employer response
Credential recognition	Read the available training records and identify what they do, and do not, establish.
Screening context	Test translation tools and human review against the actual requirements of the role.
Qualification gaps	Identify the remaining license, certification, or training requirement; support a defined route to it.
Pre-separation relationship	Explore approved training partnerships before the candidate leaves service.

Recommended process improvements, not a causal model of veteran employment outcomes. Informed by SHRM findings and military credentialing and transition resources. [17, 18, 19]

The four issues are related, but they should not be collapsed into a single explanation for every veteran's transition. Geography, compensation, family needs, occupational preferences, and the availability of suitable work also matter. A stronger employer process addresses what the company can control without pretending those other factors disappear.

[17] SHRM Foundation, Completing the Mission (2024). See note 1.

[18] ACE, milConnect, Army COOL, and USMAP credentialing resources. See note 15.

[19] Military OneSource and GAO, SkillBridge requirements. See note 16.

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What structured programs look like



Several industrial employers have built explicit routes from military experience into civilian work. Their disclosures illustrate practical approaches, although differences in scale, occupation mix, and reporting periods prevent a like-for-like comparison.

Boeing: combine translation with early exposure.

In a July 2026 feature, Boeing described more than 18,000 veterans across its U.S. workforce and highlighted a military skills translator and SkillBridge internships[20]. The combination addresses two distinct needs: recognizing experience and giving candidates a clearer understanding of the work.

Republic Services: make the commitment measurable.

The company reached its "Road to 5K" goal of employing 5,000 veterans in November 2024, ahead of its 2025 target. Its approach included recruiting events, SkillBridge, and its V.A.L.O.R. business resource group[21]. A defined goal gives leaders something more concrete to manage than a general commitment to being veteran-friendly.

Siemens: connect experience with industry credentials.

Siemens' Expedite for Vets initiative offers military personnel and veterans free access to a four-course industry microcredential, requiring approximately 40 hours of study[22]. Employers can help candidates make relevant experience recognizable while preparing them for the technologies and practices of civilian industry.

[20] Boeing, "Post-military careers take off at Boeing" (July 2026). Company-reported U.S. veteran workforce and descriptions of military skills translation and SkillBridge opportunities. https://www.boeing.com/features/2026/07/post-military-careers-take-off-at-boeing

[21] Republic Services, "Republic Services Celebrates 5,000th Veteran Employed," November 11, 2024. Road to 5K target, recruiting events, SkillBridge, and V.A.L.O.R. Company-reported milestone. https://investor.republicservices.com/news-releases/news-release-details/republic-services-celebrates-5000th-veteran-employed

[22] Siemens, Expedite for Vets program page. Free access for military personnel and veterans to the four-course Expedite–Skills for Industry microcredential, approximately 40 hours. Program descriptions are company-reported. https://www.siemens.com/en-us/company/academic-future-workforce/expedite-for-vets/

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John Deere: build the pathway across the operating network

In December 2025 congressional testimony, Deere reported that its dealerships had hired approximately 800 veterans and hosted more than 300 SkillBridge interns since 2019[23]. That model is relevant to businesses whose workforce needs sit across branches, service locations, or independent partners rather than inside a single corporate hiring function.

Employers do not have to build every element alone. The Manufacturing Institute's Heroes MAKE America program connects the military community with manufacturing careers through training, credentials, and employer relationships; it reported a 92% graduate placement rate in its 2025 results[24]. Such partnerships can help a company develop a focused entry point before attempting a large internal program.

What these examples share is a deliberate process. Veteran recruiting can be organized around specific roles, partnerships, and responsibilities rather than left to individual initiative. The next step is to make that process fit the company's own operating needs.



[23] David Bostic, John Deere, written testimony to the House Committee on Veterans' Affairs, Subcommittee on Economic Opportunity, December 2, 2025. Cumulative dealer-network hiring and internship figures since 2019. https://docs.house.gov/meetings/VR/VR10/20251202/118702/HHRG-119-VR10-Wstate-BosticD-20251202.pdf

[24] The Manufacturing Institute, "Heroes MAKE America: 2025 In Review." Program-reported training, credentialing, employer relationships, and 92% graduate placement rate for 2025. https://themanufacturinginstitute.org/heroes-make-america-2025-in-review-21559/

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Three moves to make the system work



The practical response should be proportionate to the business. A manufacturer with recurring maintenance vacancies needs a different program from a diversified group developing future plant leaders. Both need clear ownership, an explicit skills assessment, and a way to learn from results.

Build the route into the company

The talent acquisition lead should begin this quarter by selecting a manageable set of roles with a credible connection to military experience. Plant or service leaders should help define what successful performance requires, which capabilities can transfer, and which must be taught.

Select transition partners such as SkillBridge and Heroes MAKE America against the chosen roles. Confirm participation requirements, training responsibilities, and supervision costs before committing to placements; a placement does not guarantee a hire[25].

Name an accountable owner and review recruiting results regularly. SHRM respondents at organizations with formal veteran recruiting programs reported greater hiring effectiveness than those with informal programs or none: 65%, 42%, and 21%, respectively[26]. Treat that association as a reason to test a structured approach, not as a promised result.

Make the assessment recognize experience

HR operations and plant leadership should jointly review the screening process, beginning with the highest-priority roles. Over the next six to twelve months, pilot changes, examine the results, and expand what works.

[25] DoD SkillBridge portal; GAO-24-107352, industry-partner training and career-development requirements; The Manufacturing Institute, Heroes MAKE America program reporting. https://skillbridge.osd.mil/ ; https://www.gao.gov/assets/gao-24-107352.pdf ; https://themanufacturinginstitute.org/heroes-make-america-2025-in-review-21559/

[26] SHRM Foundation, Completing the Mission (2024). See note 1.

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Rewrite job requirements around demonstrable work: systems maintained, equipment operated, teams supervised, quality standards met, and problems resolved. Recognize equivalent military experience where the role allows it, while preserving mandatory credentials and safety requirements.

Test a skills translator alongside trained human review. Examine a sample of screened-out applications to understand whether qualified candidates are being missed. Track movement through screening, assessment, interview, and offer stages using appropriately handled applicant information.

Digital badges and training records can help explain competence, but the underlying evidence matters more than the format. A useful process identifies both the capability a candidate already has and the training required to perform safely and effectively in the new setting.

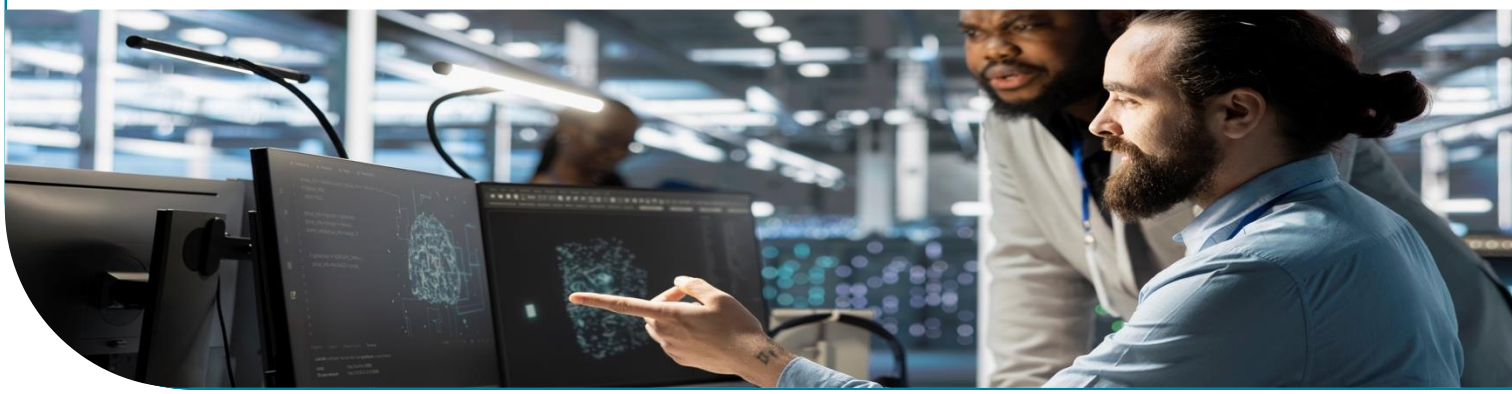
Develop the person after the hire

The chief human resources officer and operating leaders should build the development path together. Over twelve to twenty-four months, connect onboarding, mentoring, technical learning, and access to progressively broader responsibilities.

Start with clear expectations and role-specific support. Where there is a credible fit, offer technical or leadership rotations based on demonstrated readiness rather than an automatic timetable. Military rank alone should determine neither a ceiling nor an accelerated promotion.

A veteran employee resource group can help new hires navigate the organization and give leaders feedback on recurring problems. Its value is greatest when it complements, rather than substitutes for, attentive line management.

Measure the results that matter to the business: time to proficiency, role performance, retention, and advancement, alongside recruiting conversion. Compare results fairly, accounting for differences in role, location, experience, and tenure before attributing any gap to the program.



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From recognition to responsibility

The two percent problem is not an argument for buying a tool and declaring the issue solved. It is a challenge to examine whether an industrial company's hiring and development processes can recognize experience acquired outside their usual frame of reference.

The evidence supports a disciplined response. Assess veterans as individuals. Translate experience without diluting standards. Close real qualification gaps. Give successful hires a credible route to greater responsibility.

Industrial companies need people who can keep complex operations working and lead others in demanding environments. The opportunity is to recognize where military experience contributes to those capabilities, then do the development work that turns potential into performance.



About the analysis

The Ayna comparison uses monthly share-price returns, excluding dividends, from January 2015 through August 2026. The six-company group comprises companies identified by Ayna as led by former commissioned officers; it does not represent all veterans or all forms of military service. The exhibit compares the average of the six company volatility values with the average of their corresponding sector peer medians.

The company examples are illustrative, and survey findings describe respondents' reported experience. Neither the market comparison nor the examples establish causation. This publication is for informational purposes only and does not constitute investment advice.

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