

Testimony of Mr. Wesley Poriotis Chairman, The Center for Military and Private Sector Initiatives CEO, Wesley, Brown & Bartle

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Mr. Chairman and distinguished Members of the Committee, I want to thank you for the honor of appearing before you today to discuss how we might work together to improve the transition of servicemen and women from the military into private sector jobs. Having spent almost my entire career helping connect people with jobs, I am grateful for the opportunity to share some perspectives of the private sector as you consider what to do with federal veterans' employment programs.

Over the past four years, I have been called upon to testify three times on this very subject by the House Veterans' Affairs Committee, offering them advice on how to fix, strengthen, or perhaps even replace the Veterans Employment and Training Service. As I am sure you are aware, despite continuing improvements, the VETS program does not have a strong record of successfully placing veterans into jobs. Looking at DOL's annual performance report, they set the bar of success at just 60% -- so if 60% of the veterans who contact them find employment within six months, the VETS performance goal has been met. But what about the other 40% ? hundreds of thousands veterans ? most of whom have come into the One-Stop Career Centers because they lost their jobs or couldn't find one in the first place?

Mr. Chairman, I have been working on how to connect corporate America with this untapped and underutilized quality resource called military service since the early 1990s while performing executive and management searches for Fortune 500 companies. As we were able to achieve pre-eminent status in corporate America in terms of diversity, I became acutely aware that the difficulties military veterans encountered were the same that had been earlier experienced by women and people of color.

In 1994, at the request of the Joint Chiefs of Staff, I undertook a scientific study of the transition and post-transition experiences of military veterans seeking to enter the private sector job market. My research found that there was indeed a 'deselective' bias against people with military experience that often kept them from even being considered for private sector jobs even when they were well qualified for that position.

In my report I recommended that military transition assistance and veterans employment programs be restructured to meet the challenges of placement in the modern private sector market. Four years later, the Congressional Commission on Servicemembers and Veterans

Transition Assistance, headed by the Honorable Anthony Principi who testified earlier, came to a very similar conclusion. The Commission recommended replacing the existing LVER and DVOP programs with new and different programs: one of which would be focused in part on job development and the other on marketing veterans to local employers. These recommendations were not implemented. So despite some modest refinements made by the Jobs for Veterans Act in 2003, the VETS program today is substantially the same program, with the same methodology and personnel that existed a decade ago.

Let me explain the problem this way: in the telecommunications industry, they divide the work of building our network infrastructure into four general categories: the backbone, the middle mile, the last mile and the last 100 feet. You can lay thousands of miles of fiber optic cable, but without that final connection to the home or business ? the last 100 feet ? you don't have a customer. And that's what has been missing in federal programs to help veterans find quality employment ? the last 100 feet.

There already exists a backbone of One-Stop Centers and thousands of often dedicated and caring LVERs and DVOPs working that middle and last mile, counseling and helping prepare veterans for employment. But these federal employees have neither the training, resources, nor time to make that final connection between the veteran job-seeker and the private sector person with hiring authority. They simply don't have the necessary private sector experience or contacts.

This is exactly what our Vice President for Employment Programs found as he visited with numerous LVERs and DVOPs over the past year. They told him that their biggest problem is a lack of quality job opportunities, and that they did not have enough time to market veterans directly to local employers. So despite their hard work, the best they can do is to get veterans prepared for job searches, and then direct them to databases or websites where employers are being encouraged to post job openings.

However, in the private sector, most good jobs are either not publicly advertised, or by the time they are advertised, they have already been filled or wired for a specific candidate. Mr. Chairman, if you want to find jobs in the private sector, you need to engage persons with private sector experience to find those jobs, and then connect veterans to those jobs. To be truly successful, you need to bring in private sector expertise to connect that last 100 feet between veterans and jobs.

That's why The Center proposed the Veterans Job Development Corps, a public-private partnership to place veterans in quality jobs. This Corps would be composed of what we call career navigators, employment market openers and job developers, all trained and experienced in the private sector. The Veterans Job Development Corps also taps into the network of hundreds of thousands of job search, placement, and human resource professionals through organizations like the Society for Human Resource Managers, or SHRM.

The Veterans Job Development Corps can locate the hidden jobs, market veterans to employers, connect them directly to persons with hiring authority, get them interviews and job offers, and

support them as they begin their new jobs. The Corps would also have mobile "Delta Force" teams that would be sent to help veterans with significant barriers to employment by going directly into their homes and their local job markets. They would be responsible for ensuring that the veteran makes it that last 100 feet.

The Veterans Job Development Corps would have strict metrics for determining success: how many veterans get jobs. Funding for the Veterans Job Development Corps could be tied directly to results in the form of successful job placements. Part of the cost could even be recovered from the companies who hire veterans through placement fees. In addition, getting veterans off unemployment rolls and into quality jobs will increase revenue increases from income taxes paid by newly and more fully employed veterans.

Mr. Chairman, for about 5% of amount of funding currently spent on the LVER and DVOP programs, you could implement this plan and increase the number of positive outcomes for veteran job-seekers very significantly. Or you could reallocate 5% of existing program funding to enable the Job Development Corps, giving you much greater bang for your buck.

Let me take this opportunity to also strongly recommend that the Committee consider authorizing a new marketing campaign to change the image and perception of military veterans in the private sector using classic "re-branding" techniques. In addition to improving how we connect veterans to employers, we need to increase the demand for veterans by private sector employers. This was one of the dozen recommendations I made to the Joint Chiefs and the President back in 1995, and it was also echoed by Secretary Principi and the Transition Commission in 1999 when they called for a national campaign to raise awareness of the many advantages of hiring veterans.

Although this idea was incorporated into the Jobs For Veterans Act in the form of the President's National Hire Veterans Committee, in the course of passing and enacting legislation, promulgating regulations, and implementing programs, the original goals and purposes were lost in translation. This "Hire Veterans" Committee directed their time and resources in the wrong direction. Rather than marketing veterans to employers to increase the demand or what I call the "pull" from the private sector, they focused upon trying to "push" the private sector into using the public sector workforce system. This resulted in a flawed implementation of a sound idea.

In fact, The Center is currently engaged in a feasibility study on marketing veterans to the private sector that was authorized by the Veterans Benefits Improvements Act of 2004 (Public Law 108-454) and is being directed by the Deputy Assistant Secretary for Policy in the Department of Veterans Affairs. Just a couple of weeks ago, we convened a summit of corporate branding and marketing experts in New York City to apply proven consumer marketing techniques to re-brand veterans as a valuable business asset. Whether such a campaign should or would be funded by DOL, VA or DOD remains to be seen, but there is no question about the need to change corporate perceptions about the value of military veterans to private sector employers.

Mr. Chairman, we can think of veteran job-seekers as a product that we are trying to sell to private sector employers, who are the customers. Like any consumer product, we need to create strong demand and build a distribution system to get the product to the customers when and where they are ready to make a purchase. To create demand, we need to re-brand military veterans as a competitive business asset and market them directly to the persons involved in the hiring process. To strengthen our distribution system, we need to develop a new program of completing that last 100 feet, by locating the hidden jobs and connecting veterans directly to the persons with hiring authority. The end result will not only be higher employment rates for veterans, but as important, a big improvement in the quality of career opportunities for veterans.

Mr. Chairman, that concludes my testimony. I have attached a copy of the Veterans Job Development Corps proposal and a "white paper" on Branding the Veteran, and I would ask that they both be made a part of the record. I thank you for your attention and would be happy to answer any questions you or other members of the Committee may have.