Successful Skill Transfer:
Military Service Experience and Company Performance

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Abstract

In today's business life, employees from different sectors have the opportunity to work in other industries and can have different positions through the organization. This can be considered from the perspective of skill transfer (transfer of tacit knowledge). The success can be questioned in terms of company performance. If this process can be managed well performance will be higher. This research mainly aims to identify whether veterans with military service experience can contribute to employee motivation, organizational motivation and organizational benefits. In order to test the assumed associations, the research employs a survey study on the veterans who have served for Bosnian army and are currently employees of Bosnian firms. The results provide that military service experience is significantly influential on the motivations of employees and organizations and on company performance. It can be suggested that the adaptation of external knowledge (skill transfer), military service experience, into new organizational environment can be enhanced by the help of knowledge management. This research is valuable in that it is among the few studies in its respective field and in the region.

Keywords: military service experience; skill transfer; motivation; organizational performance; survey.

Introduction

Today's competitive business environment needs better managerial skills and their efficient/effective outcomes. Business leaders with military service experience may have gained the skills required for their managerial decisions and the outcomes of their decisions. Preferring them for the managerial positions within the organization may be beneficial for the organizations. Therefore, it may be interesting to study the performances of managers with military experience.

The complex nature of military service has been given in the literature. According to Morin (2011), military service is hard, challenging and risky. He also mentioned that the life after the service for the armed forces requires different tasks. Morin (2011) reported that most of these people can easily readjust themselves for civilian life, but some of them have difficult time.

Some studies found that there is an important skill transfer from army-provided services to civilian service. Mangum and Ball (1986) reported that most of the surveyed military personnel described that military training helped them find a civilian job, while about one-third of the

respondents admitted that they transferred their military-developed skills to the civilian life. According to Norrblom (1976), the quantity and type of training received in the military are important factors for post-service period. DellaPosta (2013) suggested that military-learned business skills are highly influential on post-service earnings. She also reported that there are opportunities for human capital accumulation in the civilian life for them. Fredland and Little (1980) suggested that military professional training provides earnings for those who use such training on the job.

Skills gained in military service can be considered as the tacit knowledge of army personnel and the new position in a new organizational environment can be evaluated as the transfer of intellectual capital. However, the transfer issue is very complex and every detail should be planned before, during and after the transfer process. The objective of this study is to provide a better understanding of military service experience influence on motivation (employee and organization) and organizational success in order to identify whether the transfer process was successful. Therefore, a survey study is planned to demand feedback from the respondents who have served for Bosnian army for several years and employed by the companies located in Bosnia and Herzegovina. Depending on the results, the suggestions in terms of knowledge management in order to increase the efficiency/effectiveness of transfer process are provided.

Following sections provide the related literature review, the employed research methodology, the results of the analysis and the conclusion of the study.

Literature review
Military Service Experience
The skills to be gained by military personnel need to be evaluated well in order to better structure their training. By employing The Agile Leader Study, Gehler (2005) seeks to find answer for changing the educational system within military in order to develop and prepare mentally agile leaders for the Army's new strategic reality. He examines new strategic reality and professional military education and focuses on education in terms of agility, adaptation, innovation and learning. He suggests that the study is important because the US army needs good and agile leaders who successfully adapt to unfamiliar and irregular warfare.

Military service and training may be very beneficial to achieve multidimensional skills. As a result of employing an empirical study, Lee, Ma, Officer and Zou (2011) suggest for every leader possessing the behaviors which can be gained through the armed services training and education. According to their results, CEO's with military experience were much more involved in organizational acquisitions, their military background is positively associated with the completion rate of announced acquisitions, they are 23% more likely to complete their deals, and military trained CEOs enhances the value of large capital expenditures. Lee et al. (2011) conclude that CEOs with military experience pay higher price for the acquisition of the firms, however they catch higher synergies and their stockholders are rewarded with higher announcement returns which make acquisition stocks attractive to potential stockholders.

Since Army officers regularly face new challenges, Cohen, Thompson, Adelman, Bresnick, Shastri, and Riedel (2000) suggest that they must be adaptable and able to critically think through a problem, instead of applying previously learned solutions and procedures. Therefore, they suggest Critical Thinking Skills (CTS) as a set of cognitive skills that are developed over time in order to gain the appropriate educational experiences and practice. They describe the importance of critical thinking skills and investigated necessary critical thinking skills and suggest the following steps in critical thinking analysis: (1) Seeking a clear problem statement, (2) Recognizing the main point in a message, (3) Visualizing achievable plans, (4) Constructing a plausible story tying all incidents, (5) Recognizing fallibility and bias in their opinion, (6) Generalizing from specific to broader classes, (7) Adopt multiple interpretation perspectives and (8) Determining the time of seeking more information.

Veterans with perfect skills which are gained as a result of military services in the army can be evaluated for different positions in business organizations. Transferring the skills to their environment may increase organizational performance. Chido (2011) believes that the war veterans should be employed for further works in order to reach a more stable state and sustainable economic development. Therefore, companies hire veterans for different positions within their organizations. Chido (2011) reports that retired military officers have historically engaged in coups of many African countries.

Poor management skills may reduce the performance of both employers and the organization. McCausland (2008) presents a framework in order to address the problem of poor leadership in the US army. He supposes that the United States not only requires additional troops for the occupation of Iraq but also enhances civilian leadership and capacity to reconstruct Iraqi society.

Leadership styles are important for better management and gaining the motivation of the employees and the organization. By employing a survey based study with 60 respondents, Van Lieshout and Steurenthaler (2006) aim to assess the necessary traits of multi-cultural leaders and managers, and explore the relationship between various management leadership styles and national culture. They find that a good leader must have good communication skills and manage possible conflicts to gain the maximum out of his followers. They also find a link between different cultures and different leadership styles. They suggest that leaders with different cultural background must cooperate with different cultural standards of the society and manage possible conflicts. Therefore, we may assume that managers with army experience can manage possible conflicts well.

Gained leadership behaviors change depending on the type of the organization. According to Benson (1998), the leadership behaviors are various for every profession. He explores the necessary behaviors at the direct, organization and strategic level in the United States Air Force (USAF). By conducting a survey questionnaire on officers, he aims to determine the hierarchical leadership behaviors required at the senior level in the USAF. The survey includes the importance of 11 different behaviors such as informing, consulting and delegating, planning and organizing, problem solving, clarifying roles and objectives, monitoring operations, motivating, recognizing and rewarding, supporting and mentoring, managing conflict and team building, and networking. He identifies that planning, informing and problem solving were the most important behaviors, while least important was networking. He suggests the study in that it provides good information and basis to shift the USAF's focus according to the priorities of its students.

The literature suggests the value of military environment in gaining better management qualifications. Popper (1996) suggests four possible types of processes including (1) transactional processes (rewarding the followers in order to motivate them); (2) projective processes (the leader is a role model to his followers); (3) attributional processes (the leader is at the focus in terms of ordering, direction and a clear path); and (4) symbolic processes (the leader is the symbol of "worthiness" and has high social and moral values to gain the interest and trust of his followers). Popper (1996) also suggests a combat unit as a unique organizational system combining intensive, attributional and projective processes which are very intensive and hard to track by followers, but it is adopted by the followers, the leader becomes a role model and the followers become loyal.

Difficult environments can be useful in gaining qualified skills for further activities. According to Bartone, Barry and Armstrong (2009), since military life is hard and inherently stressful, the outcomes may be serious mental problems. Their study focuses on mental hardiness as an important factor of resilience. They claim that people who show high levels of psychological hardiness can have greater commitment, control, and acceptance of challenge. They aim to analyze the relationship between mental hardiness and stress resilience in organizations as a result of leader actions and policies. According to Bartone et al. (2009), leaders at all levels can contribute to human health and performance.

Because of progressive and sequential series of carefully planned training, educational, and experiential events in military and being trained to hold great responsibility, Kolditz (2009) claims that military leadership produces successful leaders and managers. He defines military leadership as dependent on nurturing honesty, pride and sacrifice and having duty, service, and self-sacrifice. Kolditz (2009) also defines the best leader as the one who loves serving the others, puts the interest of his followers before his own, and holds high moral and ethical values which most officers are taught during their military education. He suggests these as the reasons for successful and effective leadership behaviors of the people with military experience.

Furthermore, Benmelech and Frydman (2014) investigate the attributes of CEOs with military experience, their function within the firm and their managerial type. They identify that CEOs with military experience are less likely involved in false activities and do better in industry downturns due to their hard training and strong ethical beliefs. Their study has shown that CEOs with military experience are fewer than in past but the demand for them is high. Their study recognizes three important factors on CEOs performance: (1) organized, sequential training programs combining both educational and on-the-job experience and designed developing command skills; (2) many CEOs with military experience are officers who are trained to hold high levels of responsibility and decision-making authority even at low levels of command; and (3) military service emphasizes duty, dedication, and even self-sacrifice.

Leadership can be very influential on organizational performance. As a result of their literature review, Benmelech and Frydman (2014) reports the strong influence of personal characteristics of CEOs on corporate outcomes. They aim to analyze the relation between military service of CEOs and their managerial decisions, financial policies, and corporate outcomes. They identify that military service is influenced by conservative corporate policies and ethical behavior. They also found that military CEOs follow lower corporate investment, have no wish to be involved in corporate fraudulent activity, and do better in industry downturns. They finally conclude that military service significantly explains managerial decisions and firm outcomes.

Skill Transfer

People bring their past experience and gained skills to their new environments. Similarly, Veterans with their several years of military service can carry their expertise to their new organizations too. Yellin (2012), by employing a trustworthy survey based on flexible questions which was sent to a sample of business specialists with military experience, searches the important approaches transferred from military service to business sets and identified the influencing factors as length of army service, the served branch in military and continental culture. Yellin (2012) found 19 significant approaches that business professionals are likely to transfer from military service to their business. He also declares that the longer military service enhances transporting more approaches into a corporation as well as higher transmission rates of specific approaches. He proposes that military service experience could be transferred into business settings. He supposes that the transformation can be explained by characteristics related with longer or shorter military experience and changes among many army branches and values, doctrines and training programs. He concludes that his study might enhance the awareness of managers, soldiers, and politicians, in educating and enabling the evolution process for army veterans in order to enter numerous commercial fields.

According to their literature review, Burke and Collins (2004) report the weak support for the efficacy of the learning process and its transfer to the workplace. They accordingly propose a new framework to analyze the mechanisms of skills transfer by considering a decision making chain comprised of three factors (the knowledge base, learning approach and practice setting). The model includes the dimensions (1) outdoor management programs, knowledge in the development of conflict handling skills, (2) knowledge base (procedural and declarative), (3) learning approach (tactical and strategic), (4) practice setting (high and low fidelity experiences) and (5) transfer to workplace. They test the framework on the data collected from ten major providers of outdoor management development (OMD) to stimulate the transfer of skills in handling conflicts. They identify that the model is acceptable in terms of skills development.

The literature suggests the organizational/supervisor support for skill transfer. Bhatti, Battour, Sundram and Othman (2013) want to highlight the importance of selected environmental, situational and individual factors in the training (skill) transfer process by proposing and testing a framework via structural equation modeling which includes supervisor and peer support, instrumentality and learner readiness on 503 Malaysian bank employees. They modify and improve a scale for learner readiness based on their literature review. They find that supervisor and peer support increase the motivation level of the trainee to transfer the learned skills. Their results also suggest a significant relationship between learner readiness and transfer motivation. They suggest the importance of intrinsic rewards and find that intrinsic rewards are useful for trainees in gaining more skills and learned skills are transferred to the work place. They also suggest that their research is expected to be helpful for human resource development professionals to develop effective strategies in order to maximize the training transfer and effectively manage the training program. They conclude that their findings explain the role of stakeholders (trainers, trainees, supervisors, peers and top management) in enhancing the training transfer at the work place.

Skill Transfer and Knowledge Management

While transferring their past experience to new workplace, people can face some difficulties. This process should be managed well. Since the experience gained is the personalized knowledge of the employers, this should be accomplished by an effective knowledge management. According to Goh (2002), knowledge management is one of the major challenges for an organization. Knowledge has been considered as the key for competitive advantage. Goh (2002) aims to explore the key factors (leadership, problem solving/seeking behaviors, support structures, absorptive and retentive capacity, types of knowledge) reported in the literature about the influencing factors of knowledge transfer capability and develop a conceptual model to propose an effective management of this transfer process. The model components include the key factors, higher propensity to share knowledge, support structures (organizational design, reward structure, available time), knowledge recipient (knowledge capacity and close relationships), effective knowledge transfer and, finally, competitive advantage.

In another study, Weldy (2009) aims to identify a relationship between the learning organization and transfer of training as strategies for learning and managing knowledge in order to improve organizational performance in gaining/maintaining a competitive advantage. She reports that the literature provides a relationship between the learning organization and transfer of training including strategies for a competitive advantage, focus on learning and knowledge, taking action to improve performance, link between individual learning and organizational learning, and the focus of previous studies. She furthermore proposes that learning organizations should practice transfer of training.

Moreover, Ioi, Ono, Ishii, and Kato (2012) propose a method for the transfer of knowledge and skills in project management (PM) based on knowledge management (KM) techniques. According to them, there are studies on methods to extract experiential knowledge in PM, but few focuses on methods to convert extracted knowledge into practical knowledge and transfer it to learners. They develop a model of PM skills transfer management including a PM knowledge extraction phase, PM knowledge recognition phase, practical knowledge transfer phase, and practical knowledge evaluation phase, and examine the model. Their results show that expert communities for knowledge extraction can be vitalized through multi-agent simulation (MAS). They suggest that their PM skills transfer management maturity model (PMST3M) is useful for evaluating PM skills transfer management.

Research Model

The fundamental aim of this research is to test the assumed relationships in the developed research model which proposes the influence of Military Service Experience on Employee and Organizational Motivation and on Company Performance in terms of Organizational Benefits (Figure 1).
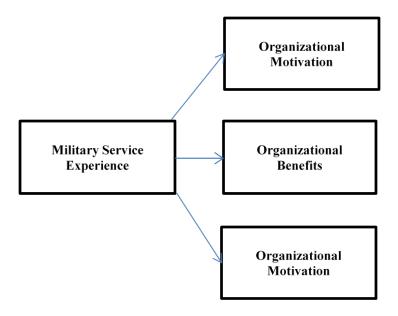
Figure 1: Research Model

Research Methodology

The survey is preferred as the data collection method. As a result of a detailed examination, the survey is conducted individually by visiting some public and private organizations which employ veterans from military (officer, noncommissioned officer (NCO) or soldier). Since there are few companies employing people with military experience, the survey could be conducted only with voluntary people dealing with information about military experience. 200 survey forms are distributed and 149 were filled with the response rate of 74.5% (149/200). Seven point Likert scale is preferred in order to test the agreements of the respondents on six variables through thirty four questions. The collected data is analyzed by employing Principal Component Analysis (PCA) in order to identify the factors and Linear Regression to test the assumed relationships among the components of Research Model.

Results

Factor Analysis, Reliability and Validity

The results of PCA reveal four different factors including (1) Military Service Experience (gained motivating power and managerial power), (2) Organizational Motivation (minimization of knowledge loss and achieving operational efficiency), (3) Organizational Benefits (keeping and sustaining competitive advantage, achieving performance efficiency and effectiveness and being organizationally agile) and (4) Employee Motivation (Competitiveness, Efficiency/Effectiveness, Reduction of Failures) (Table 2). In terms of Convergent validity, the loadings of the items are found to be all high (higher than 0.789 for the item reduction of failures). The table also provides high reliability results for the identified factors. Furthermore for discriminant validity, it is also identified that Communalities of the items are high (higher than 0.675 for performance efficiency/effectiveness).

Table 2: Identified Factors and Their Reliabilities

Factors	Factor Items	Cronbach's Alpha
Employee Motivation	Employee Motivation-Competitiveness Employee Motivation-Efficiency/Effectiveness Employee Motivation-Reduction of Failures	0.871
Organizational Benefits	Competitive Advantage Performance efficient/effective Organizational Agility	0.882
Military Service Experience	Motivating Power Managerial Power	0.945
Organizational Motivation	Motivation for Operational Efficiency Minimization of Knowledge Loss	0.849

Descriptive Results

According to the descriptive analysis results provided in Table 3, employee motivation is identified to be high in terms of enhancing their competitiveness and efficiency/effectiveness. However, they are found to be not motivated for reducing their failures. Organizations are found to be gaining high benefits in terms of achieving competitive advantage, performance efficiency and effectiveness and organizational agility. The respondents claim that they have gained high motivating power but moderate managerial power as a result of their military experience. Moreover, they rate their organizations as motivated to reach operational efficiency and minimize their knowledge loss.

Table 3: Means of Identified Factors

Factors	Factor Items	Mean
Employee Motivation	Competitiveness	5,85
	Efficiency/Effectiveness	5,85
	Reduction of Failures	3,77
Organizational Benefits	Competitive Advantage	5,57
	Performance efficient/effective	5,79
	Organizational Agility	5,61
Military Service Experience	Motivating Power	5,41
	Managerial Power	4,70
Organizational Motivation	Motivation for Operational Efficiency	5,91
	Minimization of Knowledge Loss	5,75

Regression Analysis

As a result of linear regression (Table 3), the developed research model is found to be weakly explaining the relationship between MSE and EM, slightly moderate explanatory power about the relationship between MSE and OM and moderately explaining the relationship between MSE and OB. The impact of MSE on EM, OM and OB are all identified to be significant. MSE is observed to be moderately influencing EM and OM and well influencing OB (Table 4).

Table 4: Regression Results for the Proposed Research Model

Relations		Standardized Coefficients	Sig.	Adjusted R Square
Independent	Dependent			
MSE	EM	0.293	0.000	0.079
MSE	OM	0.377	0.000	0.137
MSE	OB	0.482	0.000	0.227

Conclusion

This study is motivated to identify the possible influences of Military Service Experience on Employee Motivation, Organizational Motivation and Organizational Benefits in terms of the selected companies' performance. The findings suggest that the experience gained through Military Service enhances the motivation of employees and the organizations and Organizational Performance. The surveyed veterans rate themselves as they have gained high motivating power as a result of their military service. However, their gained managerial power is found to be moderate (see Table 3). This may be the reason of not reaching strong regression models and strong influence of MSE on the tested dimensions. Moreover, the influence of MSE on EM is found to be weak. The reason for that may be the disagreed item about the motivation to reduce failures (see Table 3).

This research is valuable in that it strengthens its respective field by providing significant scientific results. Furthermore, it can be considered among the few studies about veterans in this regional setting (Bosnia and Herzegovina). On the other hand, this study (with determined survey questions through a literature review) only reflects the situation about the veterans working in some Bosnian companies. However, it can be a good sample for similar studies worldwide. Future studies may employ different aspects of skill transfer by evaluating the outcomes of this study in different settings.

According to the results, it can be assumed that people with military service experience are able to work in hierarchical environments as leaders, supporters and squad members. Most of them have the necessary capabilities to design and implement their tasks. As Benmelech and Frydman (2014) suggest, CEOs with military experience are less likely involved in corporate fraudulent activity and perform better during industry downturns. This may be a result of their rigorous training, strong ethical beliefs, their service in the army and their self-sacrifice.

It is observed that veterans carry their military service experience into new settings successfully (see Table 3: the means of military service experience) and it is beneficial in terms of both employee and organizational motivation and company performance. It may be understood that the skill transfer seems successful. It is also observed that Organizational Motivation to minimize knowledge loss is high. Skill transfer can be enhanced by adopting and employing knowledge management. At this point, the approach of companies and their human resource departments is important. They should define their needs and necessary staff with their past expertise to accomplish the necessary tasks and find the ways of better transfer of their skills into the organization. As Bhatti, Battour, Sundram and Othman (2013) suggest, human resource professionals should develop effective strategies in order to maximize the skill transfer.

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