STATEMENT OF SEAN KELLEY SENIOR STAFFING DIRECTOR CLOUD + ENTERPRISE & MILITARY RECRUTING MICROSOFT CORPORATION

BEFORE THE VETERANS' AFFAIRS COMMITTEE UNITED STATES HOUSE OF REPRESENTATIVES

"WHAT CAN THE FEDERAL GOVERNMENT LEARN FROM THE PRIVATE SECTOR'S SUCCESSFUL APPROACH TO HIRING VETERANS?"

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Thank you Chairman Miller, Vice Chairman Bilirakis, Ranking Member Michaud, and Members of the Committee. It is an honor to testify before you today to discuss how companies like Microsoft partner to maximize civilian career opportunities for our returning veterans. My name is Sean Kelley and I am the Senior Staffing Director for the Cloud and Enterprise engineering group at Microsoft and the leader of our company-wide military recruiting organization.

This hearing is timely given the large number of veterans currently returning to the US seeking civilian employment and the simultaneous challenges companies such as Microsoft face finding enough skilled Science, Technology, Engineering and Math (STEM) workers for their businesses to grow. As a recruiter, I see it every day – at Microsoft, other IT businesses, and companies representing an array of other industries. My industry now competes for high-skilled talent with the likes GE, Ford, Boeing, Proctor & Gamble, Deloitte, Blue Cross and many other U.S. employers. I know many of these companies share our mission to support the career paths of our veterans. And we are in lock step with this Committee's ongoing commitment to serve the veteran community and their families.

Given the importance and enormity of the task at hand, at Microsoft we are constantly thinking of ways to better transition these men and women into IT careers.

Based on our experience helping veterans transition to civilian jobs, I would like to focus my testimony on three themes:

- Expanding initiatives private sector companies such as Microsoft are undertaking to help our returning veterans acquire the education and skills necessary to help them secure rewarding IT careers;
- 2. Eliminating barriers companies face trying to help our returning veterans acquire the skills they need to transition from their military service; and
- 3. Sharing lessons we have learned over the last several years through Microsoft's veterans initiatives.

My Story

After graduating from the Naval Academy and starting my career as a submarine logistics officer, I was fortunate after six years in the Navy to land my first civilian job as a supply chain leader at Starbucks Coffee Company. Then, ten years ago this March, I moved from Microsoft Operations to our Global

Diversity and Inclusion organization, searching for an opportunity to have a broader, more meaningful impact on the company and the world.

I learned about all aspects of our HR programs and processes from colleagues, who for years had advocated to open the doors to technology careers for women, minorities, people with disabilities, veterans, and other underserved or disadvantaged communities. As a military veteran, and third generation Navy family member, I wondered what opportunities there might be to further explore the experiences and challenges veterans faced. I decided to address this topic with our Chief Diversity Officer and Outreach Manager. During our meeting I learned that both had close family ties to the Vietnam War. That day, a shared bond, often unspoken in Corporate America at that time, awakened a desire to serve.

Following the tragic events of 9/11, another group of Microsoft veterans and veteran advocates began to form. This effort was comprised of veteran advocates with family ties to the military, including currently serving Reservists and National Guard members. All were seeking community and alignment of support for reservists and guard members, and most of all, looking for ways to give back. This was the beginning of a story that is now many chapters long. It is a story of shared commitment to one another, a passion to give back to the military community and a dream to make a difference.

Our Call to Action

The national unemployment rate for veterans is unacceptably high. Most disturbing is that the unemployment rate of the youngest generation of U.S. military veterans, ages 18-24, who have served our country so bravely, developed valuable leadership, management, diplomatic and other skills on top of their superb military training, is often higher than their non-veteran counterparts. Our veterans, who face unique challenges in transitioning to the civilian employment system or dealing with serious health issues, deserve the highest level of support to ensure a successful career. Unfortunately, our support systems are not fully equipped to help troops and their families deal effectively with these transitions. In fact, the Department of Defense is spending \$1 billion annual on unemployment benefits for veterans yet it is often difficult at the base and command level to get support for training and certification programs while still on active duty which provide immediate employment possibilities. As the drawdown of our troops continues, now is the time to raise our consciousness as part of a national dialogue that includes the public and private sectors, to focus on eliminating friction in the re-

training and transition process, and to ensure we are doing everything in our power to address these career transition issues for our vets and their spouses.

Microsoft's Veterans Initiatives

Economic projections point to a need for approximately one million more STEM professionals than the United States will produce at the current rate over the next decade. The United States graduates about 300,000 bachelor and associate degrees in STEM fields annually. Fewer than 40 percent who enter college intending a major in a STEM field complete a STEM degree. It is clear that many people, including veterans, lack the technology skills and industry certifications employers look for to fill the tens of thousands of available IT jobs across a broad range of industries. Eight years ago when we started exploring how Microsoft could be helpful to our transitioning veterans, we were surprised to learn there were very few opportunities for veterans to acquire these in-demand skills.

Elevate America Veterans Grant Program

As Microsoft tried to determine how to make an initial impact on the challenges faced by veterans, we determined that the ecosystem of service organizations was fractured and difficult to navigate. Through our Elevate America initiative, Microsoft partnered with six non-profit organizations to provide skills training, job placement and support services to veterans and their spouses over a two-year period. Microsoft's commitment to this effort totaled \$12 million in cash, product and other services. The nonprofits that were part of our initiative were carefully selected through a competitive RFP process. Several national Veteran Services Organizations joined our advisory committee to provide valuable input and guidance in selecting the grantees, including Paralyzed Veterans of America, American Legion, USO, Iraq and Afghanistan Veterans of America, and the Wounded Warrior Project.

Each of the nonprofit organizations we worked with had demonstrated good placement rates. We selected them not only for their ability to provide technology skills training to veterans, but their ability to provide career counseling, housing, transportation, childcare and other services that strengthen the ability for an individual to find employment. In many ways, this was an early trial in the ongoing community efforts across the nation known as the Sea of Goodwill and Community Blueprint.

Elevate America Veterans Voucher Program

Microsoft has also partnered with the U.S. Department of Labor to distribute 10,000 free technology skills training and certification packages to veterans around the country. These industry recognized certifications provide portable job credentials. The resources were provided over a two-year period to five local One-Stop Career Centers designed to provide a full range of assistance to job seekers under one roof.

Recruiting and Retaining Military Veterans

A decade into our journey, the Microsoft Military Community is now a thriving employee network, with seven chapters around the United States, an active Board of Directors, and three retired General Officers as the Executive Advisory Committee. This network sponsors two events each year, on Memorial Day and Veterans' Day, to commemorate these special celebrations and create connections across the company. The board serves many purposes, including advising Microsoft's Human Resources Department on benefits and pay policies for Reservists and National Guard members, welcoming all new veteran hires to the company, mentoring one another on career transitions, and championing involvement within the external military community. All of these actions create connections which ease transition from the military and aid in growth and development within Microsoft for our veteran population.

Building upon this spirit of service and community involvement, the recruiting program was branded under the banner "We Still Serve" in September 2010. This coincided with the investment in a full-time team of former military members whose sole purpose is to aid the transition of military veterans into Microsoft and the tech industry. MGEN Chris Cortez, USMC (Ret.) sponsored this program since its inception and added a strong voice to We Still Serve launch. The team has partnered with external organizations including Service Academy Career Conference, Marine for Life, Student Veterans of America, MBA Veterans, The National Center for Women & IT, Military MOJO, RecruitMilitary, Academy Women, Worksource, 100,000 Jobs Mission, base transition offices, and many local jobs fairs and outreach events. Microsoft was a founding sponsor and remains an active board member for Hire America's Heroes, a consortium which now has nearly 40 corporate sponsors, and chapters in Washington and California. The consortium provided an early proving ground for public-private dialogue and exploration of new pathways to employment for veterans.

The military recruiting program is anchored on our military portal, WeStillServe.com, a site that connects transitioning military members to our employee-initiated group of veterans, and helps match candidates to job opportunities within the company. The site includes a unique Military Job Decoder to map military occupations to available Microsoft positions, helping service members navigate large volumes of job postings. Over the last three years our Military Occupational Specialty (MOS) decoder has received tens of thousands of unique page views and the We Still Serve site has received hundreds of thousands of page views.

Microsoft's Software and Systems Academy (MSSA)

Any career transition is difficult, but as service members approach the end of their military careers they face a particular challenge. It's not always clear to them how their skills apply to jobs in the private sector. This causes stress to both service members and their families. But today, thanks the VOW to Hire Heroes Act sponsored by Chairman Miller and Senator Murray, and signed into law in 2011, service members may begin the employment process before their separation from the military. That's what inspired our program, which is especially important as our military draws down after two major military operations overseas.

Over the next three years, Joint Base Lewis McChord (JBLM) alone, in my home state of Washington, will release an average of 8,000 service members a year. And we know many other bases around the country will also release large numbers of highly employable IT workers. Our research shows that there are currently 30,000 active military members in technical disciplines which might qualify them for jobs at companies such as Microsoft. Currently, 474 MOS codes directly map to Microsoft job groups on WeStillServe.com.

The new MSSA program transitions military members into high paying jobs in the technology sector. It provides industry certification testing and college credit for those in service while they are still in the early phase of transition from military to their civilian career. The goal of MSSA is to create a seamless and successful military-to-employment transition, at no cost to the service member.

Microsoft has partnered with a local university to create a rigorous 16-week technical training course that military members are enrolled in while still on active duty. Soft skills, interview practice and resume preparation are part of the curriculum. Each student receives a mentor from a corporate sponsor and

exercises to practice their new skills. The MSSA program is based on leveraging public and private partnership to provide a new pathway for military members to transition quickly into well paying, upwardly mobile careers. Additional Microsoft technical courses will teach skills required for specific roles. Candidates are prescreened to ensure they have a base level of technical competency, with a strong emphasis on programing and problem solving skills, as well as a passion for the program.

MSSA operates on bases in conjunction with DOD education and transition program partners. With command authorization, service members attend the course as their place of duty during their transition phase. As partners, the US Army and JBLM commanders, notably Colonel Charles Hodges, have been amazing to work with for the first cohort, including releasing one Special Forces solider from active service in Afghanistan to participate in the program. The VOW Act, the new GI Bill, and a loosening of Department of Defense (DOD) regulations enable Microsoft and other private organizations to partner with the DOD to assist American heroes with programs such as this one. And the DOD authorizes these types of training programs in an effort to mitigate the large unemployment burden on taxpayers as well as provide reasonable assurance or potential for employment of transitioning service members.

In addition to receiving a Microsoft IT Academy-powered curriculum from Saint Martin's University, service members who completed the MSSA pilot program were offered entry-level roles at either Microsoft or Launch Consulting (the technology consulting firm administering the program). Alternately, some graduates used their new skills to find technology jobs on their own or to pursue a four-year degree in computer science.

As the program reaches additional bases around the country, we will offer job interviews to those who successfully complete it - a critical step between acquiring any certification and gaining meaningful employment. We're confident that program graduates will be well prepared to compete for jobs in a vibrant, growing sector of the economy. Active-duty service members transitioning from all branches of the military, as well as members of the National Guard and Reserve returning to their civilian jobs, are eligible. The Microsoft Software & Systems Academy bridges one great career – serving in the U.S. military – with another, creating technologies that improve lives. We're pleased by the responses we've received from service members who participated in the program, such as in Bernard Bergan's recent blog post.

Bernard Bergan's Story

Bernard Bergan was in the first cohort of veterans to complete the Microsoft Software & Systems Academy this last December. Over the past five years, he had been serving all over the world in the Army as a communications sergeant in the First Special Forces Group Airborne, 3rd Battalion. Through my recruiting efforts, I was fortunate enough to meet Bernard and talk to him about his transition from the Army to his new career at Microsoft.

Bernard told me that serving in the Army taught him the value of teamwork, selfless service and a commitment to excellence. It also allowed him to see, up close, how technology connects us all. While in Afghanistan, he used Skype as his primary tool to stay connected with friends and family.

I have heard the frustration from many service members that, prior to Microsoft's MSSA program, there were no seamless training programs available for soon-to-be veterans who wanted to work in tech. Any career transition is difficult but, for those in the military, there are unique challenges. In Bernard's blog post, he expressed his gratitude that the MSSA program provided him training that helped him ensure his financial stability. The guarantee of a job placement within Microsoft or through one of its partners was an incredible opportunity with a major impact on his family.

Recommendations

Every time I look into the eyes of a transitioning service member during mentor discussions, in interviews, on base visits or at a job fair, I am simultaneously disheartened and motivated. The system has so much more room to improve and this room for growth motivates me to find new ways to open doors to the technology industry for my fellow veterans. We can do better. The VOW Act laid a foundation for much needed improvement. Building on that momentum, here are a few recommendations to enhance the private sector's ability to employ more of our veterans:

• Enhance GI Bill language and funding for STEM and computer science related degrees. The statistics don't lie. We know that's where the jobs are. It's also where our vitality as a nation rests, and our veterans deserve more opportunities to work in these rewarding careers. By actively encouraging pursuit of these degrees with appropriate incentives, we tip the playing field in favor of the veteran.

- Provide access to contact information of veterans attending college on the new GI Bill, through a confidential, affirmative, opt-in technology solution to encourage stronger employment opportunities and alignment to STEM degrees.
- Quickly broaden the impact of programs like MSSA around the country by encouraging topdown letters of support by all Service branches supplemented Operation Orders by local base commanders to support, engage and cooperate in these pre-separation, on-base, training initiatives as supported and approved in the VOW Act.
- Encourage uniformity in tuition assistance across military branches to reduce complexity and road blocks for service members participating in training programs such as MSSA.
- Encourage stronger partnership between the Department of Labor and Department of Defense under its VOW Act directive to "take a hard look at how to translate military skills and training to civilian sector jobs." This directive will "make it easier to get the licenses and certification our veterans need."
- With the expansion of the cyber-economy, consider legislation to expedite or grant extensions of security clearances for those entering technology fields.

Conclusion

As you know better than most, our military veterans are a national treasure. We've invested immeasurable dollars, time and sacrifice to create the most powerful human asset on the planet – military veterans. They are smart, motivated, rapid learners who are technical, loyal team players, yet they are virtually untapped by private industry. They are the most valuable human asset on earth and we, as a nation, all too often allow them to walk out the door of the military and end up under- or unemployed. The untapped potential of this asset is in plain view on their DD214s, waiting to be organized, interpreted and leveraged to provide data-informed career paths. Doing so will accelerate the American economy and our veterans' success. But the human element is even more important. These individuals and their families have made incredible, selfless sacrifices for our country. We owe it to them to recognize not just their past contributions, but what they have to offer in the future. We'll all benefit from that recognition. And the families of these heroes will benefit, too.

Now is the time for our government, non-profit and corporate leaders to truly live up to the promise to which we should all feel obligated: ensuring that those who sacrifice the most for our cherished way of life can flourish and share in the American Dream.

Microsoft is fully committed, as am I, to continuing to innovate, invest and participate in the circle of solutions that bring our military veterans to the family wage careers of the future. We believe this future is unleashed through education in STEM fields and via industry-sponsored training programs with commitments to hire graduates. The Microsoft Services & Software Academy proves that the VOW Act is making a difference, that public-private partnerships work, that veterans have what it takes to land STEM jobs, that industry leaders such as Microsoft want to hire veteran workers. Now is the time to act, to accelerate progress by aligning our resources behind proven concepts that lead to high paying jobs in the new economy. The need is great but so are the opportunities.

Thank you for your commitment to veterans. And thank you for allowing me to share my story and Microsoft's commitment to our nation's veterans. We Still Serve.