

# **Conversion of the demobilized military logistics officers to the business logistics**

**Ph.D. thesis summary**

As part of the ongoing research program titled „The Defense Sector’s network of contacts within society” at Zrínyi Miklós National Defense University in the 2<sup>nd</sup> half of 2003 a survey was conducted focusing on the conversion of the demobilized military logistics officers to the business logistics.

Even though the survey’s main goal was to develop the human re-conversion system of the military, and help ex-soldiers reintegrate into the civil sector, there are numerous morals, which can be beneficial for “civil” logisticians as well.

Survey including five main parts:

**1st part** describes and summarizes the theoretical background of the theses. Including the definitions of the system of the flow of human resources and its meaning in the military life. Also describe the methods and practices of the outplacement in the business life.

**2nd part** describes and summarizes the meaning and the changes of the civil-military relationship.

**3rd part** is a history of the human conversion activities in the Hungarian Armed Forces from the very beginning.

**4th part** is about the decreasing of the armed forces in the Central and East Europe countries, including the main learnings relating to the conversion to the civil life.

**5th part** is about the results of the research focusing on graduate military students, logistics officers and demobilized logistics officers. This part describes the reasons and the process of the demobilization, the supporting tools of the demobilization, the evaluation of the labour market on logistics officers, and their reflections.

The research focused on three different groups: students of the graduate military logistics course, active logistics officers and demobilized military logistics officers. The data was collected via questionnaires, focus group interviews and one-on-one interviews with the students with a military supply services major, active military logistics officers, as well as demobilized logistics officers, who now work in the civil sphere.

A military logistics officer is a soldier who has an officer rank and a college or university level education, who according to the headcount is in one of the logistics organizations. Based on the information received from those participating in the research, their average age is 34.4 years, 44% have an economics, 51% a technical degree. Half of those with a technical degree are engineers, ¼ are electrical engineers, and a small percentage are transportation-, construction-, information specialists, chemists or other. About 5% has a very

different background (health, agriculture etc.). Of those asked, only 7% (5 people) did not have a civil college level degree. 87% can speak a foreign language, 2/3 of which are min. intermediate.

Those demobilized officers who participated in the research and have moved to the civil logistics sphere all have a civil diploma (6 are economists, 2 are electrical engineers and one is a transportation engineer).

Their average age is 37.8 years, they spent 10 years in the military on average, and have demobilized from the military between 1992 and 2000. In the military, they all served in the logistics corps. Since they left the military, they all work in mid- to top management positions requiring higher (degree level) logistics qualifications.

All the demobilized officers can speak at least one language; most speak English at an intermediate level (5 intermediate, 4 advanced level).

Of the demobilized officers 6 have a civil college level degree, 5 have two diplomas.

Military logistics officers – in all the examined groups – are well-educated experts with foreign language knowledge. Education, background and foreign language knowledge did not come up as a problem in the way of re-conversion in any of the groups examined.

Basically all the groups in the research rated themselves good, as the students gave themselves a score of 3.6, the officers a 3.9 and the demobilized officers a 4.3 on the given score-sheet.

On the general scale the demobilized officers rated themselves better than the active officers and students. The difference between the score is quite significant. As the table above shows students gave the worst self-rating, the officers rated themselves higher, but far from as high as the demobilized officers valued themselves.

These data show that way soldiers see themselves, their profession and based on their job how they value themselves is quite controversial. From the answers given by the demobilized officers we can see that those in the military under-value themselves, their general skills and abilities compared to the labor market.

Even though there are very distinct differences in the evaluation, it is very interesting that the order of importance is very similar. For all three groups among the most important were the leadership competencies, the organizing competencies, the relationship towards order and discipline, decisiveness and decision making and the keeping of deadlines. In all groups initiative, innovation and quality orientedness were all at the bottom of the list.

All three groups have made a similar ranking among these aspects, hence they see their strengths and the areas that need improvement the same way, but as already mentioned, in the evaluation of these aspects there are significant differences.

The role of professional knowledge is indisputable in a successful re-conversion. In the research we received similar averages in all groups for the way professional knowledge is seen: students gave an average score of 3.3, officers 3.5, and demobilized officers a 3.4. If we take a look at the more detailed results, we get much bigger variability.

It is the students who rated the military logistics knowledge in the most homogeneous way: their average score were between 3.0 and 3.7 for the different areas. For the officers the average scores varied between 3.0 and 4.1, and the difference was the greatest for the demobilized officers with points between 2.9 and 4.6.

On average all three groups rated themselves better than average, but in professional areas there were great differences in many cases.

In general we can say that soldiers (active as well as demobilized) consider themselves the strongest in inventory management, transportation, and weaker in the areas of production management, in the judiciary knowledge associated to material processes, quality management and informatics. Only in these last four categories was the average worse than mediocre, and only in the scores given by the demobilized officers. The reason for this is probably that the contrast is the strongest in these areas between the civil and military logistics, hence the demobilized officers are probably more critical based on their experiences.

Even though the different groups found their level of knowledge different, we can still see a strong similarity in the order of importance.

In all three groups transportation, inventory management and warehousing are among the first 3, purchasing, sales-distribution and logistics strategy are ranked between 4-6, and informatics and financial knowledge related to the logistics processes were ranked between 7-9<sup>th</sup> place. In all cases material process related judiciary knowledge and quality management were in one of the last places.

Nothing shows better the differentiation of the evaluation than the fact that the retired officers gave an average over 4.0 for the aspects ranked to the first 3 places (4.1-4.6), whereas for the last 3 places on the list they gave scores under 3.0 points (2.3-2.9). These same scores show a smaller variability for the students and the military officers.

It is clear from the ranking that all three groups see the strengths and weaknesses of the professional knowledge of the military logistics officers in the same way, but are evaluated – as with the general skills and abilities – very differently. The demobilized officers perceive the strengths to be much stronger, and the weaknesses much weaker than the students or the active officers do.

Because of the special place of the military in the whole of society, the perception and attitude towards those with a military background cannot be overlooked. For a demobilized military officer it is not only his general skills, abilities and professional competencies that count, but the way his background (where he got his knowledge and experience from) is viewed by his new employer.

The opinion of the demobilized officers differs a great deal from the opinion of the students and active officers. The demobilized officers consider their military past an advantage; no negative or indecisive answer was given.

Most (68%) of the active logistic officers think a military past is an advantage, while 30% are not sure. They think that the negative stereotypes are strong in society, that the civil sphere know the military (in a bad way), and that it is a bad background. Although they think that being a “soldier” in the field of logistics is a positive thing. They think that it is a disadvantage that they work in under over-regulated circumstances, and thus are not considered innovative. They think that those logistics officers who leave out of free will, all find their place in the civil labor market.

Half of the students (51%) think that a military logistics past is beneficial, 45% are not sure, and only a fraction (4%) think that it will be a disadvantage for them. They are more optimistic than the officers, as they think that the military past is a good reference; primarily leadership competencies, looks and behavior are affected in a positive way by the military. They assume that there are less and less negative stereotypes about soldiers. They also think that compared to the soldiers, civilians do not know what logistics is, and hence do not realize what a soldier is worth in this area.

None of the participants in the research said that the military background is a definite disadvantage, and the rate of those consider it somewhat to be of a disadvantage is also low (4% of students, 2% of active officers).

The answers to the question of whether the civilians are aware of the military origin of logistics were very mixed. In all three groups over half of the participants said they do not think it is a known fact. All the demobilized officers save but one said that it is a known information.

It is a vital question of the success of the re-conversion whether a demobilized military logistics officer who accepted a job in the civil logistics sector can find his place in his new job, and be good at his new tasks.

If we compare the answers of the three groups, it is clear that the active soldiers’ view of themselves is far lower than those of the demobilized officers who work in the civil sector. The biggest difference is between the demobilized officers and student. The students’ average score for being successful in the civil sector was 2.4 points lower than the score given by the

demobilized officers. The active officers were a little less pessimistic, their score was only 1.6 lower than that of their demobilized colleagues.

The evaluation discussed above regarding the success in civilian positions is typical of the differences in the self image of the active and demobilized officers. The high scores given by those demobilized officers who found work in civil logistics shows that overall the military background can be easily and well converted to civil logistics.

During the research the participants had a chance to voice their opinion regarding the effectiveness of re-conversion and improving its effectiveness.

The needed changes for making the transition smoother were very similar in all the groups.

The lowest ranking for an aspect in any of the three groups was 3.3, so we can safely state that the need for change is equally felt everywhere.

The biggest need is the stronger cooperation with civil education and organizations, and that the 'image' and 'products' of military logistics should be communicated much more actively. Among the students and active officers this was more important than the education (and subjects taught) and internships.

Regarding the mix and content of the subjects taught it is primarily the timeliness and up-to-dateness of the material that needs improvement according to all three groups the need to update and make the materials more real life-like was a basic expectation. Old-fashioned techniques and technologies and regulations should not be taught, as they are a waste of time. Both the students and the officers would like to make the material taught more practical.

The demobilized officers think that more civil logistics should be taught, as the knowledge from that is not only important in case of re-conversion, but some techniques used there could be used effectively in the military as well. They would find more civil and management subjects necessary. Everyone agreed that military and civil logistics should not be handled completely separately, as in our days military is not sealed off from the civil sector, and it cannot allow itself to train experts who cannot see beyond their own tasks. They think that there is no borderline between military and civil logistics as opposed to what most people think, and that this should come across in the education as well.

The active officers named the crossing over between civil and military education as very important. They think that common exercises and accepting guest students from each other could help improve the level of education offered, the chance of re-conversion, as well as the level of activities provided by the military logistics services.

The demobilized officers named the cross-over and chance of taking classes at other institutions as very important. They would find it very positive if civil textbooks could appear in the military education, and teachers could migrate from the civil sector and back. Many thought that the military logistics education could be positioned above the civil trainings, and its prestige could be higher due the results it produces.

All three groups would like to see more internships. It is not only that internships should be more emphasized, but they should also be more complex. These internships should focus on gaining experience in logistics and supply centers, or focus on the total supply chain.

It was only the demobilized officers who noted that in regard to internships, cooperation should be started with civil companies. Many thought is useful if at least a part of the internship would be done at logistics companies.

Every group finds military logistics to be underrepresented and undervalued, with a lot of untapped possibilities. The military past is worth much more, if the prestige and acceptance is higher. They think that military logistics has no PR. NATO operations, showing of foreign operations, organization of open days and more contact with civil logistics would be a great help.

According to the demobilized officers the good name of the military logistics is strongly tied to the good name of the Hungarian Military; military logistics officers cannot have a high prestige if the Military itself does not have a good name. They see a lot of opportunity in PR, as the acceptance and products of the military logistics are under represented.

The results of the research shows that the self-image of the active military logistics officers and students is lower than what the demobilized logistics officers experience in the civil sector. We can also conclude that demobilized logistic officers are usually successful in the civil sector as they are well-educated and have brad practical experiences.

According to the opinion of the soldiers the military-civil logistics relationships could be improved in many areas, which would be beneficial to the whole of the logistics and human resources management profession.