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CANADIAN FORCES COLLEGE / COLLÈGE DES FORCES CANADIENNES  
JCSP 33 / PCEMI 33

EXERCISE/EXERCICE NEW HORIZONS

**An Enduring Conflict: Specialist Retention in the British Army Versus Private Security Companies**

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## **ABSTRACT**

This essay explores the conflict between the two subjects of Private Security Companies (PSC) and the retention of British Army specialist personnel, such as Royal Military Police (RMP) Close Protection (CP) trained individuals and Intelligence Analysts. It argues that PSCs have, and will continue to negatively influence retention and the two subjects will remain in conflict.

Through an exploration of the combined affect of three main problem areas namely, military experience, an increased employment market for PSCs and army under-manning, a picture emerges of a negative retention influence by PSCs and whom they prefer to recruit.

Retention and PSCs are more deeply investigated with the intention of attempting to understand how they interact, what the impact might be and how it is being counteracted.

Finally, the future of these two topics is examined and the essay concludes by stating that there is a negative influence on retention. However, more substantial research is needed to cogitate on the conflict and its operational effect.

## INTRODUCTION

The attack on the World Trade Centre on 11<sup>th</sup> September 2001 ultimately led to the initiation of the Global War on Terror or, as Dominick Donald said, "...[it is becoming known, either as the] Struggle Against Violent Extremism' or 'The Long War.'"<sup>1</sup> Subsequently, major combat forces were committed to the fight in military operations in Iraq and Afghanistan. Additionally failed state operations, such as Sierra Leone in 2002, drew select national militaries into situations which consequently, led to the phrase 'over stretch' being commonly used in many defence ministries. Private military and security firms, many headed by business orientated former senior military officers, saw a lucrative and expanding market. However, at this point, their success depended on recruiting high calibre military and civilian personnel whose standing would ultimately forge their reputation. Thus, this once inconspicuous sector was thrust into the public, legislative and media spotlight.

For years, the name associated and applied to most companies within the private security industry was mercenaries. An evolving business and increased public awareness has changed this to some degree. Accordingly, the taxonomy has adjusted also and is the focus of considerable private security sector and academic debate. This issue will be briefly explored but, for clarity in this essay, all private military and security businesses will be known as Private Security Companies (PSC). It is noted that this is a matter of debate, but space in the paper precludes substantial expansion.

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<sup>1</sup> Dominick Donald, *After The Bubble: British Private Security Companies After Iraq*, Royal United Services Institute for Defence and Security Studies, Whitehall Paper 66 (London, Stephen Austin & Sons, 2006), 23.

As governments such as the UK and USA were directing their military forces to become more agile, responsive and above all cost effective, they were identifying simultaneously the utility of the commercial military and security sector in assorted ways. The private security industry's elite were quick to respond, but they needed specialist manpower from reliable and proven national armed forces to make their plans succeed.<sup>2</sup> A PSC recruitment operation commenced in a way not envisaged by defence Human Resources (HR) planners. Accordingly, British Army personnel left uniformed service prematurely, in numbers that could not afford to be lost.<sup>3</sup> For certain units, such as the Close Protection Unit (CPU), this resulted in their operational capability being degraded.

British Army staff and commanders of various specialist personnel recognised that Private Security Companies PSCs were affecting retention to varying levels. They voiced concern that the people they needed to conduct modern operations, where 'wicked problems'<sup>4</sup> abound, were the ones the commercial security sector were most interested in recruiting. However, as the number of retirees was not significant and the units concerned managed to maintain a capability, those anxieties were seen as a temporary manning issue.

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<sup>2</sup> Dominick Donald, *After The Bubble: British Private Security Companies After Iraq* ....., 17.

<sup>3</sup> Exact or even approximate numbers that are voluntarily or prematurely released that subsequently work for PSCs as a result of operations cannot be generated. The data capture only identified that a person leaves. Lt Col(Retd) Chris Cheko telephone conversation 10 April 2007.

<sup>4</sup> "A wicked problem is one for which each attempt to create a solution changes the understanding of the problem. Wicked problems cannot be solved in a traditional linear fashion, because the problem definition evolves as new possible solutions are considered and/or implemented." Lt Col Craig Dalton, "Systemic Operational Design", (Lecture, Canadian Forces College, Toronto Ontario, 12 April 2007), with permission.

This essay will examine the conflict between PSCs and retention in the British Army. It will argue that PSCs are having a negative influence on the retention of certain specialised army personnel and that this conflict will continue.

Initially, this will require an examination of what the perceived problems are and to whom they apply. This will be undertaken by considering some of the specialist personnel groups and their traits which interest PSCs, followed by a deliberation of pertinent reasons considered by individuals leaving the Army to join them.

Then PSCs will be explored. This section will look at what they are, what they do in a modern construct, and what makes them attractive. This will enable a proposition to be postulated as to what makes them a retention threat now and in the future.

Next, aspects of the British Army's current and future HR retention policies will be analysed. It will advocate why retention is important in the modern military and why, combined with social factors such as the shrinking recruitment pool and PSCs' lure, this could have a detrimental effect on the future operational effectiveness of specialist parts of the British Army.

It will be acknowledged throughout the essay, that there are other issues that create dissatisfaction, which consequently cause personnel to leave prematurely. However, it will be articulated that the association between PSCs and retention cannot be ignored as merely an insignificant temporary manning issue.

Finally, the future of these two interlinked components will be considered and the paper will conclude by hypothesising that PSCs will continue to have a negative influence on retention in certain specialist elements and that their sway, however small,

must be considered and monitored. Accordingly, this conflict must be addressed imaginatively with the aim of finding intelligent solutions.

### **METHODOLOGY AND CAVEATS**

The paper's thesis statement and certain ideas are based on a perceived problem that germinated during my experience on specialist domestic and international operations. This involved contact with PSCs at various levels of authority and with some of the Army personnel whom they routinely target. Moreover, years of experience as an army commander, a staff position in the Army Personnel Centre (APC) and considerable expertise within the Royal Military Police (RMP) Close Protection (CP) environment has provided me with a wide-ranging practical knowledge base.

However, some of the information that the Army maintains on HR issues is incomplete and, in other instances, it is subject to strict privacy regulations. This can impede the ability to provide substantiated verification of some of the arguments presented. Additionally, some of the information used to validate ideas cannot be attributed directly, because of the secretive nature of private security. Therefore, it is left to the reader to draw their own conclusions.

The combination of my wide-ranging practical knowledge base and the academic insight acquired on this course, has led me to conclude that the problem discussed in this essay has bigger implications than first envisaged. Furthermore, it transpired that data capture, required to substantiate some ideas, is not well developed. This essay therefore, seeks to initiate the process of further investigation.

## **WHAT ARE THE PROBLEMS AND WHO IS AFFECTED?**

Experience is a key attribute. Its loss does have an association with the effectiveness of an organisation that sometimes cannot be empirically measured. Arguably, its most important facets are; careful selection of high calibre personnel, thorough training and time spent applying lessons taught and skills learned. The specialists the Army have are imbued with these attributes. The higher the level of military experience, the more the PSCs will pay to acquire it. Therefore, the individuals the Army needs most to maintain operational effectiveness, are the one the PSCs are most likely to target.

It is widely acknowledged, that in order to be successful, any commercial CEO or military head of an organisation wishes to have the most experienced and best trained individuals possible. PSCs are no different. However, they operate in an industry that recruits the vast majority of its employees from reputable militaries like the British Army, because their reputations, and ultimately their profits, depend on the quality of staff.

The Special Forces (SF), such as the Special Air Service (SAS) and Special Boat Squadron (SBS) are the UK Armed Forces' pinnacle of human military capability. Accordingly, they are individuals the PSCs primarily wish to attract as their experience and training is unsurpassed. Further, the majority of personnel in PSCs are former SF. As Al J Venter verifies, "Looking at the game board today, it has become clear that, being composed almost entirely of former Special Forces, the majority of [PSCs] are ideally suited..."<sup>5</sup> However, as this essay is constrained literarily, SF will not be significantly

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<sup>5</sup> Al J Venter, *War Dog: Fighting Other Peoples Wars*, (Casemate, Philadelphia, 2006). 556.



considered as other academics, such as Dr Christopher Spearin, have written extensively about their inter relationship with the private security sector. His article, “Special Operation Forces a Strategic resource: Public and Private Divides,” considers similar issues raised in this essay, albeit from a US perspective.<sup>6</sup>

However, there are other specialist elements that attract the attention of PSCs, for example Intelligence Analysts from the Intelligence Corps, RMP (CP and Special Investigation Branch (SIB) qualified personnel) and skilled Explosive Ordnance Disposal (EOD) operators and explosives experts from the Royal Logistic Corps and Royal Engineer communities. Their training is extensive, costly and lengthy and their personnel numbers are comparatively small compared to the combat arms.<sup>7</sup> Their loss to a PSC, maybe numerically insignificant to the wider army, but to the units concerned, it could mean that a capability is lost temporarily or not maximised. Additionally, the potential of impacting other combat units cannot be ignored. If a specialist, such as an Intelligence Analyst, joins a PSC, it is one less to support deployed operations. Even if a new member is recruited, it will take time to gain the experience required, which is a combat multiplier. Consequently, that combat unit may not be able to fulfil its task as fast or as thoroughly as required or perhaps at all.

The reasons specialists and generalists cite to leave the army are extensive. However, the 2006, UK, National Audit Office (NAO) Report identified the second

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<sup>6</sup> Dr Christopher Spearin, “*Special Operation Forces a Strategic resource: Public and Private Divides*, Parameters 36:4 (Winter 2006-2007), 58-70.

<sup>7</sup> Army total strength 95,270. Infantry approximately 25000 compared to Intelligence Corps approximately 1600 and RMP about 2000. Director Manning (Army), *Monthly Manning Report*, 1 March 2007.

highest rationale for leaving as, “better employment prospects in civilian life.”<sup>8</sup> This was corroborated in an interview with the Secretary to the Army Retirements Board (ARB).<sup>9</sup> Of course, this does not prove that personnel leaving will go into the employment of PSCs, but it does highlight the strength of feeling about alternative employment.

In the current employment market, there is a high demand for former army individuals. This has been influenced by the PSCs need for personnel, created by the War on Terror and their involvement in Iraq and Afghanistan. David Robertson writing in the Times newspaper in 2006, identified the problem when he wrote,

[British Army]Officers from certain regiments used to find their way into jobs in the once-clubby world of banking and stockbroking after retirement from the Armed Forces. They were the lucky ones: others emerged from years of service with no obvious use for their years of specialised training. They sometimes struggled to find any work at all. Times have changed, however, and former service personnel are taking advantage of a shift in military priorities that is outsourcing an increasing amount of work to private companies. Former soldiers are now more likely to be found on the ground in Iraq directing security operations for the Foreign and Commonwealth Office or in Nigeria protecting oil assets than lunching at a gentlemen’s club in London.<sup>10</sup>

Although general in nature, his observation does highlight two specific issues. Firstly, there is an increased market for former army personnel and secondly, UK

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<sup>8</sup> National Audit Office, Ministry Of Defence: Recruitment and Retention in the Armed Forces, *Report*, (The Stationary Office, London, October 2006).: available from [http://www.nao.org.uk/publications/nao\\_reports/05-06/05061633-I.pdf](http://www.nao.org.uk/publications/nao_reports/05-06/05061633-I.pdf); Internet; accessed 27 Mar 2007.

<sup>9</sup> Lt Col (Retd) Chris Cheko, Secretary to the Army Retirements Board..., 10 April 2007.

<sup>10</sup> David Robertson, *City's appeal weakens as ex-soldiers march into private security*. Times OnLine, 16 Nov 2006, [http://business.timesonline.co.uk/tol/business/industry\\_sectors/banking\\_and\\_finance/article638503.ece](http://business.timesonline.co.uk/tol/business/industry_sectors/banking_and_finance/article638503.ece); Internet; accessed 10 Mar 2007.

government departments are now regularly contracting PSCs. This subject of governmental sanctioning will be discussed later, but the matter of an increased market is valid.

Some personnel that have served on a specialist operational tour find they cannot easily adjust to normal routine in a regular unit. As one corporal vociferously stated, “Sir, why the f—k do I have to sweep up leaves when two weeks ago I was advising an ambassador?”<sup>11</sup> Their tour provided them with excitement, camaraderie and the ability to hone the skills they had worked hard to acquire. Generally, these individuals provide a more potent capability on operations and their loss would have an additional impact on effectiveness.

This attitude is more prevalent in specialist personnel. They are specifically recruited for their higher intellectual capacity, stronger natural leadership skills and a more prominent and inquisitive personality. Typically, they are far more capable of operating in complex environments than the average soldier. This is often what drives them to apply for and pass selection for specialist roles. However, it is also the category of individual that most PSCs will actively seek.<sup>12</sup>

### **PSCs: WHAT ARE THEY AND WHAT DO THEY OFFER?**

PSCs are referred to by a multitude of names such as Private Military Company (PMC), Military Service Provider (MSP) and mercenaries. As to which is correct, is the subject of much academic and industry debate. Tom Valentine of Control Risks Group

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<sup>11</sup> Unsolicited comment made to the author in 2001 during his tenure as an RMP Company Commander.

<sup>12</sup> Evidence gained from discussions with various PSC employees.

prefers PMC<sup>13</sup> while others like Tim Spicer prefer to drop the word military altogether.<sup>14</sup>

The names do imply certain employment specialities. Dr Christopher Spearin remarks that the term PMC is symptomatic of an offensive or traditional military role, whereas PSC suggests a defensive or protective type posture.<sup>15</sup> Therefore, it is logical for an MSP to be seen in more of a support role.

The UK Government's discussion on PSCs/PMCs in its Ninth Foreign Affairs Report states,

In this Report we refer mainly to private military companies, but we include private security companies in this category. As we explain below, drawing clear a [sic] distinction between types of company is very difficult, because there is much overlap in the activities that they undertake.<sup>16</sup>

Mercenary is the term that most modern companies wish to see vanish. The perception of a band of former military brought together to fight another's war for a price, as portrayed in the film 'Wild Geese.'<sup>17</sup> It does not help contemporary marketing strategies, client relations and ultimately, governmental approval. Insiders such as Alistair Morrison, the SAS member who formed the company Defence Systems Limited,

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<sup>13</sup> Al J Venter, *War Dog: Fighting Other Peoples Wars*, (Casemate, Philadelphia, 2006). 560.

<sup>14</sup> Peter Almond, "War's fertile grounds for soldiers of fortune," *Sunday Times* 30 October 2005, TimesOnline; available from [http://business.timesonline.co.uk/tol/business/industry\\_sectors/support\\_services/article584308.ece](http://business.timesonline.co.uk/tol/business/industry_sectors/support_services/article584308.ece); Internet; accessed 17 April 2007.

<sup>15</sup> Dr Christopher Spearin, Special Operation Forces a Strategic resource: Public and Private Divides, *Parameters* 36:4 (Winter 2006-2007): 69.

<sup>16</sup> UK, House of Commons, Foreign Affairs Committee - Ninth Report, Military Private Companies, An Alternative Proposal: The Re-Employment of Former Armed Services Personnel, (Parliament, London Aug 2002), available from <http://www.publications.parliament.uk/pa/cm200102/cmselect/cmfaff/922/92203.htm>; Internet; accessed 12 Mar 2007,

<sup>17</sup> *Wild Geese*, (London, Richmond Film productions, 1978), a basic review can be found at <http://ftvdb.bfi.org.uk/sift/title/58127>; Internet; accessed 18 April 2007.

commented that the security industry is determined to discard previous negative reputations that have haunted the industry for a long time.<sup>18</sup>

However, what does it matter? Ask a member of Kellogg Brown and Root, a US logistic MSP in Iraq, and they will tell you that they have been shot at, returned fire and their members have been killed as they move throughout the country.<sup>19</sup> Therefore, the classification is sometimes irrelevant. Additionally, it is often confused and used interchangeably.

Unquestionably, the commercial military and security industry is colossal. The quantity of money surrounding this business has an influence on the stock market. The Asia Times states that, "...there are estimates that the PMC [PSC] industry generate US\$100 billion in annual revenues..."<sup>20</sup> Tim Spicer, who heads Aegis Defence Services Limited, points out that his company was awarded a security contract by the Pentagon for Iraq worth US\$293m.<sup>21</sup> The UK Foreign and Commonwealth Office (FCO) agreed a contract with Armorgroup for security services in Afghanistan worth about £15m per year.<sup>22</sup> The allure of this type of wealth will cascade down to those who look for an

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<sup>18</sup> Kenny Farquharson, "Don't call us mercenaries", *Sunday Times*, 3 July 2005, available from [http://www.timesonline.co.uk/tol/newspapers/sunday\\_times/scotland/article539288.ece](http://www.timesonline.co.uk/tol/newspapers/sunday_times/scotland/article539288.ece); Internet; accessed 15 April 2007.

<sup>19</sup> David Isenberg, Security For Sale, *Asia Times*, August 14 2003, [http://www.atimes.com/atimes/Front\\_Page/EH14Aa01.html](http://www.atimes.com/atimes/Front_Page/EH14Aa01.html); Internet; accessed 18 April 2007.

<sup>20</sup> David Isenberg, Security For Sale, *Asia Times*, August 14 2003, [http://www.atimes.com/atimes/Front\\_Page/EH14Aa01.html](http://www.atimes.com/atimes/Front_Page/EH14Aa01.html); Internet; accessed 18 April 2007.

<sup>21</sup> Jon Swain, *Making a Killing*, The Sunday Times 23 October 2005, [http://www.timesonline.co.uk/tol/life\\_and\\_style/article578141.ece](http://www.timesonline.co.uk/tol/life_and_style/article578141.ece); Internet; accessed 16 April 2007.

<sup>22</sup> UK FCO, *Information relating to FCO let Private Security Contracts over the last two years.*, <http://www.fco.gov.uk/Files/KFile/FCO%20Private%20Security%20Contracts.doc>; Internet; accessed 15 April 2007.

alternative career. A point aptly demonstrated in Jon Swain's article, "Making a killing."<sup>23</sup>

PSC numbers are growing in significance. A glance at the military and non-military participants in Iraq and Afghanistan clearly highlights this. Existing reports from Iraq, however imprecise, put the numbers of PSCs and associated non-Iraqi security personnel at about 60 and 22000 respectively.<sup>24</sup> Lawrence Peter, a former Iraq Coalition Provisional Authority (CPA) official and the director of the Private Security Company Association of Iraq, discussed the numbers in the US current affairs programme, Frontline. He commented that, "...as of 21<sup>st</sup> June 2005, there were 37 security contractors registered with the Iraqi Ministry of the Interior...and at least 18 other security companies were in the process of registering."<sup>25</sup>

When Singer was asked whether the numbers in Iraq are growing, he replied, "No, I think we've hit pretty much of a stabilization area." His further observations are interesting in that he considers what happens when PSC activity in Iraq begins to decline. He hypothesises that the market will move elsewhere.<sup>26</sup> This supplicates the question - will the retention issue disappear? If both Peter and Singer are to be believed, then the market will remain. Consequently, so will the threat to retention.

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<sup>23</sup> Jon Swain, *Making a Killing*, The Sunday Times 23 October 2005, [http://www.timesonline.co.uk/tol/life\\_and\\_style/article578141.ece](http://www.timesonline.co.uk/tol/life_and_style/article578141.ece); Internet; accessed 16 April 2007.

<sup>24</sup> Frontline, US PBS Public Affairs, "Private Warriors," <http://www.pbs.org/wgbh/pages/frontline/shows/warriors/faqs/>; Internet; accessed 15 April 2007.

<sup>25</sup> Frontline US PBS Public Affairs, "How many private security firms are working in Iraq?" *Private Warriors*: <http://www.pbs.org/wgbh/pages/frontline/shows/warriors/faqs/>; Internet; accessed 15 April 2007.

<sup>26</sup> Frontline, US PBS Public Affairs, "Interview with Peter Singer 22 March 2005," <http://www.pbs.org/wgbh/pages/frontline/shows/warriors/interviews/singer.html#1>; Internet; accessed 15 April 2007,

Finance is a common factor in this industry's favour, as they can afford to pay high salaries. This is the predominant recruiter, but their functions are another intriguing area. The current array of PSCs are engaged in a multitude of tasks from static guarding to hostage negotiation. These responsibilities have crept ever closer to the traditional military missions national armed forces have carried out routinely. Therefore, a soldier could do the same type of work for greater pay with, potentially, fewer obligations to their nation. To some, this could present a life changing opportunity.

It is widely accepted that most soldiers actively seek the challenge of deploying to a risky combat environment. There are entities, such as the Army Families Federation (AFF), that point to the discontent within the Army's ranks about Operation Tour Intervals being too short.<sup>27</sup> However, ask for volunteers to go to an operational theatre and the majority will accept gladly. There are personnel that wish for more stability, but there are also individuals who will approach command staff and request they are ordered to go. The commonly proffered reason cited is to transfer the blame to the institution in order to re-direct the anger of the spouse. PSCs therefore, have another advantage. They are contracted to a theatre for a specific task, and for as long the contract stands, they will remain. Based upon a balance of finance, free time and desire for experience, the potential PSC employee can negotiate the amount of time they wish to complete in this environment.

It would seem that PSCs do have much to offer the prospective army retiree. They provide high pay, less state obligation and continued exposure to a situation that

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<sup>27</sup> Army Families Federation, "Families Concerns - October to December 2006," <http://www.army.mod.uk/linkedfiles/aff/famsconsoctdec06.pdf>; Internet; accessed 18 April 2007.

the specialist can hone their skills in. The future looks assured for PSCs, but what of their future?

Dr Spearin asserts that, “It will be difficult for the “Genie” to be shoved back in the bottle to a point that the state monopoly on violence is again predominant.”<sup>28</sup>

Deborah Avant’s views are that worst case, PSCs could be set free and create close to anarchic conditions. Whereas in the best case, she envisages that they will become a positive apparatus for worldwide stability and economic development providing, that is, national governments consider regulating and cooperating with them.<sup>29</sup>

There can be no doubt contemporary PSCs have entered the ubiquitous operational environment, and for that reason, their influence will be felt by national armed forces for years to come. Their considerable efforts to impose self-regulation and the majority’s desire for official government recognition, even UN accreditation, is testament to their desire to succeed in an evolving industry. However, it is the level of impact that PSCs have and will continue to exert on the retention of specialist Army personnel that cannot be established accurately or predicted. Therefore, the Army’s HR personnel should cogitate about how to counteract their effects, together with all the other social tensions that are currently being cited.

### **RETENTION**

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<sup>28</sup> Dr Christopher Spearin, Special Operation Forces a Strategic resource: Public and Private Divides, *Parameters* 36:4 (Winter 2006-2007): 69.

<sup>29</sup> Deborah D Avant. “Private Military Companies and the Future of War,” presentation in Philadelphia on as part of Foreign Policy Research Institute’s WW Keen Butcher Lecture series on military affairs, (7 October 2005), available from <http://www.fpri.org/enotes/200604.military.avant.privatemilitarycompanies.html>; Internet; accessed 15 April 2007.



The British Army is currently undermanned by 1.8%, and it has a problem with recruitment and retention, especially in trades that are considered Operational Pinch Points (OPP).<sup>30</sup> This was part of the premise of the NAO's report into recruitment and retention in the UK Armed Forces.<sup>31</sup> The report also highlighted some fundamental issues for all three services. However, only those pertinent to the Army will be discussed unless a trend of note emerges.

To fail to account for retention in any organisation is unwise. It will lead to a deficiency in the primary core of personnel that enable the successful running of any establishment. Additionally, it is easier to recruit staff when the appropriate financial and HR strategies are employed. Conversely, it requires an intelligent and comprehensive approach to retain them, because there are far more complex interlinked factors to be considered.

One of the recommendations the NAO report made was to focus more on retention, as it was more cost effective than recruiting thereby, saving the Ministry Of Defence (MOD) around £24m per year.<sup>32</sup> While this maybe laudable for a commercial company, the Army's focus should be to concentrate on reducing the operational capability gap. However, realism will prevail and expense will undoubtedly be a primary driver.

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<sup>30</sup> Operational Pinch Point trades are those, which are undermanned to the point where operational effectiveness is affected.

<sup>31</sup> UK, National Audit Office Report – *Recruitment and Retention in the Armed Forces*, (The Stationary Office, London, October 2006), [http://www.nao.org.uk/publications/nao\\_reports/05-06/05061633-I.pdf](http://www.nao.org.uk/publications/nao_reports/05-06/05061633-I.pdf); Internet; accessed March 2007.

<sup>32</sup> UK, National Audit Office Report..., 3.

One of the OPP trades the NAO report acknowledged was EOD. This skill is vital in theatres such as Iraq. If the EOD teams cannot function due to lack of experienced manpower, other units are unable to complete their missions without an increased risk. This situation was also experienced by the RMP. Its experienced CP trained personnel were in short supply, due to operational over tasking both as the situation in Iraq changed and operations in Afghanistan were in progress.<sup>33</sup> This situation was exacerbated by a recruitment drive conducted by certain PSCs. This caused a problem for the CPU, in that experienced personnel left which created a void in the training organisation and deployable manpower pool. Subsequently, critical trainers had to deploy to fill gaps and this in turn slowed down outflow. As a result, operational effectiveness was debilitated.

The above examples demonstrate that it is imperative for a personnel plan to be cognisant of the effects of retention. Gaining experience takes time and when that knowledge leaves capability suffers. The Army has identified this and implemented initiatives to try to mitigate the drain however, most concentrate on finance. This policy can be viewed as a short-term, due to the problem of another organisation raising their offer to secure their critical personnel needs. Consequently, paying substantial monetary retainers to a select body may impact financially on prospective long-term projects.

Moreover, the longer-term approach of not attending to the plethora of other reasons given for leaving, such as family stability, housing, or work tempo when in barracks, will not provide personnel with a sense of employment security that might counteract the higher salaries being offered by the PSCs.

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<sup>33</sup> Maj J Watson, Officer Commanding CPU, telephone interview with author 10 April 2007.

The British Army's 'Doing Alright' campaign<sup>34</sup> attempts to address the long-term approach. It illustrates to soldiers that the employment benefits the Army has to offer are considerable. This approach is important as often, young soldiers only see the immediate benefits of higher or lower pay. When they are counselled about issues, such as government non-contributory pensions, medical services, sense of belonging and education benefits, they adjust their concept of what a good employer has to offer. However, many fail to apply the lesson.

Another policy implemented was the introduction of career breaks. In 2006, soldiers and officers were informed that they could apply to take unpaid leave for a maximum of two years.<sup>35</sup> The conditions attached, for sound operational reasons, were stringent, but this new policy did recognise a need to allow selected service members to exercise an option of long-term education, investigation of another occupation or simply take a break. Initially, applications were measured however, the policy has been live for a year and interest is reported, circumstantially, to be increasing.

A problem identified with this scheme was that certain OPP trades and specialist personnel would not be released due to manpower deficiencies. This was unfortunate, as these were among the groups that would have benefited most from a break after years of intensive service.

A limited discussion within the Army considered the merits of allowing a few specialist staff to work with PSCs. The thought was that it might provide the military

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<sup>34</sup> UK, British Army, "Doing Alright Retention Campaign," [http://www.army.mod.uk/servingsoldier/doing\\_alright/index.htm](http://www.army.mod.uk/servingsoldier/doing_alright/index.htm); Internet; accessed 12 Mar 2007.

<sup>35</sup> UK, British Army, "Career Breaks", available at [http://www.army.mod.uk/servingsoldier/doing\\_alright/new\\_direction/career\\_breaks.htm](http://www.army.mod.uk/servingsoldier/doing_alright/new_direction/career_breaks.htm); Internet; accessed 17 April 2007.

with a supplementary capability, achieved from learning about commercial military and security practices. Additionally, with the correct career and benefits guidance, it would have demonstrated to the Army participant that the Army was a high-quality employer. Further, it was hoped that this message would be conveyed to others thus, dissuading them from leaving. However, it was decided that the application board would rigorously scrutinise potential future employment and consider private security employment too problematic to contend with. Consequently, the idea was abated. This was a missed opportunity.

As has been discussed, PSCs are adapting to a new environment. Most actively pursue self or governmental regulation and government departments are routinely contracting them. Allowing specialist trades to join PSCs for limited periods could forge stronger links that might benefit a multitude of relationships and processes thereby, improving all parties' effectiveness. However, due to personnel potentially not wishing to return, it would have been an extremely high-risk venture.

In order to implement worthwhile retention positive schemes, considerable financial outlay must be made, but with finite resources another capability or service will suffer. The problem occurs when PSCs need personnel, because they understand the value of the market they simply pay more for it. Additionally, they have the luxury of not requiring a large cadre of permanent members. They have no need to maintain a truly expansionist mechanism to prepare for a national crisis. Their solution, when a contract has been obtained, is to unleash the "dollars of war." As a consequence, they can afford to take a short-term stance. Further, select national armies reluctantly and unintentionally

provide them with the supply of high quality employees, who take their experience to the commercial sector for the reasons already discussed.

This is where the British Army will suffer. It does not have the financial power to compete with the PSCs. Additionally, it has to balance the need to recruit, equip and train new members against a requirement to retain its nucleus of experience. It also has to run a large organisation and obey political masters, who demand more capability for less expenditure, while simultaneously competing with Other Government Departments for funds. However, it has the ability to demonstrate that it is an organisation that cares deeply for its employees. Furthermore, its HR policies and practices are superior to others and it provides a secure environment to care for families.

The dilemma for retention policy managers and practitioners in the British Army should be to recognise that PSCs are part of modern military interactions and do exert influence on their personnel. Further, this is unlikely to abate. Consequently, they must identify how best to retain their critical people to continue to field world renowned combat capable forces.

### **THE FUTURE**

The nature of operations has changed and will continue to evolve. Potentially regulated, modernised and efficient PSCs will be involved in this new scenario and they too will require the same calibre of staff as the Army. The requirement to retain expertise in an army, that is technologically dominated and calls for personnel that understand a complex environment, is vital. With government and multi million dollar commercial contracts at stake, PSCs will continue to financially outbid the armed services for that finite human resource.

In order to alleviate that conflict, the Army needs to develop more imaginative HR policies, such as over recruitment of certain specialist trades. Normally, these trades do not have a recruitment problem and this could provide them with additional capacity that would lessen the shock of losing important staff at a time when they are needed most. However, it could result in a strain being placed on other units, which are then restricted as to the size of their establishments. Additionally, the people the PSCs want are the ones that need to be kept fully engaged. If that does not occur, they may become disinterested and leave.

Army planners must be aware that this situation may occur. They must account for the fact that PSCs will influence their tactics by removing a specialist personnel capability, that may appear to be insignificant, but whose loss has far greater consequences.

It is also argued, that with increasing social restraints being placed on the forces by the public, via their government, the initiative will be to recover from an operation as fast as possible with the intention of minimising casualties and costs. Therefore, PSCs will be poised to fill the void. Consequently, they will require the same manpower the Armed Force needs to withdraw.

The formation of a permanent, civilianised former military cadre has been debated within the UK government. It could be regulated and would, due to its members previous profession, be imbued with the same ethos that has served the nation so well.<sup>36</sup> It could provide a buffer that could prevent the commercially orientated PSCs from

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<sup>36</sup> UK, House of Commons, "Foreign Affairs Committee - Ninth Report, Military Private Companies, An Alternative Proposal: The Re-Employment of Former Armed Services Personnel," available at <http://www.publications.parliament.uk/pa/cm200102/cmselect/cmfaff/922/92209.htm#a34>; Internet; accessed 18 April 2007.

getting involved in areas that were, traditionally, the preserve of national militaries. This organisation could provide the employment satisfaction, that those who wished to leave the forces, were perhaps seeking. Then their expertise would not be lost in such a dramatic way. Perhaps this is the subject of a future detailed analysis?

### **CONCLUSION**

This essay has demonstrated that PSCs are having a negative influence on the retention of specialist British Army personnel. Further, both subjects are inextricably linked and this conflict will continue. Due to the HR system's partial inability to capture the required analytical data, the numbers of personnel that leave to join PSCs are not fully known but a circumstantial assessment shows it is not numerically high. However, it should concern HR staff and commanders in the wider Army, as the loss of one experienced individual in a specialised unit has a broader impact on operational effectiveness that is not fully understood.

Three main problems were identified that conspired to favour the PSCs and negatively influence retention. The first was experience. It is a valuable commodity to PSCs and specialist personnel are imbued with it. Secondly, the current employment market favours the PSCs. Since the commencement of the War on Terror, their industry had grown significantly and experienced specialist army personnel have better employment opportunities in the commercial sector than previously. Finally, the NAO's 2006<sup>37</sup> report stated that the second highest reason for retirement from the army was to pursue an alternative career. This demonstrated a strength of feeling that, if combined with the other two problems discussed, presented the potential retiree with an easier decision framework should they seek a career change.

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<sup>37</sup> National Audit Office, Ministry Of Defence: Recruitment and Retention in the Armed Forces, *Report...*,

The personnel most likely to be recruited by the PSCs were the SF however, there were other Specialists such as Intelligence Analysts and EOD personnel whose personal attributes assured them employment if they chose.

The PSC industry was considered and it was shown that its reputation and name had evolved in recent times. Their sector was and still is extremely profitable. Consequently, this wealth continues to cascade down to facilitate large salaries that are being offered to the personnel the Army needs to retain. Further, the roles PSCs were undertaking and the environments they operated in were the ones some specialists were most keen to participate in. Thus, a combination of high financial remuneration and attractive work resulted in a negative influence being directed at the Army. Also, as a consequence of deft management, military overstretch and recruiting competent specialist personnel from militaries such as the British Army, PSCs were being offered substantial government contracts. This resulted in a combination of factors that further exacerbated the retention issue. These trends prevail, and according to academics and security industry experts, it will continue. The actual impact that PSCs have on specialist retention is currently not quantifiable therefore, it is recommended that more research is conducted in order to measure their effect.

During the discussion on retention, it was shown that the Army was 1.8% undermanned and that focusing more effort on retention would save the MOD about £24m per year. Failure to consider retention and its effects in any depth is unwise, but it was shown that the Army had implemented both long and short term initiatives to try to arrest personnel migration. However, HR staff are competing against PSCs which do not require to maintain large permanent cadres of employees. The result is a financial



conflict with other important Army matters, when retention policies are planned or implemented.

It was predicted that in the future PSCs will be part of the Army's operating environment and, in order to counteract their retention affect, army commanders and HR staff must be more cognisant of PSCs, their influence and resultant impact.

Undeniably this retention and PSC conflict will continue. Therefore, the issues raised in this essay need substantial expansion and further military and academic empirical study, with the aim being of understanding and counteracting PSCs' negative influence on retention and operational effectiveness.

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