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CANADIAN FORCES COLLEGE / COLLÈGE DES FORCES CANADIENNES  
JCSP 35 / PCEMI 35

EXERCISE/EXERCICE NEW HORIZON

**AIR FORCE RECRUITING AND RETENTION:**

**THE EFFECT OF GENERATION X AND Y**

By/par LCol Jason Major

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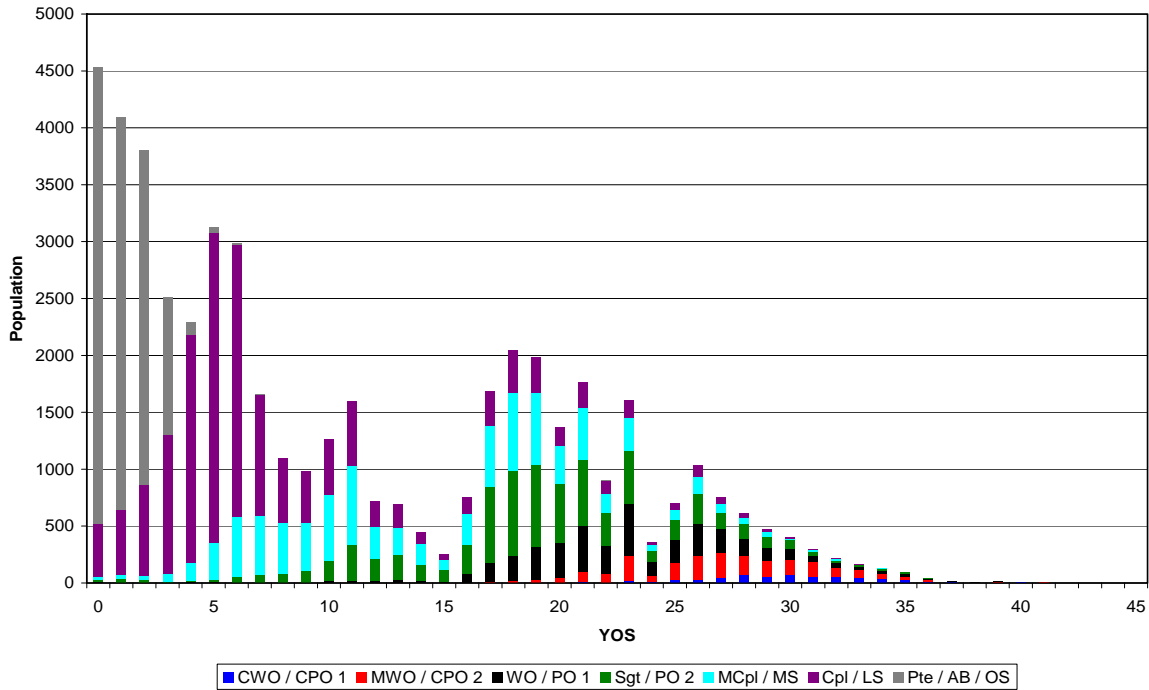
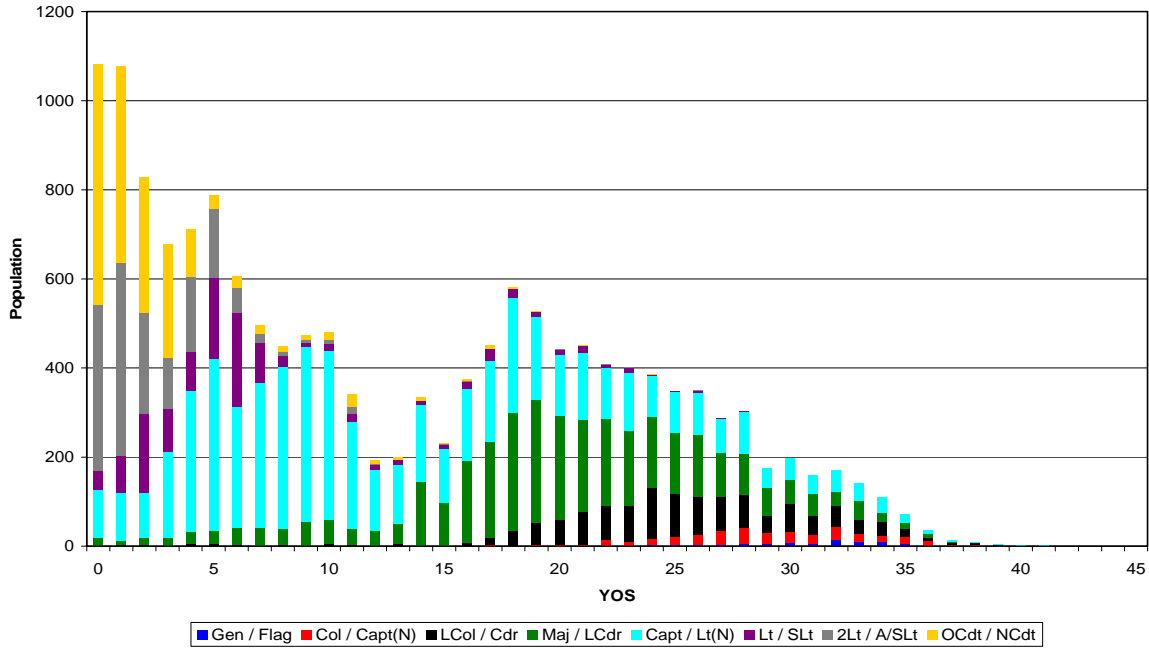
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## **ABSTRACT**

Current demographic modelling from the *Annual Report on Regular Force Personnel 2007/2008* predicts that next year in 2010, 31% or 4,883 of CF officers and 40% or 20,471 of its Non Commissioned Members (NCM) will have four years or less of service. The total number of new and inexperienced personnel will be 25,354 of our estimated 67,000 total personnel. The model of this forecast also shows that these numbers will continue to increase into 2012. These high numbers of new recruits are a direct result of both a rapid expansion of the CF ordered by the government and a concurrent attrition challenge. For the Air Force, these high levels of recruits represent over one third of the Air Force that next year, while supporting the Olympics, Afghanistan and domestic responsibilities will either still need to fly with an instructor or be under direct supervision while they work. The training burden associated with these new recruits will without a doubt, have a noticeable influence on the Air Force's ability to conduct its operations effectively, and will take a toll on the operational tempo of its more experienced personnel.

There is a tremendous challenge ahead to recruit and retain the Air Force's most valuable resource; its people. There are a number of underlying human resource issues that are affecting the Air Force's ability to conduct operations. These issues are discussed in this paper and should be considered for further academic research.

**Background: CF Demographic by Years of Service and Rank as of March 31<sup>st</sup> 2008**



<sup>1</sup> Department of National Defence, “Officer Population Profile by Years of Service as of March 31<sup>st</sup> 2008”. *Annual Report on Regular Force Personnel 2007/2008*. Ottawa: Workforce Modeling and Analysis Section, Director General Military Personnel Research and Analysis, February 2009, A 6, Figure 4.

<sup>2</sup> Department of National Defence, “NCM Population Profile by Years of Service as of March 31<sup>st</sup> 2008”. *Annual Report on Regular Force Personnel 2007/2008*. February 2009, A 7, Figure 5.

## **Introduction**

Current demographic modelling from the *Annual Report on Regular Force Personnel 2007/2008* predicts that next year in 2010, 31% or 4,883 of CF officers and 40% or 20,471 of its Non Commissioned Members (NCM) will have four years or less of service.<sup>3</sup> The total number of new and inexperienced personnel will be 25,354 of our estimated 67,000 total personnel. The model of this forecast also shows that these numbers will continue to increase into 2012.<sup>4</sup> These high numbers of new recruits are a direct result of both a rapid expansion of the CF ordered by the government and a concurrent attrition challenge. For the Air Force, these high levels of recruits represent over one third of the Air Force that next year, while supporting the Olympics, Afghanistan and domestic responsibilities will either still need to fly with an instructor or be under direct supervision while they work. The training burden associated with these new recruits will without a doubt, have a noticeable influence on the Air Force's ability to conduct its operations effectively, and will take a toll on the operational tempo of its more experienced personnel.

As a result of the nature of its operations, Air Force occupations are highly technical and require significant time to complete initial training. For new aircraft technicians to reach journeyman status where they can work unsupervised, or for pilots to become a competent co-pilot or wingman, the training process normally takes over 5 years. A key requirement, therefore, for any Air Force is an experienced cadre of operators and support trades in order to maximize the operational benefit of air power.

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<sup>3</sup> *Annual Report on Regular Force Personnel 2007/2008*, A23.

<sup>4</sup> *Annual Report on Regular Force Personnel 2007/2008*, A23.

The human resource (HR) demographic within the Canadian Air Force (CAF) is currently of critical concern to the military. The shortage of officers from the preferred manning levels (PML) and trained effective strength (TES) is -11.9%, and for NCMs it is -9% (Air Force NCM's have the greatest shortfall of the three services).<sup>5</sup> The number of people in the Air Operations occupations (pilots, air combat systems operators, flight engineers, airborne electronic sensor operators, search and rescue technicians, air control operators, and airspace controllers) actually decreased overall in 2008 by 12 people despite all of the recruiting.<sup>6</sup> The shortage of personnel is especially dire in the 12 to 16 year cohort as indicated in the charts above.

Additionally, while the Navy is considered the senior service, 2008 data shows that of the three elements, it is the Air Force that has the highest average age of both officers and NCM's, at 36.1 and 38.1 respectively.<sup>7</sup> If you combine this data with the fact that as of December 31<sup>st</sup> 2007, the average age of the military member was 35.2 years and the average age that the military member will release at is 35.7, it suggests a high release rate for the Air Force in the coming years since both the average officer and NCM are older than the average release age.<sup>8</sup>

Analysis of the data provided in the *Annual Report on Regular Force Personnel 2007/2008*, shows the two largest cohorts of Air Force members that are leaving are new recruits in their first year of service (Generation Y), and those leaving at the 20 year point with a pension

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<sup>5</sup> *Annual Report on Regular Force Personnel 2007/2008*, Annex A-23.

<sup>6</sup> *Ibid*, Annex B21-22.

<sup>7</sup> *Ibid*, Annex A-4 Tables 4a and 4b.

<sup>8</sup> Department of National Defence. *CF Personnel Management Report*. Ottawa: Office of the VCDS, December 31 2007.

(Generation X).<sup>9</sup> The challenge to retain Air Force personnel appears to be one of two disparate equations, with two distinct solutions to be solved by its current organizational leaders, the Baby Boomers. This paper will examine the challenges of Air Force recruiting, attrition, and retention and provide recommendations to these issues. It will also show that a successful institutional level recruiting and retention campaign must acknowledge the current shortfall in hiring women and visible minorities, and the overall generational differences of Generations X and Y in the CF.

### **The Challenge: Recruiting**

Regular Force Recruiting Results 2003-2008			
Fiscal Year (April 1 - March 31)	Recruiting Goals	Recruiting Results	Success Rate
2003-04	4,440	4,339	98%
2004-05	4,622	4,333	94%
2005-06	5,527	5,644	102%
2006-07	6,426	6,517	101%
2007-08	6,865	6,716	98%

<sup>10</sup>

In some cases, the need for new employees is predictable and relatively constant but in others, such as the case of a rapid expansion, the pressure on an organization's human resource department can be great as the demand for new employees spikes. Within the CF, the above chart released February 16, 2009 shows part of this challenge in that 27,549 new recruits have

<sup>9</sup> *Annual Report on Regular Force Personnel 2007/2008*, 31.

<sup>10</sup> Department of National Defence. "Recruiting and Retention in the Canadian Forces" <http://www.forces.gc.ca/site/news-nouvelles/view-news-afficher-nouvelles-eng.asp?id=2865>; Internet; accessed 20 February 2009.

signed up over the last five years but the regular force itself only grew by 3003 people during that same time.<sup>11</sup> The math also unfortunately deduces that 24,546 people left the military over the same five years.

For the Air Force, recruiting is more than having a large number of people to choose from, it is about attracting enough of the desired type of applicants. The Air Force wants leaders, and attracting the right ones who wish for long military careers is vital to the long term health of the service. Due to the high cost and amount of training involved in getting a new recruit to perform at the operational level, it is preferable to hire younger applicants who have the potential to spend longer careers in the CF. This reduces the average training cost per member and limits the turnover costs of the organization. Understanding this and the recruiting environment is vital to establishing an effective recruiting strategy for the Air Force and CF as a whole.

The Canadian labour force itself provides for a dynamic and challenging environment from which to attract the right type of applicants. First of the military's requirements is that you be a Canadian citizen, and second that "if you are not deployable, you are not employable." The Air Force has such a high operational tempo that it can only afford to bring into the Regular Force those who can deploy to operational theatres. If an operational unit had members who could not deploy for any reason, the consequence would be that those who were currently deployed would have to stay in theatre longer, or would have to return to theatre sooner in the place of the person who could not deploy. This is clearly unfair to them, and only brings resentment and lower morale to units with members who cannot share the load.

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<sup>11</sup> Department of National Defence. "Recruiting and Retention in the Canadian Forces", <http://www.forces.gc.ca/site/news-nouvelles/view-news-afficher-nouvelles-eng.asp?id=2865>; Internet, accessed 20 February 2009.



The 2006 Canadian Census and other reports bring light to the changing face of the Canadian labour market in which the CF must compete. In a March 2008 article “By the Numbers” of the *Canadian HR Reporter*, it is stated that for the first time in Canadian history, there are as many workers over the age of 40 as there are under, and that 15.3% of Canadian workers are 55 and older.<sup>12</sup> Since the military prefers to hire new applicants who are in the 18-30 age groups, knowing that 50% of the labour force is over 40 years old and outside your target market only increases the competition for younger workers. For the Air Force, the average officer recruit was 22.8 and the average NCM recruit was 23.5 in 2008.<sup>13</sup>

To complicate matters further, all members of the regular force must be globally deployable, pass annual medicals, and fitness tests. Unfortunately this alienates another large part of the Canadian labour pool as Statistics Canada stated that an estimated 4.4 million Canadians or 14% of the total labour force reported having a disability in 2006.<sup>14</sup> The CF is clearly losing out on a large talent pool from which to attract new Canadians but at the end of the day, even support personnel from Regular Force units are deploying overseas to share the operational tempo. Bringing people into the military that cannot deploy only means more deployments for those who can.

Another important demographic consideration is the changing mosaic of Canadian society. It is now reported that foreign born individuals make up almost 20% of the Canadian population. Census data shows that between 2001 and 2006, 1.1 million immigrants settled in Canada representing 69% of the 1.6 million population growth over those five years.<sup>15</sup> This

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<sup>12</sup> Anonymous, “By the Numbers” *Canadian HR Reporter*, Mar 24, 2008. 21, 6.

<sup>13</sup> *Annual Report on Regular Force Personnel 2007/2008*, Annex A-13.

<sup>14</sup> Brian Leclair, “By the Numbers” *Canadian HR Reporter*, Jan 14 2008. 21, 1.

<sup>15</sup> Brian Leclair, “By the Numbers”, 1.

represents a growing part of the labour market, but the strict national security requirements to be a Canadian citizen and the necessity to pass a security background check make it harder for immigrants to be offered employment in the CF.

Mario Paron, chief officer of HR at KPMG Canada says that 23% of KPMG Canada's workforce belongs to the visible minority group. "Recognizing a diverse workplace is the future, and pioneering strategies that engage new Canadians and minorities while also supporting the core value of family matters, is one of the reasons KPMG made Canada's top 100 Employers list two years in a row".<sup>16</sup> Citing the war for good talent, and the fact that much of the nations new labour force growth will come from new immigrants, Paron argues that diversity is relevant in their recruiting and that attracting the brightest and best people is a major part of KPMG's business strategy.<sup>17</sup>

Additionally, in a *Globe and Mail* article dated April 2, 2008 titled "Canada's Visible Minorities top Five Million", Statistics Canada reports a dramatic increase in visible minorities within Canada. Visible minorities now make up 16.2% of the country's total population. The growth of the visible minority population soared 26% between 2001 and 2006, five times faster than the increase of Canada's population as a whole. If immigration trends continue, visible minorities will account for 20% of Canada's population by 2017, Statistics Canada says.<sup>18</sup>

The CF, however, in the *Canadian Military Journal* in the fall edition of 2007 reported that visible minorities made up only 2.1% of the regular force and that women accounted for

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<sup>16</sup> Leslie Young, "Diversity Drives KPMG to Top" *Canadian HR Reporter*: Toronto: March 24, 2008. Vol. 21, Iss. 6.

<sup>17</sup> Leslie Young, "Diversity Drives KPMG to Top", 6.

<sup>18</sup> Brodie Fenlon, "Canada's Visible Minorities Top Five Million" *The Globe and Mail*, April 2, 2008. [www.theglobeandmail.com](http://www.theglobeandmail.com); Internet; accessed 20 February 2009.

13% of the military compared to 47.3% of the total workforce.<sup>19</sup> Within the Air Force, women make up only 11% of the officer corps and 8% of the NCM's.<sup>20</sup> This disparity in workforce diversity between the Air Force and Canadian society shows that women and the visible minority group needs to be further targeted for recruiting.

The CF has made a concerted effort to hire women and break down the barriers of previously male-only professions, but it still has room to improve. Within the Air Force, there are female generals, CF-18 pilots, and Snowbird air display pilots. The Royal Military College of Canada has enrolled female officers since 1980 and there are now over 8700 women in the Regular Force, representing about 13.5% of the total force.<sup>21</sup> The number of women in the Regular Force has been growing at around 0.3% per year since the 1990's<sup>22</sup> but that means that at our current pace, 10 years from now there will only be another 3% in the CF. This is still comparatively low considering the amount of women in the work force has been increasing rapidly towards 50% of the total labour force. Attracting members of this growing labour force to a career in the military is crucial to ensuring the best applicants continue to be selected for leadership positions in the CF. As the representative proportion of the Canadian labour force that are female or a visible minority increases, so must that proportion in the Air Force. These changes to the demographic traits of the Canadian labour force bring important conclusions to HR managers in the CF. The Canadian labour market is one of an aging population, with many declared disabilities, more visible minorities and significantly more women.

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<sup>19</sup> Hans Jung, Captain (N). "Can the Canadian Forces Reflect Canadian Society", *The Canadian Military Journal*, Autumn 2007, 28.

<sup>20</sup> *Annual Report on Regular Force Personnel 2007/2008*, Annex A-9.

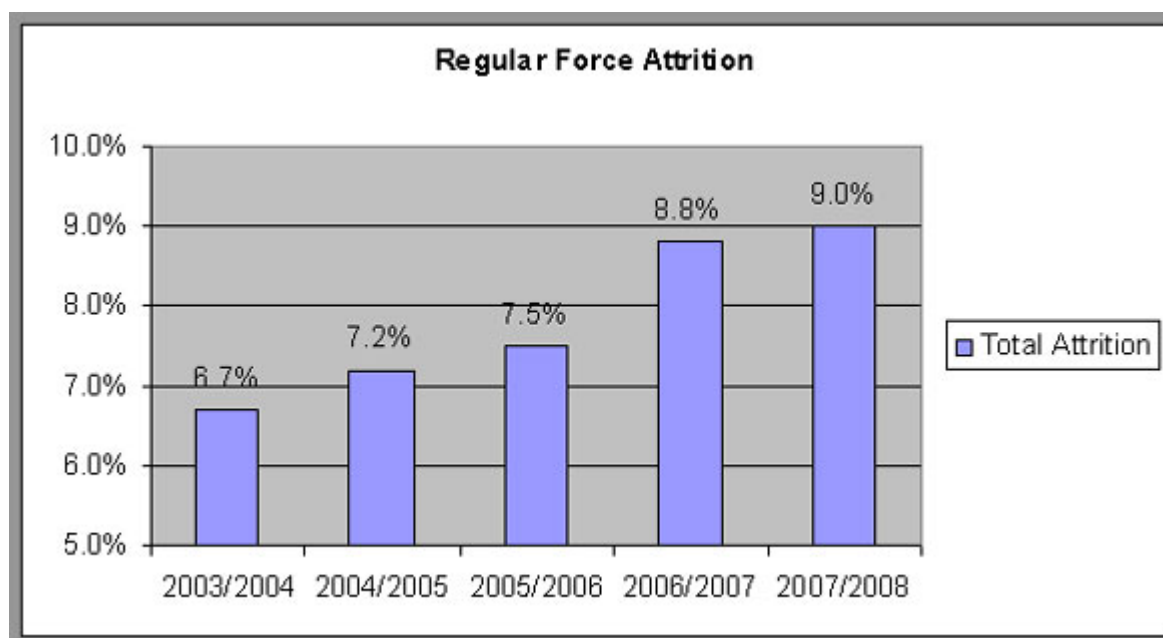
<sup>21</sup> *Annual Report on Regular Force Personnel 2007/2008*, 17.

<sup>22</sup> *Ibid*, 17.

The current group of young Canadians being targeted for recruitment are members of Generation Y. They already have a significant presence in the military representing most of the 27,549 new recruits who have enrolled over the past five years, and an understanding of their needs and values will be vital to retaining them in the Air Force. This generation has been labelled as distinctly different by HR professionals and therefore, must be considered as such. In the article “Getting to Know Generation Y” Eric Chester, president of a consulting firm on Generation Y, describes a common theme among them,

They don't want to pay their dues, play by the rules, or give their best to any project unless they are sure it will get them a promotion, a raise, or some kind of recognition. And then if they aren't totally happy, or if you look at them wrong, they'll bolt for the next job!<sup>23</sup>

### **The Challenge: Attrition and Retention**



Source: Vice-Chief of the Defence Staff Group<sup>24</sup>

<sup>23</sup> Marshall Goldsmith, “Getting to Know Gen Why”, *Business Week Online*, 29 February 2008, 15.

<sup>24</sup> Department of National Defence. “Minister’s Message” Departmental Performance Report, 2007-2008. <http://www.tbs-sct.gc.ca/dpr-rmr/2007-2008/inst/dnd/dnd00-eng.asp>; Internet; accessed 20 February 2009.

In response to the crisis in managing its human resources, the Canadian Forces implemented a culture of retention and a National Retention Team (NRT) to stem its attrition problem. The culture of retention was first introduced to members of the CF in a December 15 2004 issue of the *Canadian Forces Personnel Newsletter*. The 2004 newsletter described how the CF did not have a general attrition problem but the members of the NRT comprising environmental and HR staffs and the Director of Military Employment Policy (DMEP) attrition and retention team had been formed to address members of the CF's concerns.<sup>25</sup> The NRT introduced its purpose to members of the Canadian Forces by declaring,

The team is looking for ways to build and sustain a culture that supports retention, organizational effectiveness and excellence. We'll accomplish this through the review of policies (and their development by the appropriate agencies) designed to foster a positive and supportive workplace. We will work to ensure that nothing the organization may do would cause you to prematurely, voluntarily leave. Our focus will be on organizational dissatisfiers that many of you, from across all the surveyed occupations, share. These dissatisfiers are associated with procedural justice (fairness), career opportunities, and work/family balance issues. These issues will be examined because they directly affect every one of you.<sup>26</sup>

From a performance measurement perspective, one way to assess if the NRT and its culture of retention are working is to analyze if the Regular Force attrition rate is increasing or decreasing. One conclusion from the chart above, which clearly shows annual attrition increasing, would be that the culture of retention is not connecting with CF members and their level of commitment to remaining in the military and is, therefore, ineffective as a strategy to retain CF members. This paper, however, argues that the culture of retention, while important as

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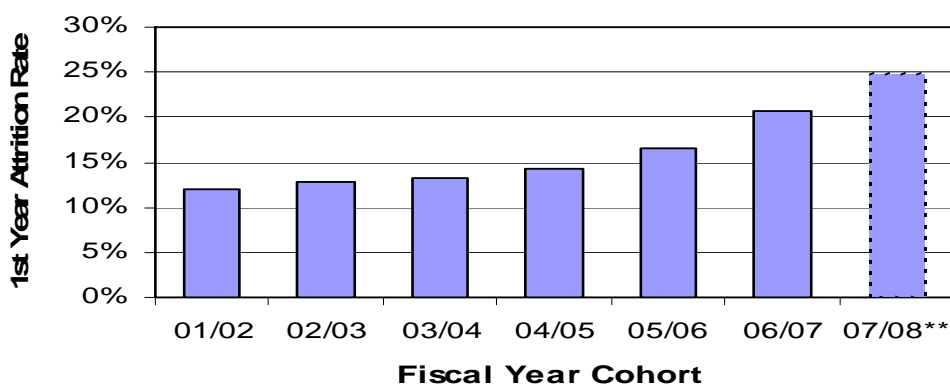
<sup>25</sup> Department of National Defence. "Building and Sustaining a Retention Culture in the CF", *Canadian Forces Personnel Newsletter*, Issue 11/04, 15 December 2004, 1.

<sup>26</sup> *Ibid*, 1.

a tool, must better understand and listen to the needs and values of the different generations within the CF in order to actually retain them.

An effective retention policy for personnel in the Air Force is vital because private firms and companies are always looking for highly skilled and already trained employees to limit their own training costs. In the *HR Focus* article “Recruit from Within – Or Else”, the importance of holding on to your employees is stressed. If employees are unhappy in the organization, they may be likely to accept the offers of outside HR recruiters. The article comments that “skilled recruiters can easily identify disgruntled employees” and that “once we identify a company with people problems, we go back to it again and again”.<sup>27</sup> This concept is familiar to the CF as many civilian companies advertise their job openings in Base newspapers across the military.

### **First Year Attrition: Generation Y**



It is absolutely vital that Commanders in the CF understand the nature and values of the people who work for them. The largest group of Air Force members that are voluntarily releasing from the military are first year recruits. Most of these recruits are members of Generation Y and they have very different needs and values than older members of the CF. The CF must first understand the characteristics of Generation Y before they can hope to retain more of them. This

<sup>27</sup> Anonymous, “Recruit from Within – Or Else” *HR Focus*, April 2004, 81, 4.

newest generation to emerge is born between 1978 and 2000<sup>28</sup> and goes by different names: the millennium generation, generation next, or generation Y.

First year attrition among Generation Y recruits is a “mystery” to the CF that has shown an increasing trend over the past seven consecutive years.<sup>29</sup> The data from the chart above, however, leads to another very plausible explanation. Since the average first year recruit in the CF is in the 22-23 year old range, the entrance of Generation Y (those born in 1978) onto the first year attrition chart would appear in noticeable numbers in 2001/2002. The increase in first year attrition since 2001 is, therefore, concurrent to the Generation Y cohort joining the CF. The concern now is that for 2007/2008, first year officer attrition is at 15.6%, and NCM attrition has grown to 24.8%, which was significantly higher than that of the 2006/2007 cohort.<sup>30</sup> On average 56% of first year NCM releases, and 51% of first year officer releases occurred in the first three months of service, which is when this generation is qualifying to pass their Basic Military Qualification.<sup>31</sup>

This next section of the paper will introduce Generation Y and show why the Air Force and CF must continue to transform its training, terms of service, employment, succession planning, compensation, and initial orientation of Generation Y employees to stem attrition and complement a culture of retention. Immediate action is required since the growing attrition of

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<sup>28</sup> Corporate Leadership Council, “HR Considerations for Engaging Generation Y Employees” June 2005, 1.

<sup>29</sup> Sonia Latchman, and Manchun Fang, “Attrition of New Recruits: A Cohort Analysis” Department of National Defence. Ottawa: Directorate Strategic Military Personnel Research, Defence Research Development Canada. 5.

<sup>30</sup> Sonia Latchman and Manchun Fang, 3-4.

<sup>31</sup> *Ibid*, 1.

the first year cohort for the Air Force is now triple that of the 2001/2002 cohort<sup>32</sup> and as an organization, it does not need to lose any more trained personnel unnecessarily.

Regardless of their name, this group of young men and women grew up in the technological revolution of the 1990's, and are highly competent with technology.<sup>33</sup> Generation Y recruits had the internet and electronic libraries in school, and many have the latest edition computers at home for gaming and social networking. The knowledge of technology of this cohort usually exceeds their parents, instructors and often their employers, and they are most often annoyed by older computers, administrative restrictions, and filtering software that would restrict their learning. Because they are used to rapid access to information through advanced technology, they are thought of as the most informed generation in history.<sup>34</sup>

As recruits therefore, it is in their nature to challenge the material of their instructors or ask “why” all the time, requiring staff to stay current in the topics they teach. This generation of recruits will also reach boredom more quickly if they are not challenged or are subjected to traditional teaching methods. They expect a high quality of instruction and higher standards of learning institutions.<sup>35</sup> Research indicates that this generation of recruit wants to learn by using teamwork, technology, structure, entertainment, excitement, and experiential activities.<sup>36</sup> It also suggests that schools must discard older traditional teaching techniques for new technology driven presentations in order to appear professional in the eyes of Generation Y.<sup>37</sup>

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<sup>32</sup> *Ibid*, 8.

<sup>33</sup> Craig Junginger, *FBI Law Enforcement Bulletin*, September 2008, Vol. 77 Issue 9, 20.

<sup>34</sup> Craig Junginger, 20.

<sup>35</sup> *Ibid*, 20.

<sup>36</sup> *Ibid*, 20.

<sup>37</sup> *Ibid*, 20.



Based on this information, Air Force recruiting should also target Generation Y with images of members using the latest technology including weapon systems, new aircraft, mobile networking systems, and space based systems as much as possible. Generation Y recruits would be highly interested in seeing imagery from an Unmanned Air Vehicle (UAV), a Heads Up Display (HUD) tape from an CF-18, or the latest full motion flight simulators in action which would feed their desire to work with the latest technology. Since first year attrition is so high, new recruits should be exposed to newer technology early on to show they joined the right organization to suit their needs.

The current Air Force recruiting video on the CF recruiting website while modern and interesting can be greatly improved upon. The first images and therefore, the first impression to its viewers of what people in the Air Force do, are three people standing around talking to each other, a person stretching by the pool, a woman riding a horse, and a woman getting into a minivan.<sup>38</sup> While these images do target women as an audience and may appeal to a certain type of lifestyle available in the Air Force, the video is missing a requirement to connect with Generation Y's inherent attraction to new technology. While it later shows a few aircraft flying and a simulator operator keying in buttons, it does not adequately showcase one of the main attractors to the Air Force and generation Y's main interest; technology.

Additionally, the Corporate Leadership Council produced a summary of key findings relating to Generation Y employees and the human resource (HR) considerations that are of particular importance to retention in the early years. The first of these findings is that members of generation Y "value work/life balance, achievement, professional growth, and flexibility in the workplace. They believe their work must hold value and they are not loyal to a particular

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<sup>38</sup> Department of National Defence, "Air Force Video", [www.forces.ca](http://www.forces.ca) ; Internet; accessed March 8, 2009.

firm or company, unlike other previous generations.”<sup>39</sup> This generation saw their parents affected by frequent corporate downsizing and the dot-com failures, and have changed their expectation to remain with the same company. They were also greatly affected by the events of September 11<sup>th</sup> 2001, which caused many of them to re-evaluate their lives resulting in choosing work that will allow them to prioritize time with family and their personal lives above all else.<sup>40</sup> Generation Y recruits are impatient to succeed and if they do not see quick and frequent advancement and rewards in one organization, they will move to another without hesitation. They also desire flexible employers, customized hours, and will challenge a rigid work schedule.<sup>41</sup>

These differences will be challenging for the Air Force to address, but by understanding them, several solutions can be found to complement the culture of retention and reduce early attrition. Air Force supervisors must understand the importance for frequent public praise to generation Y members. While they are interested in being a member of the team, they also like to know when they are adding value and are appreciated. At the institutional level with respect to pay raises, members of generation Y would rather have three 1% pay raises during the year, than a single 3% raise to keep them focused on the benefit of staying with the organization.<sup>42</sup>

The lack of company loyalty issues presents an important challenge that should be reviewed immediately with respect to military terms of service (TOS) to address generation Y’s differing ambition to remain in the Air Force. New Non Commissioned Members, for example,

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<sup>39</sup> Corporate Leadership Council, “HR Considerations for Engaging Generation Y Employees” June 2005, 1.

<sup>40</sup> Corporate Leadership Council, 1.

<sup>41</sup> *Ibid*, 2.

<sup>42</sup> *Ibid*, 5.

enrol on a 3 year engagement and during that time period are offered either another short term contract or a 25 year intermediate engagement (IE). For many generation Y employees, this kind of commitment is not consistent with their desire to work for different companies or to be with the same organization for a long time. Members of this cohort should be educated early on about the different terms of service and benefits if they leave earlier than 25 years of service, so they are not scared off by the 25 year IE. Other terms of service should also be considered for short and medium term commitments for generation Y recruits with small retention schemes to address organizational loyalty concerns.

The second set of findings is that when recruiting generation Y employees, organizations must ensure that the new recruit's values, goals and expectations are consistent with their own.<sup>43</sup> With respect to promotion and career management, generation Y recruits should be oriented and educated early in the training process so that reasonable expectations can be established to address their impatience for success. Generation Y members will find mentorship, succession planning and involvement in selecting their next postings to be highly important to maintaining their loyalty to the military.

Retention of Generation Y employees in a 2008 *HR Focus* article argued "Cutting Turnover Costs is more important as Hiring, Economy Slows". The article comments that a leading way to reduce the turnover of your employees is to ensure more careful selection, screening, and training of new recruits, and that better orientation at the beginning can lead to better retention. It went on to state that "it costs between two and three times a workers salary to replace a departing employee, including recruitment, training, lost productivity, and severance

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<sup>43</sup> *Ibid*, 2.

costs”.<sup>44</sup> Selecting the right Generation Y employees who do not mind hard work and orienting them to the military will help reduce first year attrition

One way that this can be done would be to talk new generation Y applicants through the first couple of years of their career in the military. This would allow them the time to accept the expectations of the military, and to talk it over with their loved ones prior to joining. For many, it comes as a complete surprise that they will be away from their families without an actual posting (where families can join you) for so long, at different locations across the country, doing the courses required to get to front line units. What they do not tell you at the recruiting centre drives many to voluntarily withdraw from the CF, or remain bitter about the experience until they have completed their contracts and can release. Being up front about the expectations may scare some applicants away, but in the long run, the CF may suffer less attrition as the “right people” are selected for employment.

Addressing the apparent differences in generation Y with respect to training, terms of service, employment, succession planning, compensation, and initial orientation of generation Y employees will both stem first year attrition and strengthen the concept of a culture of retention. It will strengthen the culture of retention because the changes the organization will make will show members that the Air Force thinks they are important, and that its leaders are listening to them. The current size of this cohort within the CF justifies further institutional level research by defence academics to assess current retention strategies and their success with generation Y.

### **Generation X**

The aging demographic of the Air Force indicates the momentum of a higher release rate among its more experienced members for the next few years. The Air Force has the highest

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<sup>44</sup> Anonymous, “Cutting Turnover Costs is more important as Hiring, Economy Slows” *HR Focus*, March 2008, 85, 3.

average age among the three services of both officers and NCM's, at 36.1 and 38.1 respectively and these members are from Generation X. Generation X members were born between 1960 and 1980, and are now between 29 and 49 years old.<sup>45</sup> The Corporate Leadership Council says Generation X member's key values as pragmatism, self-reliance, global tolerance and equality, workplace diversity, and techno literacy.<sup>46</sup> As more of these members are approaching their 20 year pension starting this summer<sup>47</sup>, it is vital to retain as many of them as possible by appealing to their interests and values.

The *Review of Attrition and Retention Research for the Canadian Forces* conducted by Defence R&D Canada in September 2008, found important similarities in exit interviews and quality of life surveys. The top three reasons people were leaving the CF in the in the 2004 survey were dissatisfaction with postings (their affect on family stability, spouses employment, children's schooling), a lack of recognition for their work and to take advantage of their 20 year pension.<sup>48</sup> In the 2003-2006 CF Retention Survey, career management and postings were again first, with fairness, bureaucracy, and civilianization of the CF being important dissatisfiers that would make people want to leave the CF.<sup>49</sup> In the 2005-2007 Exit Survey, the top three reasons for people leaving the CF were again family issues (the effect of postings on the family, time away from the family, and stability), fairness, and career management.<sup>50</sup>

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<sup>45</sup> Claire Raines, "Generations at Work", <http://www.generationsatwork.com/articles/xers.htm>, Internet; accessed 20 February 2009.

<sup>46</sup> Corporate Leadership Council, "Generation X and Y Employees", 2004, 6.

<sup>47</sup> *Annual Report on Regular Force Personnel 2007/2008*, 6.

<sup>48</sup> Nancy Otis and Michelle Straver, *Review of Attrition and Retention Research for the Canadian Forces*, Department of National Defence, Ottawa: Defence R&D Canada, September 2008, 13.

<sup>49</sup> Nancy Otis and Michelle Straver, 14.

<sup>50</sup> *Ibid*, 14.

The evidence would suggest that for Generation X members of the Air Force, postings that account for family stability and older children, or a closer location to the member's parents will be more valuable than anything else the culture of retention or a financial bonus could offer. Consistently, Generation X employees who already have a pension will consider releasing if given a posting that will adversely affect their family. More flexibility in the system must exist to accommodate these people or at least offer them a phased retirement to the reserves in their current location.

In "The Boomer's Guide to Communicating with Gen X and Gen Y", Karen Auby articulates the importance of recognizing the differences of Generation X employees in order to retain them. Generation X employees have families and place their importance ahead of any loyalty to their employers. They value fast technology that allows them get work done quickly, or mobile technology that allows them to work from home. They are experienced and are therefore, highly sought after by other companies.<sup>51</sup> She argues that if you cannot compensate them with more money, be willing to negotiate and offer them perks like flexible work schedules or better titles. Auby continues that Generation X employees should be trusted and given the flexibility they have earned after years of service.<sup>52</sup>

The Corporate Leadership Council (CLC) suggests the branding of your organization's benefits package as another effective way to retain experienced personnel. In the article "Driving Performance and Retention through Employee Engagement", the benefits that produced the greatest influence on performance and retention were listed. These included leave, work life balance, health benefits, pension, paid time off, long term disability, a flexible work schedule

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<sup>51</sup> Karen Auby, "A Boomer's Guide to Communicating with Gen X and Gen Y", Business Week, August 25 2008. Issue 4097, 63.

<sup>52</sup> Karen Auby, 63.

and telecommuting.<sup>53</sup> Additionally, the four highest scoring retention values in an organization according to the CLC study were good communication, a reputation of integrity, innovation, and flexibility.<sup>54</sup>

For the Air Force and CF, these factors that most influence retention should be included in our own culture of retention. As an organization, the CF should advertise both internally and externally, all of the benefits of a long career in the military. It should not only entice people to “fight fear, and fight chaos” but to retire early, enjoy paid leave, good health benefits, a good pension, and it should continue to enhance these programs to promote further retention. In the article, “Ideas to keep your best employees, despite the economy”, *HR Focus* argues the number one reason employees stay is for things they get uniquely from you.<sup>55</sup>

### **Conclusion**

The aging demographic of airmen and women of Generation X, and the high first year attrition of Generation Y has created a serious human resource issue for the Air Force. This paper has shown that there is an immediate requirement to reduce the number of releases of both new recruits and experienced personnel and the solutions are simple and do not involve pay raises or retention bonuses. Listen to your employees concerns, stay modern, adapt to change, understand their needs and keep them happy. Other top 100 employers in Canada have mastered this already. Also, do not make them choose between their families and their careers. The last three exit surveys have clearly shown that when the family unit is negatively influenced by an

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<sup>53</sup> Corporate Leadership Council, “Driving Performance and Retention through Employee Engagement”, 35. [http://www.q3.ca/articles/archives/articles/02-01-2006/Employee\\_Engagement\\_Report.pdf](http://www.q3.ca/articles/archives/articles/02-01-2006/Employee_Engagement_Report.pdf); Internet; accessed 14 March 2009.

<sup>54</sup> “Driving Performance and Retention through Employee Engagement”, 39.

<sup>55</sup> Anonymous, “Ideas to Keep Your Best Employees, Despite the Economy” *HR Focus*, December 2008, 85, 12, 13.

undesirable posting, experienced members tend to release to protect the best interest of the family, and keep their marriages intact. Additionally, a successful institutional level recruiting and retention campaign for the Air Force and the CF must acknowledge the current shortfall in hiring more women and visible minorities, and transform the culture of retention in accordance with the needs of Generations X and Y. If these challenges are addressed, the operational effectiveness of the military will benefit from a more mature culture of retention that is responsive to its human resource needs.



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