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A COMPREHENSIVE RETENTION STRATEGY FOR THE CAF

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A COMPREHENSIVE RETENTION STRATEGY FOR THE CAF

The CAF requires a comprehensive retention strategy to address undesirable attrition in order to ensure its ability to continue to deliver on Canada's defence mandate. Undesirable attrition has been categorized and defined as voluntary releases, or those which take place at the behest of the member for reasons unrelated to organizational factors, avoidable releases, or those that take place for reasons inside the organization's control and dysfunctional releases which occur when high performers release prior to having reached their potential with years of service left. In order to address the CAF's retention strategy, it is imperative that a first principles analysis of the current CAF Human Resources policies and procedures in order to identify areas for improvement. As a single retention solution for an organization of approximately 68K members is unlikely to be comprehensive within the scope of this paper, the focus of the research and analysis below will be limited to three areas of potential improvement. Through examination of the CAF's employment model, training sequence and throughput, and career and benefits policies, recommendations for initiatives that could form part of a comprehensive retention strategy will be proposed. Note that for the purposes of a research paper of this length, the study will be limited to the Regular Force as the intricacies of Reserve employment and retention across the four sub-components could comprise a separate, if related study.

While there are no documents that speak to an overarching preferred CAF employment model, anecdotal evidence supports the existence of two fundamental, and perhaps flawed, institutional assumptions with regard to military members. These are that a member should be expected to be employed by the CAF from enrollment to CRA (or at least 35 years); and that all MOSIDs are of equal priority at all times regarding retention.

With over 100 separate military occupations to manage, the breadth of fields of employment is significant. Professions range from those which have no civilian equivalent to those for which civilian accreditation is required in order to practice in the CAF context. Therefore, members who comprise the CAF are varied in terms of education and professional interest. This level of diversity in employment demographic will demand a multi-faceted approach to employment modeling in order to properly define what the reasonable expectation of retention is and how to improve that through targeted initiatives for those MOSIDs that are prioritized.

From a first principles point of view, it is ineffective to develop a retention strategy if the historic CAF employment trends are not examined. In other words, the intention to retain the vast majority of the 68,000 members of the Regular Force for 35 years without examining the actual exit points of each of the MOSIDs or MOSID groups will likely fail to address the actual problem. In the civilian workforce, the average time in a particular style of work varies significantly, with employees in the transportation and equipment operation sector averaging 101.4 months in that workforce while those in management occupations remain in their respective work for an average of 152.8 months.¹ As an all-volunteer force, CAF members are likely to be reflective of these averages, although they may be motivated to remain until such time as they have qualified to receive an annuity. This indicates that the CAF could identify trends from industry in its study of effective personnel retention measures.

While the average time spent in disparate styles of work are varied, many of the factors that positively impact employee retention are similar. In their examination of the banking

¹ Varrella, S. Average job tenure in Canada in 2020, by occupation (in months). Statistica.com. Mar 9, 2021.

industry in Jordan, Kurdi et al concluded that given economic stability, employee affiliation and self-actualization were highly important, particularly among highly-skilled employees.² Further, Vazquez discussed the importance of employee empowerment and collaborative management processes in retention.³ In a traditionally hierarchical and authoritative environment such as the CAF, these concepts may read as a compromise of the organization's power structure, however, retention may be less about people and more about organizational success, although the key to that success will include better employee engagement. The subsequent reduction in turnover represents significant savings in training capacity requirement as well as productivity advantages based upon workplace continuity.⁴ This also provides the cadre from which senior appointments can be chosen.

To address this, retention strategies based upon employee needs balanced against organizational goals at the observed gateways should be developed. Research indicates that assuming financial stability exists, further financial incentive is not rated as the most important factor in retention.⁵ Therefore the offer of bonuses may not be the most effective method of encouraging retention if current salary and benefit packages are competitive.⁶ Strategies will then need to include qualitative as well as quantitative measures. This could take the form of preferred postings at precarious windows of time for the employee to engender a greater sense of affiliation to the organization.

² Kurdia, A. Alshuridehb, M, and Al afaishata, T. Employee retention and organizational performance: Evidence from banking industry. *Management Science Letters*, May 30, 2020 p3987.

³ Vasquez, D. Employee retention for economic stabilization: A qualitative phenomenological study in the hospitality sector p7.

⁴ Ibid p4.

⁵ Karnica, T. and Prasad, A. Exploring the Relationship between Employer Branding and Employee Retention. 190S.

⁶ Shakeel, N. and Sahar. Factors Influencing Employee Retention: An Integrated Perspective p36

Another area of retention that has not been fully considered is that of organization branding and how it can impact retention. The CAF has invested a significant amount of financial, infrastructure and human resources in the establishment of an entire formation dedicated to the attraction of new members to the organization. This level of attention and resourcing has allowed the Recruiting Group to adjust to the changing operational focuses of the CAF from peacekeeping to warfighting and back to peacekeeping with success. Attention to existing members and their levels of expectation regarding training and deployment as the organization shifts priorities based upon government direction has not been wide-spread if it has been examined at all. An organization's brand plays a significant role in the retention of employees as it forms the basis of the psychological contract formed between the employee and employer and thus is a potential motivation for retention and worker advocacy on behalf of the establishment.⁷ This extends to periods of scandal and public scrutiny as well. It may be difficult to measure the impact that the Somalia incident had on retention of CAF members as the Canadian Forces Reduction Plan was executed during the fallout of the media scrutiny of the CAF and the conduct of the Somalia Inquiry. Further examination of how incidents which degrade the brand of the CAF and what can be done to address it in the short-term, should be undertaken immediately to ensure an outflow of personnel is avoided.

Recognition of a normal rate of attrition by occupation and time of service should provide the information necessary to address the flexibility of the CAF to increase capacity in training for the discrete MOSIDs as needed rather than basing it on a constant flow determined by a static capacity that is based upon the incorrect assumption of a 35 year career.

⁷ Karnica, T. and Prasad, A. Exploring the Relationship between Employer Branding and Employee Retention. p191S

Significant resources are being dedicated to addressing attrition rates of specialized MOSIDs, particularly those where training duration is extended and cost-intensive. An example of this is the Pilot MOSID. However, with an attrition rate that is actually lower than the CAF average and a training throughput that does not meet the lower than average attrition rate,⁸ there is a question whether those efforts are committed to address a symptom rather than the cause of the problem. Logic would indicate that the minimum required throughput at the training establishments in order to bring members to Operational Functional Point (OFP) would be the number of predicted releases in that MOSID on an annual basis. Unfortunately, that is not the case and has historically triggered the Recruiting Group to bring in more members of those MOSIDs based the Branch's Preferred Manning Level (PML). The result is a backlog of members who have achieved their basic training requirements but are then left in a virtually unemployable state on the Basic Training List (BTL) until a billet on a course is available. That this can take multiple years for some MOSIDs is problematic due to the occurrence of "untrained attrition" which is the release of CAF members while awaiting training. While the numbers are not exceedingly high,⁹ it is an avoidable release phenomenon which is a preventable systemic issue that compounds natural attrition losses.

Initiatives need to be investigated to address the overloading of the training system such that the BTL is maintained at a level that can be managed so that members can expect to attend a MOSID Training course within one training cycle (generally 12 months). This would necessitate the synchronization of training need, capacity and recruiting similar to the Just in Time concept of logistics. While it may be distasteful to some to think of trainees as commodities, the

⁸ Rosenlund, K. "Acting DMilC presentation to Retention Strategy Working Group #3." 2 April, 2019.

⁹ DMPPPC 4. "Occupation Modelling for 2020-2021 AMOR."

overabundance of any resource that cannot be effectively utilized by a business presents an overhead cost that should be avoided. In terms of Human Resources, this includes pay and benefits, personal equipment depreciation, Rations and Quarters costs, Infrastructure pressures *et cetera*, for which there is a significantly delayed return on investment. This could be avoided via a more streamlined and fulsome examination of requirement based on current “normal” attrition trends, thus avoiding abnormal attrition where the CAF loses 100% of its initial investment.

Further flexibility and assessment of risk in PML management should also be investigated. Currently, trades are considered to be healthy (green) if filled from 95-100% of PML, at risk (yellow) if filled below 95% and critical (red) if filled below 90%. In the training year spanning 2018-2019, 41 MOSIDs were reported as being “in the red” while an additional 15 were reported as having over 100% of their respective PML.¹⁰ This indicates that there is capacity in the system to allocate more recruit school billets in order to address the shortfalls in those “red trades” that are taken up by trades that have already achieved over 95% of PML. The application of the DGMPRA Long Range Planning Model (LRPM)¹¹ could be used to more efficiently recruit to current need rather than attempt to manage by steady stream of intake where the influence of the individual Occupation Authorities influence recruiting rather than a mathematical model. This would enable horizon planning such that the human, infrastructure and materiel resources required to surge specific MOSID training could be optimized to meet the demand across the organization while avoiding a backlog of members on BTL for an extended period, thus risking avoidable attrition and unnecessary overhead expense.

¹⁰ DPGR 4. “UNCLAS Version – Occupation Status as of 30 Jun 18 forecast, 31 Mar 19.”

¹¹ DMPPPC 4. “LRPM for 2020-2021 AMOR”

Addressing the previous two points would also address a third known factor in undesirable attrition that is known as adverse Personnel Tempo (PERSTEMPO). This is defined as the time that a member spends away from their posted area, where family and other social supports are available and established. While initially only deployments were considered in the assessment of PERSTEMPO regarding impact on retention, domestic tasks where a member spends time away from home were eventually included.¹² It is a combination of these two aspects of military service that could be mitigated in terms of frequency with a more deliberate and streamlined Human Resource management. Due to the nature of the BTL composition of the most junior members of the CAF and their disposition on bases throughout Canada, there is an administration and leadership overhead that demands filling. Further, augmentation to the training schools on an annual basis results in the movement of hundreds of CAF personnel from their normal bases and units to the training schools to ensure that a critical mass of staff are available to train members to OFP and beyond. This Human Resource demand is a constant draw from Force Generating units. The simultaneous tasks to provide augmentation to schools and also the loss of personnel to jobs that would not be necessary in a more coordinated training model result in a reduction of members available to deploy when necessary. Thus, PERSTEMPO is increased for those who are deployed as well as those who are annually sent to augment training schools due to avoidable inefficiencies which increases the risk of dysfunctional attrition.

CAF Career Policies are based upon existing laws and regulations which were written and interpreted based upon different challenges of an earlier era. This indicates that they may no

¹² Dursun, S. Human Dimensions of Military Operations: The Construct of Personnel Tempo and its Relationship with Individual and Organizational Well-being. p9.

longer address the requirements of CAF staffing or member expectations. A targeted review of selected current policies will bring forward identified problems and possible initiatives for improved HR management.

Terms of Service (TOS) are offered by the CAF to a member in order to manage personnel strength.¹³ As the CAF downsized through the FRP of the 1990s, it was noted that the attrition rates began to exceed the rates of new members reaching OFP. This resulted in the decline of Trained Effective Strength. In order to combat this, the accepted practice became the offer of TOS conversion to 100% of CAF members, including the previously competitive offer of an Indefinite Period of Service. As a short-term solution, this was moderately effective, but did not account for the unbalance in the numbers of newly trained personnel against those that could be expected to attrite at the natural exit points. These include the conclusion of any TOS period, but especially upon the completion of an Intermediate Engagement (IE) of 20 or 25 years upon which a member is entitled to an annuity. This was exacerbated by the de-linking of TOS from pension as pension penalties that had previously deterred members from releasing before the completion of a post 20 or 25 year IPS were eliminated. Having lost this deterrence, it may be of greater utility to the CAF to offer an incentive for these experienced members to stay. The data shows, however, that bonuses are largely ineffective as they rarely address the reasons for employee separation.¹⁴ However, other benefits that are available to the CAF to incentivize continuing beyond pension eligibility may be. Effective April 1, 2002, CAF members with 28 years of full time service have been granted an additional five days of annual leave.¹⁵ The basis of this amendment was a reflection of the benefits offered to the executive level of the Public

¹³ Canadian Forces Military Personnel Instruction 05/05 Terms of Service. Article 2.2

¹⁴ Sullivan, J. What's Wrong With Retention Bonuses? Pretty Much Everything.

¹⁵ CANFORGEN 053/02 Modification of Leave Policy

Service of Canada. This change was not, however, limited to the executive CAF equivalents (Colonel/Captain Navy and above) but to all CAF members.¹⁶ A submission to Treasury Board with a further deviation from the Directive on Executive Compensation justified as part of a comprehensive retention strategy of members who have completed 25 years of service does not seem out of the question from a policy perspective. Increased employee affiliation through recognition of service and quality of life benefit at a decision point of statistical significance regarding release may motivate members in this position to remain in the CAF when otherwise they may contemplate leaving.

Additionally, a concerning spike in release rates is seen among junior NCMs is at the end of the Variable Initial Engagement or VIE.¹⁷ This is three to nine year period for NCM trades.¹⁸ However, while TOS may vary from one MOSID to another, the CAF promotion policy is applicable to all CAF members. A policy gap exists between promotion policy for NCMs in terms of the Time in Rank requirements for promotion to Corporal which is set at four years¹⁹ and the length of the shortest VIE which is three years. Synchronization of the initial TOS with the minimum Time in Rank for promotion would not merely offer a financial incentive to junior members of the CAF, but provide a promotion within the organization which is purported to increase an employee's job satisfaction,²⁰ at a point in time when a member may be considering release.

¹⁶ Bertrand, K.D. Senior Policy Writer DPPD in email to the author, Côté, J.J. JCSP 46 Student. "Leave incentive at 28 years." 2021-20-05

¹⁷ DMPPPC 4. "Occupation Modelling for 2020-2021 AMOR."

¹⁸ CF Mil Pers 05/05 – Terms of Service - TOS Sequence by Occupation, Annex A, Appendix 1, 16 March 2018

¹⁹ CFAO 49-4 -- CAREER POLICY NON-COMMISSIONED MEMBERS REGULAR FORCE, ANNEX A, Table 1

²⁰ Karnica, T. and Prasad, A. Exploring the Relationship between Employer Branding and Employee Retention. p191S.

As a final example, there are certain Officer MOSIDs where the length of training time and expense that is necessary to bring them to OFP is significant while the nature of the qualification makes the officers in question highly attractive to civilian employers. The current policy suite only supports obligatory service in repayment for post-secondary academic training for a maximum of 60 months based upon two months of service for every month of subsidized training.²¹ For Pilots, who take up to seven years of vocational training, Obligatory Service does not apply. For Medical Specialist Officers, who have noted that civilian medical schools are beginning to assign seats for specialties immediately following a new doctor's first internship, their training could potentially take 10 years before OFP is reached. Further, Restricted Release Dates that are not synchronized with TOS duration breach Release Policy which, as a QR&O, is superior to other policy instruments such as DAODs or Military Personnel Instructions. This has forced the CAF to radically change the way some members will be enrolled in the future. An example of this is a 17 year VIE for certain new Pilot entries,²² the consequences of which on attraction have yet to be determined. In order to protect the CAF investment in these members, a comprehensive review of TOS, Obligatory Service and Release Policies needs to be conducted to address the overlaps and gaps. In the short-term, a proposal to lengthen Obligatory Service to 120 months and include a select list of vocational style training to include Pilots and other cost and time intensive programs is recommended.

It is not the scope of this paper to determine the finite details of a CAF retention strategy. It is intended instead to serve as an opening to discussions around the policy, employment concept and structure gaps that exist with a view to offering possible courses of action. The

²¹ DAOD 5049-1, Obligatory Service. Article 6.5

²² CANFORGEN 166/19 CMP 086/19 221516Z NOV 19

research indicates that the problem is not merely one of retention but of strategic Human Resources. This is more complex, as it is multifaceted, and complicated, due to the number of stakeholders involved. These include the four Occupational Authorities as well as the training systems of each of the service environments. That the Level 1 Commander that is the champion of this strategy is also one of the four stakeholder Occupational Authorities further complicates the issue. The identification of a “first among equals” or the establishment of a team representing all equity parties working from the Vice Chief of Defence Staff office in that organization’s role as the lead for CAF governance, may be the best course of action to provide the perceived neutrality required to overcome any organizational inertia preventing the treatment of this wicked problem.

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