



CANADIAN GLOBAL AFFAIRS INSTITUTE
INSTITUT CANADIEN DES AFFAIRES MONDIALES

The Importance of People in Defence

by Ross Fetterly
May 2018

POLICY UPDATE

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Prepared for the Canadian Global Affairs Institute
1800, 421 – 7th Avenue S.W., Calgary, AB T2P 4K9
www.cgai.ca

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ISBN: 978-1-77397-006-6



“People are at the core of everything the Canadian Armed Forces does to deliver on its mandate.” (SSE, 19)

The Canadian Armed Forces (CAF) has entered a perfect storm regarding military personnel. The recruitment system was not built for an attrition rate of more than six per cent, and recruitment capacity was cut earlier this decade as part of the federal deficit reduction plan. The strategic challenge of recent attrition rates needs to be addressed. The military training system has capacity limitations. Further, the rapidly evolving security environment calls for greater numbers of cyber-warriors and for specialists in the space domain. Finally, the 2017 Defence Policy calls for increased numbers of both regular force and reserve force military personnel. Collectively, this unique combination of different circumstances is significantly intensifying existing military personnel challenges.

Within the CAF, there is a misalignment between the rapidity of evolving military human resource requirements and the sluggish responsiveness of the recruiting, training and personnel management processes. This misalignment creates a paralysis that facilitates an environment of uncertainty and ambiguity. Combined with competing institutional interests for personnel, and incomplete internal information due to outdated knowledge management processes, transformation of military human resource processes remains a fundamental constraint on CAF efforts to prepare military personnel for the future security environment.

Historically, too much emphasis has been placed on new technologies and on different doctrines in defence. Yet, for many Western nations, their military personnel have been their most enduring advantage over potential adversaries. However, our primary adversaries now have the advantage of speed, because they are not constrained by international norms or democratic processes. To maintain this personnel advantage, Canadian defence leaders need to expand their way of thinking in a rapidly evolving security environment about whom they recruit, the manner in which they are trained as recruits, and how their skills sets need to evolve throughout their careers – all of which have cost implications. In an environment where peace support operations look a lot more like Afghanistan and a lot less like Cyprus, and where Russia and China are not happy with peace and security in the world – the status quo for Western militaries is no longer valid. The biggest challenge to implementing the 2017 Defence Policy is that the Department of National Defence (DND) and CAF get in their own way. Current personnel processes and procedures will slow the adaption of personnel policies to meet future demands. This paper will focus on the importance of people in achieving defence objectives.

Managing Human Resources

The military human resource legacy in Canada has been an ongoing and frustrating inability to realign resources to fund human resource programs. This has created a growing disenchantment in younger military personnel, for whom changes or updates to training do not keep up with



evolving requirements in military occupations. It is time to prioritize certain activities, capabilities and funding for training and development in specific high-value occupations. Indeed, the most distinguishing characteristic in defence human resources management is that although the flexibility in the current year may be minimal, the impact of decisions made on specific training programs, reform of certain trades or classifications, and the reallocation of military personnel across different occupations in future years can be significant.



Figure 1: Members of the Canadian Armed Forces collaborating on a project. (Source: Canadian Armed Forces Image Gallery)

Many exceptional men and women at all levels lead the CAF and the calibre of military personnel matches or exceeds our allies. Indeed, the CAF can produce leaders who can be both entrepreneurial in outlook and innovative in nature. Yet, this exceptional talent is unexploited in a risk-averse and bureaucratic personnel management system. Change requires adopting the lessons that have become integral to the knowledge economy. The private sector must also adapt to a dynamic HR environment dominated by fluid and powerful changes to skill sets in a rapidly changing workplace. Both the DND and CAF are very good at developing structures and organizations. However, they are less capable when they have to tear down and rebuild existing structures. The defence establishment in Canada is now at the point where it needs to focus on people issues, as this will fundamentally impact its ability to implement the 2017 Defence Policy – *Strong, Secure, Engaged* (SSE). In an international security environment where “we are



increasingly seeking talent in markets where demand significantly outstrips supply and our starting point lags well behind contemporary organizations”,¹ attracting, training and employing the right people has become a critical enabler for Western military organizations.

The combination of the CAF’s inability to meet its recruiting targets in recent years and an increased attrition rate has left it under authorized strength. This is manifested in staff jobs at headquarters going vacant, shortages in personnel at operational units and demands on recruiting and capacity that exceed existing capacity. In military institutions, the operational positions take priority. In the current environment, recruiting and training positions need to be given greater priority. Rebuilding the CAF’s strength while meeting operational challenges and also implementing SSE is a considerable institutional challenge.

While the department and the CAF have the primary responsibility for recruiting, training and developing military personnel, fundamentally a whole-of-government approach is required to achieve transformational change in managing CAF human resources. To some extent, the DND and CAF are shackled by policies that need revision. The impact that military personnel policies can have as a critical enabler in supporting the achievement of defence objectives is not sufficiently appreciated. The Treasury Board Secretariat (TBS) needs to be closely engaged with the department in staffing changes to personnel policies through the Treasury Board. For example, this could include retention bonuses. The TBS may need to increase its staff capacity in order to prepare for an increased number of defence Treasury Board submissions driven by SSE in the coming fiscal years. Similarly, Public Service Procurement Canada (PSPC) and Innovation, Science and Economic Development (ISED) may also have to increase their staff capacity to support SSE-directed capital equipment procurement projects.

Adapting to the Future Security Environment

The management of human resources in the CAF has gradually evolved in recent decades from that of a supporting function to one of increasing importance as an institutional strategic enabler. Yet, despite considerable focus on human resource issues in the CAF, considerable challenges persist. In the coming decade, informed decisions on recruiting and retention programs, wellness programs and family support are necessary. Furthermore, changes to operational demands will also impact existing skill sets and force structure requirements, and this will consequently require increased attention toward personnel and unit readiness. Indeed, in a situation where the contemporary and future strategic context and operating environment are characterized by “complexity, instability, uncertainty and pervasive information”,² managing human resources effectively is critical.

¹ United Kingdom (2017). *Joint Concept Note 1/17: Future Force Concept* (Ministry of Defence, London), 50. <https://www.gov.uk/government/publications/future-force-concept-jcn-117>

² United Kingdom (2017). *Joint Concept Note 1/17: Future Force Concept* (Ministry of Defence, London), 1. <https://www.gov.uk/government/publications/future-force-concept-jcn-117>



As the department and CAF move through the coming decade, how the defence establishment prepares its military and civilian personnel for the future security environment (FSE) must be seen as an essential institutional focus. Indeed, the next decade will see a generational change within the Canadian military, and younger members need to be prepared for the future operating environment. Notwithstanding the capital-intensive nature of the DND and CAF, it is people – both military and civilian – who drive the institution and execute their assigned tasks to the best of their abilities, delivering required outputs. In this environment, where uncertainty is increasing and decision cycles are decreasing, soldiers, sailors and air personnel will need to be able to be deployed without extensive preparation to a complex multinational asymmetric environment overseas. While the government has committed to participating in peace support operations (PSOs), the CAF needs to be prepared to operate in a variety of other environments, including hybrid conflicts. This will be a primary catalyst in the development of future training requirements and will also elevate costs.

The environment in which defence personnel will work into the next decade is evolving in a number of ways. Increased use of technology and data on the battlefield needs to be addressed. First, the combination of steep growth in data, combined with the precipitous expansion in computing power, will mean that military personnel at all levels will be likely inundated with information, and the intensification of technology in both the headquarters and the operating environment will occur. This implies greater automation of the workplace, where armed forces and defence departments “will need to redefine jobs and processes so that their organizations can take advantage of the automation potential that is distributed across them.”³ As a probable consequence, fewer military personnel will be required for the same output.

While this trend is not new, the pace of automation is increasing. The implication for defence is that the training bill and investment in job-related skills will grow – most notably, leadership and decision-making ability will increase in importance, and more training will be needed in those areas to function effectively in the future operating environment. Second, changes in the operating environment will require a rebalance of qualifications and skill sets in personnel at all ranks. Third, greater emphasis will be needed for recruitment in cyber-, information technology, information operations, intelligence and in relationship-building types of jobs – such as liaison officer in a multinational setting or in civil/military relations.

The cumulative effect of demands for additional information technology and information management will require further growth in military and civilian defence establishment positions. In a discipline where the private sector is already aggressively competing for individuals in this field, the DND and CAF need to position themselves to attract these highly skilled and in-demand people. Finally, the need for soft skills will dramatically increase within the military in such areas

³ Michael Chui, James Manyika, and Mehdi Miremadi (2015). *Four Fundamentals of Workplace Automation* (McKinsey & Company, Washington), 2. <https://www.mckinsey.com/business-functions/digital-mckinsey/our-insights/four-fundamentals-of-workplace-automation>



as digital literacy, cultural awareness, negotiation in a coalition setting, operational adaptability, language skills, self-awareness, flexibility and operational adaptability.

Re-skilling is an essential defence challenge in order to prepare for the future operating environment. To compete for talent, the recruiting process for both military and public servants will need to move to skill sets identified in the private sector as critical enablers for success. Indeed, for all organizations, recruiting is and will remain one of the most difficult tasks. The combination of an aging population and shifting skill sets means that finding and retaining skilled employees will be a central focus of human resource organizations for the foreseeable future. The defence establishment can benefit from the lessons learned by an extensive range of companies and organizations in the private sector. Across a broad range of industries, leading corporations have identified skill sets they are looking for in new recruits.

Private sector leaders are looking for the four skills listed in Figure 1 from employees as critical enablers for success in an environment where they face a relatively common set of human capital challenges.⁴ In terms of business and management skills, this includes an understanding of business, the ability to establish strategic direction and operational decision-making skills. For leadership impact, corporate executives are looking for the ability to coach and develop others, be able to inspire others and the talent to drive execution.

Critical Private Sector Skills

- Business/management skills
- Leadership impact
- Interpersonal effectiveness
- Critical thinking skills

Figure 2: A list of the four skills that modern employers view as "critical enablers for success".

Interpersonal effectiveness includes cultivating both networks and partnerships, having compelling communication skills and the capacity to build relationships externally. Critical thinking skills are deemed indispensable to decision-making. This consists of the resourcefulness to ask questions to gather the necessary information, the dexterity to formulate decision criteria, and finally, the skillfulness to choose an effective option. The CAF's recruitment process evaluates recruits based on the particular employment for which the individual is being considered. However, ensuring that recruits have the four critical skills that industry identifies as drivers of success is essential to enhancing long-term performance improvement in the military.

Each generation of Canadian youth has unique characteristics. The Canadian Forces have focused recruitment on the millennials for a number of years, and they will continue to be a cohort of interest. However, as that generation ages, Generation Z will increasingly be the recruitment focus, necessitating adaption of recruiting, training and career management processes. For both millennials and Generation Z, the CAF will need to foster a culture of innovation in order to attract and retain Canadian youth and second-career individuals. While each generation of military personnel has had its own impact on the CAF, historical experience gaps could affect SSE implementation in the coming years.

⁴ The Conference Board of Canada (2017). *Leading through Risk, Disruption, and Transformation: Meeting the Human Capital Challenge* (New York).



The Experience Gap

The CAF places considerable physical and mental strain on its members in training, exercises and operations, due to the rigorous environment in which it functions. In an organization that promotes from within, experience is also a consideration for senior leadership. This largely drives retention strategies to maintain a stable experience profile. Figure 2 identifies a number of significant experience gaps.⁵ The most significant is the nine-year period driven by the 1990s budget cuts and reduction in size of the CAF, where recruiting was limited and serving members were given financial incentives to leave the CAF. More recently, retirements of baby boomers and limitations in recruiting and training capacity, driven by the federal deficit action plan earlier this decade, have contributed to fewer military in the first seven years of service than needed to maintain a stable personnel profile. The age profile of CAF personnel in terms of years of service, together with the limitation in the experience, knowledge and skill sets of senior military leaders, could also affect the capacity of military personnel to implement the SSE. This experience shortfall could be partially mitigated through increases in experienced corporate-level public servants at National Defence headquarters to move SSE priorities, and a greater use of contractors in recruiting and training to increase throughput capacity.

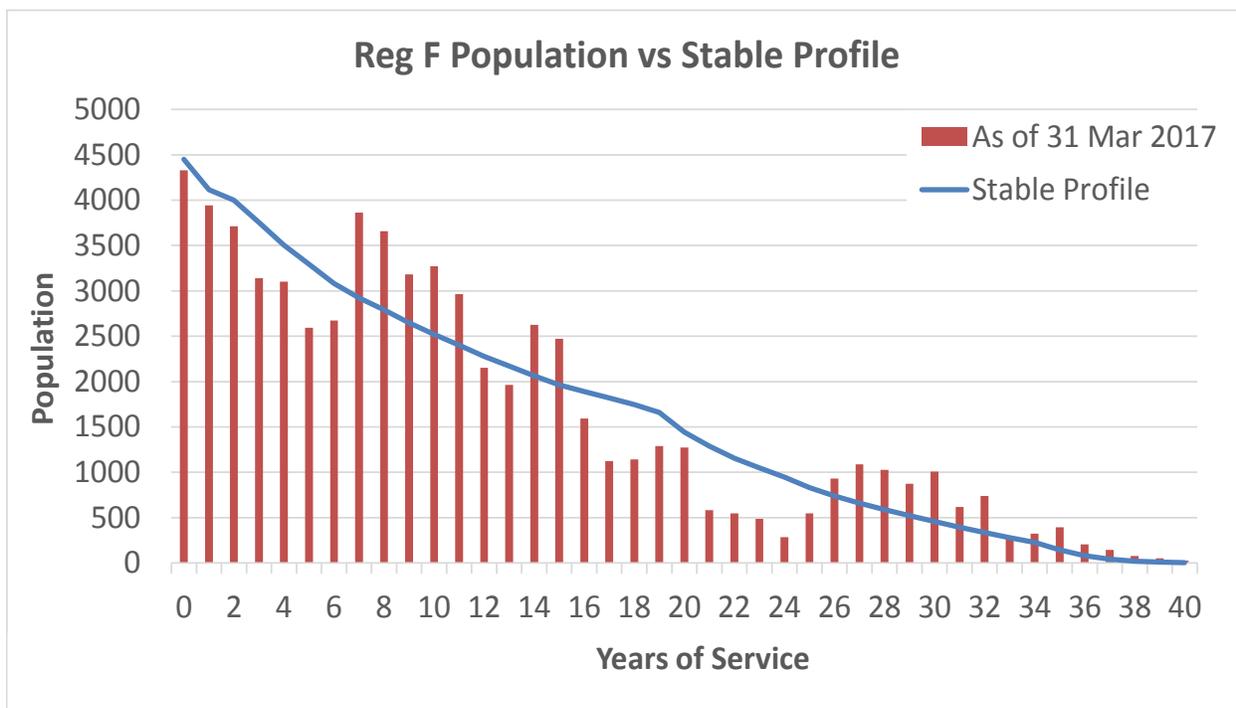


Figure 3: A graph illustrating the number of significant experience gaps within the Canadian Armed Forces.

⁵ DND (2018). *Regular Force Population versus Stable Profile* (Director General, Military Personnel Research and Analysis, Ottawa)



Conclusion

The defence establishment's ability to recruit and train Canadian men and women with the needed skill sets over the coming decade, and to bring up and keep the CAF at full authorized strength, as well as reduce attrition, will strongly determine the extent to which the SSE can be implemented with the funding allocated. This will require a significant transformation of how the CAF recruits, trains and retains its personnel.

► About the Author

Ross Fetterly retired in 2017 from the Canadian Forces after a 34-year career as the Royal Canadian Air Force's director of air comptrollership and business management. He previously served as the military personnel command comptroller, and in other senior positions with the Department of National Defence Assistant Deputy Minister (Finance). He is currently a Fellow with the Canadian Global Affairs Institute.

Retired Col. Fetterly completed a tour in February 2009 as the chief CJ8 at the NATO base headquarters at Kandahar airfield, Afghanistan, where he was responsible for finance, contracting and procurement. While deployed he wrote a paper entitled Methodology for Estimating the Fiscal Impact of the Costs Incurred by the Government of Canada in Support of the Mission in Afghanistan with staff from the Parliamentary Budget Office. Col. Fetterly was employed as the deputy commanding officer of the Canadian contingent in the United Nations Disengagement Observer Force in the Golan Heights during the second intifada in 2000-2001. He has served as an air force squadron logistics officer and as a finance officer at military bases across Canada.

An adjunct professor at the Royal Military College of Canada (RMC) department of management and economics, and a Senior Fellow with the Centre for Security Governance, Dr. Fetterly has a B.Comm (McGill), M.Admin (University of Regina) and an MA and PhD in war studies from RMC. His PhD fields of study included defence economics, defence policy and defence cost analysis. His primary research focus is defence resource management. Dr. Fetterly also teaches courses in financial decision-making, defence resource management and government procurement at RMC. Through his company, Ross Fetterly Consulting Inc., he teaches a defence resource management course and a business planning course internationally for the Department of National Defence to senior military officers and defence executives in developing countries.

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