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## **‘People’ Issues in the White Paper: Beware of Slip between Cup and Lip**

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The White Paper 2009 reiterates the important People themes that were enumerated in its predecessor nine years ago. Its principles are sound and its intentions are appropriate, and there are many encouraging developments within the Defence Force personnel arena. All this suggests that, with the continued reinforcement of these developments, this time round Defence might avoid the serious ‘slip-between-the-cup-and-the-lip’ phenomenon that has often plagued the translation of good intentions into actual practice and improved capability. Like most other aspects of military practice, however, challenges in the People arena are complex, and the process of turning good intentions into effective practice will involve more than just improving what already exists. The time is ripe for some genuine innovation in approach, policy and practice.

*The key requirement for meeting the wide and essentially unpredictable range of contingencies that could arise is a substantial pool of highly competent professionals -- especially at the mid-levels of the Defence Force*

Department of Defence, *Defence 2000: Our Future Defence Force* (Canberra: Commonwealth of Australia, 2000), p. 61.

*People are at the heart of delivering the Defence capability*

Department of Defence, *Defending Australia in the Asia-Pacific Century: Force 2030* (Canberra: Commonwealth of Australia, 2009), p. 113.

### **White Papers and the Eternal Verities of Military Service**

Two White Papers, two essentially similar philosophies for people management. While the terms used and the issues addressed differ slightly between the two, both focus on the same ‘eternal verities’ of military employment: a good job, within a good career, performed in well-led and cohesive units, with equitable remuneration, adequate support for families, appropriate attention to safety and health, all within the context of treating the military as a distinct professional institution. And both White Papers flag leadership, recruitment, retention, diversity and workforce integration as important challenges.

Since these are indeed the eternal verities of military employment, this is how it should be. But Defence's main problem with personnel strategy is not conceptual; rather, the problem lies in its continued failures to turn a vision based on sound principles into robust policies and practices. As will be

shown, there was a considerable slip between the cup and the lip in the years following White Paper 2000 and a lot of tea was unnecessarily spilled. Thus a viable Australian Defence Organisation (ADO) People strategy needs not only to list major goals and policy areas but should also address the changes that must be made to ensure that the good intentions of this White Paper do not suffer the same fate as its predecessor.

The eternal verities of employment within the military institution enumerated in the opening paragraph above are common to all Western military institutions. Military institutions operate within a distinct, almost unique, set of constraints. Although many of these are well known at least within the profession, many are not so obvious. For example, the professional military skill set is ever expanding, and routinely involves lengthy initial training to prepare comparatively junior people for testing circumstances in which substandard performance cannot be tolerated to any significant extent. Not only does the institution require many of the skill sets of organisations in other 'industries', it also requires its people to have military-specific skill sets. Many military professionals at mid-career and beyond are thus multi-skilled to a much greater extent than is usual in other professions. This usually requires optimal career development investment periods that are measured in years if not half-decades, which is why recruitment and retention are so important to the Australian Defence Force (ADF). Another important feature is that, whatever their category, the very large majority of personnel are imbued with a strong service ethic and are thus particularly critical of and sensitive to any facet of leadership or policy/practice that prevents their making a meaningful contribution to the achievement of institutional objectives.<sup>1</sup>

### **Service-Specific People Issues in the White Paper**

Each Service gets a special mention in the White Paper. For example, recognising "the significant workforce challenges presently being experienced by the Navy", Navy will be funded for an additional 700 personnel in order to address its

current structural hollowness, reduce the pressures on its current workforce, and ensure that the Navy can meet the workforce demands of the future maritime capabilities.<sup>2</sup>

Additional funding will be available for planning and introducing new capabilities, and for improving the delivery of Navy's essential governance systems. And the new submarine capability gets a paragraph all by itself. An Army plan has been developed to build and sustain the workforce

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<sup>1</sup> Nick Jans and Judy Frazer-Jans, 'Still the "pragmatic professional"? Pre- and post-9/11 professional orientation in the Australian military', *Armed Forces & Society*, vol. 35, no. 2 (2009), pp. 241-265.

<sup>2</sup> Department of Defence, *Defending Australia in the Asia-Pacific Century: Force 2030* (Canberra: Commonwealth of Australia, 2009), p. 114.

requirements of the Enhanced Land Force and the Adaptive Army initiative. And for the Air Force, the White Paper notes that even with the major capability transition over the next decade, the Air Force workforce will need "some modest growth and ... be reshaped to meet the demands of new systems, processes, and modern, flexible employment practices".<sup>3</sup> (Reading between the lines, one can see that the Air Force presents a comparatively simple people-management situation. This is largely because it has been assiduous in reforming its personnel policies over the last decade, to a much greater extent than has been the case with Navy and Army.)

### **The Slip between the Cup and Lip**

The verities may be eternal, but the principles espoused in White Paper 2000 were significantly ignored. As a consequence, Navy and Army separation rates over the past 20 years have consistently been in double digits and in fact increased markedly since FY04. At the same time, because of its efforts in personnel reform, Air Force separation plunged from a high of 14% in FY03 to a reasonably steady single-digit state.<sup>4</sup>

If left unattended, retention issues that begin as small problems become large problems. This especially happens when they are part of a general bundle of issues, and/or if a number of employment categories within a particular type of unit are facing similar difficulties. In many ways, this was the major reason for the retention problems that caused Navy so much angst in the early part of this decade. With many long-standing personnel issues having been left unaddressed, a Navy that could probably just cope in the operational tempo situation that prevailed a decade ago was in deep trouble as soon as operational tempo accelerated post-9/11. And the Army situation was little better.<sup>5</sup>

A cynic might point out that this was entirely to be expected, given that Defence has had a plethora of personnel strategy-related studies over the last 20 years, most of which come up with the same kinds of philosophies and recommendations as did White Paper 2000, but very few of which had any real impact. Since at least two of the Services continued to be dogged

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<sup>3</sup> Ibid.

<sup>4</sup> The statistics were derived from successive Defence Reports and ABS data. Interestingly, while Service separation rates correlated with the national unemployment rate during the late 1980s and 1990s, the correlation since has not been statistically significant. That is, the data as they were available in 2008 do not support the 'common-sense' hypothesis that ADF separation rates vary according to the state of the external employment market (although the situation since the economic crisis took hold about 18 months ago may provide some additional information by which we can further test this hypothesis).

<sup>5</sup> The Air Force has generally approached retention problems amongst critical categories with common sense solutions delivered promptly. The fact that subsequent research often demonstrated that the correction policies that were implemented were more generous than were actually needed is essentially irrelevant. What was important was that the Service was able to retain the trust of its key personnel by its ability to act promptly and sensibly.

by high separation rates even after White Paper 2000 trumpeted the importance of 'people' as the crucial element in capability, why would we expect things to be different this time?

To outsiders this lack of ability to turn intentions into practices and results has always been a puzzle, but the answers are fairly obvious to observant insiders.

To begin with, the implicit level of importance given to the aforesaid retention-related studies has often been less than wholehearted. Such projects are rarely led by rising stars within the officer corps, but rather are usually done by external 'authorities', officers who are no longer competitive for the top jobs, or those who have recently or are about to be retired (and often themselves had overseen the development of the problem that they are investigating). This not only sends a subtle signal to the institution about the 'true importance' of the study, but also allows the senior leadership group within each Service to be choosy about the extent to which they embrace and accept the recommendations of each.

A second, related reason is that, except in the case of the Air Force's 'Adaptive Culture' Project, such programs are often not genuinely 'owned' by those at the top. The Adaptive Culture project was initiated and driven by the Air Force's senior leadership team, which accepted accountability and responsibility for achieving the goals of the program.<sup>6</sup> This leadership commitment was backed up by sound policy and practice development, managed by knowledgeable and stable staff teams.

This brings us to a third reason for the cup-and-the-lip phenomenon. The personnel system is driven not from bridges, command posts or cockpits, but from personnel staffs. And it is the relative paucity of expertise and continuity at all levels within such staffs that is responsible for much of the disconnect between intentions and practice. Without continuity of leadership in the policy implementation stage, and a genuine attempt to hold leaders at the most senior level accountable for morale and institutional reform, it is very possible that the good intentions of White Paper 2009 will go the way of the same good intentions of its predecessor. It is not that senior leaders resist such accountability, but rather that the degree of staff churn among the senior leadership group and their immediate reports makes continuity and thus accountability problematic.<sup>7</sup> As a recent study of senior leadership

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<sup>6</sup> Stephen Mugford and Bob Rogers, "If you do what you always done...": leadership challenges in a downsizing RAAF', Conference paper presented at *Air Force Leadership: Beyond Command*, Conference at RAF Hendon, July 2005.

<sup>7</sup> Frequent job rotation does not affect individual performance of officers in operational units, but those in staff units perform according to their time-in-appointment, i.e., the longer the tenure and the greater the previous exposure to the relevant staff field, the better the officer's performance. Nick Jans and Judy Frazer-Jans, 'Career development, job rotation and professional performance', *Armed Forces & Society*, vol. 30, no. 2 (2004), pp. 255-278.

culture in the ADO pointed out, certain organisational career development practices inadvertently constrain the pace of change by promoting a short-termist and incremental approach to strategic problem solving.<sup>8</sup> Three long-established staffing practices in particular—senior officer churn, staff officer churn, and application of a generalist model of career development—act as an 'iron triangle' that perpetuates Defence's 'bureaucratic culture'. Moreover, institutions such as military professions often resist change that threatens short-term stability even while recognising that such change would have great benefit in the longer term. The head often says 'yes' while the heart says 'no'. Reform would require cultural factors to be tackled head-on; and it is in the nature of strong cultures to resist reform—a real 'Catch 22'.<sup>9</sup>

A fourth reason for the mismatch between intention and result in People terms is the overreliance on financial incentives for continued service, particularly in terms of retention bonuses. While the big advantage of a retention bonus is that it is almost certain to have an immediate benefit in terms of retention, retention bonuses also have significant disadvantages. Their beneficial effects quickly wear off, usually around the time that the retention bonus period runs out. In any case, retention bonuses should be viewed as no more than a 'band-aid', to buy time while the fundamental reasons for high separation are addressed—reasons quite often have to do with continued family separation and/or low skill utilisation, and which are notoriously difficult to solve. So if such issues are simply been swept under the carpet after retention bonuses are offered—as is usual from this writer's experience—they invariably re-emerge with renewed ferocity soon as the carpet is lifted. Moreover, retention bonuses can have unwanted side effects by causing alienation and dissatisfaction among employment categories that did not share in the largess. (This often happens to the more senior members of the category who, having made a long-term commitment to a service career, are by definition no longer in the 'at risk' group.)

## **Bouquets**

All that said, there are a number of reasons why we might be optimistic about the outcomes of this White Paper. To begin with, the Navy has embraced a major and serious change program, in the form of 'New Generation Navy'. There are a number of encouraging features about New Generation Navy, not least of which is the alignment between a number of different major strategic reform programs, such as reorganisation, clearer lines of command, and coal-face policy/practice delivery. In addition, Navy has already addressed a number of politically and culturally uncomfortable

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<sup>8</sup> Nick Jans with David Schmidtchen, *The Real C-Cubed: Culture, Careers and Climate and How They Affect Capability*, Canberra Paper, no. 143 (Canberra: Strategic and Defence Studies Centre, Australian National University, 2002).

<sup>9</sup> Nick Jans with Jane Harte, *Once Were Warriors? Leadership, culture and organisational change in the Australian Defence Organisation* (Canberra: Centre for Defence Leadership Studies, Australian Defence College, 2003), p. 3.

practices such as base consolidation and toning-down its traditional 'can-do' leadership attitude. Beginning in late 2008, Navy showed its willingness to have ships tied up so that as many crews as possible could be home for Christmas, and it has specifically targeted the need for increases in shore tempo. But perhaps the most promising sign is that Navy has committed itself to learn from the Air Force in terms of its Adaptive Culture program. (Experienced insiders, aware of just how reluctant the leaders of each Service are to concede that their counterparts have anything to teach them, would see this as a sign of genuine commitment to change.)

In terms of the issues flagged in both White Papers, the biggest challenges lies in balancing Service and family needs. With partner employment having become much more than simply 'desirable' to the average Australian middle-class couple, base consolidation to facilitate partner employment continuity is increasingly important.<sup>10</sup>

Encouragingly, base consolidation has been quietly progressing over the last few years. The Air Force situation required little more than fine tuning, although the attractiveness of Richmond remains an issue for some employments. The Navy's situation is both more simple and more complex, with its need to balance activities between its two main bases on the East and the West Coast. The Army's situation is the most complicated but it is evident that it too is making progress in this respect.

Another success story has been in terms of leadership. The standard of leadership at all levels has improved quite markedly since the Barry-Hawke diarchy's leadership reform program was initiated over a decade ago. There is now much to admire in terms of enhanced ADO leadership standards and leadership development programs.<sup>11</sup>

A significant advance has been made in the area of home-loan assistance, with the recently-introduced Defence Home Ownership Scheme receiving widespread approval within the ADF community. This is likely to result in a strong take-up rate, and the Scheme is cleverly aimed at locking people in to long-term commitment as early in their careers as possible.

Another encouraging sign is a hint that Defence is at last prepared to revamp its personnel research facilities. Currently these reflect very poorly when placed alongside the equivalent systems and resourcing of its sister

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<sup>10</sup> A survey of mainstream Army officers in 2005 showed that 69% of officers' partners are currently in paid employment, with the very large majority having a 'career-orientation' (i.e., their current job is 'not just a job'). A similar survey in 1984 showed that only 53% were in paid employment with the large majority of those who were not having no intention of being otherwise. See Nick Jans, *Careers in Conflict 21C: The dynamics of the contemporary military career experience*, Interim Report (Canberra: Centre for Defence Leadership Studies, Australian Defence College, 2008).

<sup>11</sup> Ibid.

institutions overseas. The White Paper refers somewhat cryptically to “an integrated workforce intelligence model”<sup>12</sup> and, if such a model includes a long overdue professionalisation of personnel research, it will be a very worthwhile initiative. Further, used with imagination, this would give the ADF a real opportunity to address the parlous state of scholarly research into people issues in the ADF. Unlike its counterparts in Britain, Canada and the United States, the Australian military institution has rarely given much attention to academic disciplines such as organisational behaviour, military sociology and human resource management.<sup>13</sup> This limits the ability of the institution to interpret personnel issues in terms of tenets rather than trends.<sup>14</sup>

Lastly, the lingering mis-alignment between performance and career development associated with staff streaming which we have already discussed is finally receiving serious attention in all three Services, although both Navy and Army still have to get significant runs on the board. In addition, all three Services have made recent improvements to their career management practices. Just as encouragingly, both the senior leaders within the People capability function have had deep experience in personnel. Thus, given the right leaders with the right staff systems, Defence has a sound basis for translating its vision into practice and performance.

### **Brickbats**

However, there are still important personnel issues that were neglected in both White Papers, and until these are addressed, Defence will be lucky to achieve the personnel breakthroughs that it badly needs.

A major weakness in the People discussion of the White Paper is the apparent absence of any recognition of the people and cultural implications of a 21st-century defence force, especially those for an increasingly network-enabled organisation. Yet, as David Schmidtchen has convincingly argued, the social and cultural implications of network-centric warfare are at least as profound as the technological implications.<sup>15</sup> Schmidtchen argues that the challenge for Defence leaders is to implement change strategies that, while reflecting the underlying characteristics of a network, do not fundamentally undermine the organisational systems that facilitate effective performance or institutional identity. But the White Paper gives no recognition to this and the fact that it will be near-impossible to introduce a different way of working

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<sup>12</sup> Department of Defence, *Force 2030*, p. 115.

<sup>13</sup> As an example of the quality and usefulness of overseas practices, see for example Don Snider and Lloyd Matthews (eds.), *The Future of the Army Profession*, 2nd ed. (Boston: McGraw-Hill, 2005).

<sup>14</sup> Nick Jans, 'The sorry state of military sociology in Australia', *Australian Defence Force Journal*, no. 175 (2008), pp. 43-50.

<sup>15</sup> David Schmidtchen, *The Rise of the Strategic Private: Technology, Control and Change in a Network-Enabled Military* (Canberra: Land Warfare Studies Centre, 2006).

without creating subtle but profound implications for career systems, organisational working relationships and skill sets.<sup>16</sup>

Tellingly, the 'Innovations' chapter of the community consultation report was entirely concerned with the potential for scientific research from universities, Defence Science and Technology Organisation, and the like. But given the general tone of the White Paper and its emphasis on doing things 'smarter' as well as more technologically 'better', the White Paper disappointingly contains no suggestion that 'innovation' could also be applied to non-technological areas of practice, such as career development and staffing/human resources strategies.

And this brings us to professional education, which the White Paper tends to skip over. The faint praise with which the 2005 Inquiry on 'ADF Learning Culture' damned the ADF education system should have sent a clear message that the system is ripe for reform. While "impressed with the effort being placed on improving the learning culture", the Inquiry judged that the ADF is not a best-practice learning organisation "at this stage", and that there is "considerable" room for improvement in investment in staff training and engagement.<sup>17</sup> Perhaps no better example of this exists than the situation at the Australian Defence College at Weston Creek, where, in an institution with the potential—if not the imperative—to be at the heart of ADF intellectual capability, the major courses continue to be run in accordance with an old-fashioned management/leadership paradigm focussed too much on what is often essentially 'training' rather than 'education'. A major reason for this is the ludicrously high rate of staff churn amongst the senior members.<sup>18</sup> Directing Staff are essentially generalists, chosen on the basis of their operational experience and leadership. While there are obvious advantages in having staff with such qualities, this practice constrains their ability and opportunity to develop learning programs in which course members can be guided to make connections between professional activities and related disciplines such as law, politics, psychology, sociology, civil-military relations, and the like. All of this limits the ADF's capacity to make intellectual capital a genuine element of capability.

Another educational initiative that would improve the overall People performance of the ADF would be to improve the general understanding of strategic human resource management principles and issues among senior

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<sup>16</sup> The research and policy development that will be needed for this is of an order of complexity with which traditional ADF research facilities have little practice and familiarity.

<sup>17</sup> Andrew Podger, C. Harris, et al., *Final Report of the Learning Culture Inquiry: Inquiry into the learning culture in ADF schools and training establishments* (Canberra: Department of Defence, 2005), p vi.

<sup>18</sup> The Australian Defence College has had seven commanders in the past eight years and, since the Australian Command & Staff College's inception in 2000, it has had nine Commandants, seven DOS-N, seven DOS-L, and six DOS-A. The ACSC has scarcely any permanent civilian faculty, and those that exist are not fully integrated into the teaching program.

leaders and commanders. It is not enough for those in charge of the People function to have such understanding; and a deeper appreciation across the board would improve the sensitivity and responsiveness of the institution to emerging personnel issues. If People are indeed the ADF's greatest resource, then it behoves senior leaders to know at least the basics of strategic human resource management and its foundation in the disciplines of organisational behaviour and military sociology.

This would go some way to addressing the pervasive but subtle tendency—held by those at the heads of most organisations—to see 'personnel' as a cost rather than an asset or an investment. Such a perspective results in attempts to improve productivity by increasing the workload without increases in the workforce, or by expecting a reduced workforce to achieve the same workload. This perspective is deeply flawed. Not only has the ADF gone well past the point where such an approach is viable, but the approach takes no cognisance of research that consistently shows that substantial improvements in productivity can be achieved by fairly simple workforce management strategies such as increasing the average time in job and improving the overall alignment between tasks and skills.<sup>19</sup>

### **Conclusion: Grounds for Guarded Optimism?**

This paper has reviewed White Paper 2009 in the context of the recent history of the ADF personnel management. It has shown that, encouragingly, this White Paper continues to stress the important major themes that were enumerated in its predecessor. It noted, however, the frequently large gap between good intentions and actual performance in Australian military personnel management. If the ADF is to avoid the slip-between-the-cup-and-the-lip phenomenon that plagued it in the earlier part of this decade, the sound People strategy espoused in White Paper 2009 must be followed through with genuinely-strategic, imaginative and well-managed personnel policies and practices. Nor will it be enough to improve what already exists: the complexity of the People dimension of military capability increases with every shift in society, technology and global strategy. The ADF of the future must demand nothing short of the best from its leaders and personnel managers at all levels. Encouragingly, Defence now has a good team at the top of its personnel function, and is slowly but hopefully steadily improving the professionalisation of all elements of the People function. This time, therefore, Defence may just get a People plan that translates into improved capability and commitment.

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<sup>19</sup> Jans and Frazer-Jans, 'Career development, job rotation and professional performance'.