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Strategic Management Papers

A Total and Integrated Defence Workforce

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INTRODUCTION

1. The Defence Organisation is a large and complex enterprise whose 'enduring strategic priority is to keep Australia and the Australian people safe from attack or the threat of attack, and from economic or political coercion.'¹ To meet this requirement, the Defence Department employs a full time workforce of over 92,000 personnel consisting of both uniformed Australian Defence Force (ADF) members and civilian Australian Public Service (APS) personnel. The Defence Environmental Scan 2025, identified that the Defence Organisation's workforce consists of an ADF with 50,600 full time members and 20,600 Defence Public Servants. In addition, the ADF has 21,000 Active Reserve members.²

2. As a whole, the Defence workforce is responsible for delivering the range of defence outcomes required by Government. While the military and civilian components of the Defence Organisation are required to contribute collectively to the achievement of these Government objectives, the management of the Defence workforce is currently stovepiped along ADF and APS lines, with limited consideration of the workforce as a total resource.

3. This stovepiped approach is in some ways a product of differing lines of responsibility for personnel within the Department. The Secretary under the Public Service Act, is responsible for 'all the rights, duties and powers of an employer in respect to APS employees in the Agency [Department]'³ and the Chief of the Defence Force under the Defence Act, is charged with the responsibility of commanding all members of the ADF.⁴

¹ Department of Defence, *Australia's National Security: A Defence Update 2007*, Australian government, 2007, p. 25

² Department of Defence, *Defence Personnel Environment Scan 2025*, Australian government, 2006, p. 13.

³ Attorney-General's Department, *Public Service Act 1999*, Australian government, 2008, p. 13.

⁴ Attorney-General's Department, *Defence Act 1903*, Australian government, 2008, p. 5.

4. **Scope.** This paper will examine the current Defence workforce structure across the ADF and APS. It will consider the potential disadvantages of the current stovepiped separation of ADF and APS personnel management, and examine the merits of moving towards an integrated and total Defence workforce. It will explore the potential benefits of increasing the number of contested positions available to ADF and APS members, particularly in middle and senior management.

AIM

5. The Aim of this paper is to outline an improved framework for managing the total personnel resource available to the Defence Organisation.

ONE DEPARTMENT TWO WORKFORCE COMPONENTS

Experience and Opportunity

6. Mark Thomson observes that the 'performance of Defence can only ever be as good as the calibre of the people it has working for it. For this reason, the effective employment of both civilian and military personnel underpins the organisation's capacity to manage itself.'⁵ The current approach of a separate career management framework for the APS and ADF creates significant obstacles in achieving the efficient and effective employment of the available Defence personnel resource.

7. The Department of Defence is consistently praised for its success in the planning and conduct of military operations, while also being criticised for failings in its corporate and strategic management. This somewhat paradoxical situation is in part a result of the Defence Department's personnel management

⁵ Mark Thomson, *Improving Defence Management*, Australian Strategic Policy Institute, Canberra, 2007, p. 8.

processes, where on one hand significant effort and resources are applied to ensure that ADF personnel are adequately educated, trained and prepared for roles they are likely to undertake within the Defence Organisation, while within the APS, individuals are expected to 'undertake any task without subject matter expertise or professional qualification.'⁶

8. The structured and formalised ADF approach underpins a culture where the importance of experience and professional development are valued and built into career pathways. The APS personnel management approach is not supported by the appropriate personnel structures or management mechanisms required to enable this development. While ADF senior commanders understand and expect ADF personnel to be released from mainstream responsibilities at certain times during their career to meet professional development milestones, the APS management framework does not offer senior managers this flexibility. The APS workforce structure provides limited ability to backfill APS staff undertaking formalised professional development and as such, it is very difficult for senior APS managers to release personnel for extended periods professional development and education.

9. The lack of opportunities for professional development in the APS is compounded by the relative inexperience of the APS workforce when compared to their ADF counterparts. This inexperience has been 'exacerbated by the accelerated promotion of individuals in recent years as a by-product of the rapid growth in civilian numbers.'⁷ A comparison of the relative experience levels of senior and middle management in the Defence Organisation shows that 27 %of all APS Senior Executive Service (SES) staff are under the age of 45 and 26 %of

⁶ Mark Thomson, *Improving Defence Management*, p. 8.

⁷ Mark Thomson, *Improving Defence Management*, p. 8.

Executive Level 2 (EL 2) staff are below the age of 40.⁸ For ADF members, the minimum period of commissioned service for promotion to one star rank is approximately 23 years, with a minimum of 20 years service required before being eligible for promotion to colonel equivalent rank. The accelerated progression to middle and senior management in the APS limits the time and opportunity for staff to pursue professional development and 'education for civilian personnel is very much an exception rather than a rule.'⁹

10. While the Defence Organisation has a problem with the experience levels and professional development of APS staff, it is simultaneously confronted with a problem in retaining ADF personnel who are well trained and experienced, but who become uncompetitive in the ADF career management structure due to limited opportunities. Using the Army officer career management model as an example, Nick Jans and Judy Frazer-Jans argue that there are few career options available for the majority of officers who become uncompetitive in their mid-careers.¹⁰ The dilemma for the Defence Department is that on one hand it is confronted with an APS career management framework that has limited capacity to develop experience and provide the necessary professional development for APS members, while on the other hand, the Department is unable to provide viable career opportunities for a number of experienced and well qualified ADF personnel.

A TOTAL AND INTEGRATED WORKFORCE

Workforce Integration

11. The Chief of the Defence Force and Secretary are currently focussed on moving the Defence Department's 'people management in a more strategic

⁸ *Defence Personnel Environment Scan 2025*, p. 19

⁹ Mark Thomson, *Improving Defence Management*, p. 9.

¹⁰ Nick Jans and Judy Frazer-Jans, 'Fighting for Talent.' *Defender*, Vol. 23, No. 3, Spring 2006, pp. 19-20.

direction so we [Defence] can better recruit and retain the talent we need to meet the security challenges of the future.’¹¹ To meet these challenges, the Defence Department will require a ‘people management’ framework that draws together the capabilities of the current personnel resources available to the Department more effectively. Key to this approach is breaking down the culture of stovepiped management of ADF and APS personnel. A move to a more integrated workforce management framework, that selects the most experienced and qualified candidate from across the Defence Organisation for particular appointments, would provide significant benefits to the Department.

12. While acknowledging that certain areas of the Defence business requires a degree of specialisation, particularly in the ADF for the planning and conduct of operations and the APS in the delivery of specialist services, there is a great deal of scope for a more integrated approach to personnel management across large sectors of the Department. This is particularly the case across middle and senior management within the Department at the EL 1-lieutenant colonel (05) equivalent level and above, where the requirement for specialisation is often not as important as a sound knowledge of the broader functioning of Defence.

13. A move to an integrated Defence workforce would provide senior managers greater flexibility by providing a broader pool of personnel capable of filling the range of appointments within the Department. Greater integration would contribute to developing the experience and skills base of APS members through alleviating the pressure created through accelerated promotion and by providing a more flexible workforce structure capable of accommodating the professional development requirements of APS employees. An integrated

¹¹ Nick Warner, *Speech by the Secretary of the Department of Defence to the Senior Leadership Group*, 20 May 2008, p. 5, available at: < <http://intranet.defence.gov.au/secretary/speeches.htm>>, accessed 16 September 2008.

approach would assist in ensuring that APS members are not only adequately prepared for their roles and responsibilities, but would provide them with the appropriate skills and experience to compete for more senior positions within the Defence Department and the wider APS sector.

14. In relation to the ADF, an integrated workforce would significantly improve the capacity of the Defence Organisation to better leverage the experience and skills of ADF members. ADF members' detailed knowledge and skills gained through experience in a variety of operational and non-operational appointments, and structured professional development, can be applied in a range of areas within Defence. For ADF members, an integrated approach would provide increased career opportunities for the large majority of ADF officers who currently find themselves with limited options mid-career.

Achieving Improved Effectiveness and Efficiency

15. An integrated personnel management framework and the corresponding improvement in experience and professional development across middle management within the Department would provide considerable scope and opportunity for senior management to consider delegating additional responsibility to a more capable middle management group. This would assist in focussing the decision space of senior management on the strategic direction of the Defence Organisation as opposed to the more routine issues currently consuming their limited time. The empowerment of middle management would also provide increased job satisfaction, leading to improved productivity and retention. This is a significant benefit in an environment where the Defence Organisation is aggressively competing to recruit and retain the best.

16. The introduction of an integrated workforce will require cultural change within both the ADF and APS. There will need to be an acceptance that the lines

of accountability for personnel issues to the Secretary for APS members and CDF for ADF personnel will become less clear. The personnel management framework will need to move away from a differing model for the APS and ADF to a more integrated management system, particularly in the area of middle and senior management. The recent appointment of a human resource management professional into the role of Deputy Secretary People Strategies and Policy, provides a real opportunity to realign personnel management across Defence.

17. To assist in this process, a review of all middle and senior management positions from EL 1-05 equivalent and above is required. The review should focus on identifying which positions are suitable to be classified as contestable between APS and ADF members. With an understanding of the nature and scale of these contestable positions, an overarching management structure that incorporates both APS and ADF senior and middle managers can be developed. This overarching approach requires Defence senior and middle management personnel to be centrally managed to best meet Defence-wide requirements. For this approach to be successful, the Department's personnel numbers would need to be managed in a more flexible manner, with a move away from separate ADF and APS caps, towards an overarching cap on total Defence employees.

18. There are many examples within industry and other Government agencies where personnel with diverse skills and backgrounds are managed as a total resource. Studies of these approaches would be of benefit when developing a revised framework for the Defence Organisation. The Australian Federal Police (AFP) has addressed these issues very effectively and achieved a well-integrated workforce incorporating both sworn and unsworn officers. Defence should consider using the AFP experience as a case study on how to integrate differing elements into a total workforce.

CONCLUSION

19. The Defence Department can no longer afford a stovepiped approach to workforce management and must move towards greater integration between the ADF and APS components where the total personnel resources of the Department can be applied to achieve best affect. A move to a more integrated workforce, particularly in the areas of middle and senior management would have significant benefits for the individual APS and ADF members and the Department as a whole. It would provide opportunities to build mechanisms and flexibility into APS personnel management to enable increased professional development and enhanced experience levels. This will improve the job satisfaction and overall employability of APS members both within the Defence Department and the wider APS. For ADF members, greater workforce integration will provide improved career opportunities for the majority of experienced and qualified personnel who, under the current construct have limited career options once they reach the mid career point. This will have significant benefit for ADF retention.

20. A more integrated workforce would provide a framework that ensures the most qualified and experienced personnel from across the entire Department are identified for appointments at the middle and senior management level. Increased integrated can only improve overall workforce effectiveness and efficiency as the Defence Organisation confronts the complex security challenges of the future.

RECOMMENDATIONS

In developing a total and integrated Defence workforce the following is recommended:

- a. a review of all ADF and APS positions at EL 1–05 level and above be conducted with a view of identifying which positions are suitable to be classified as contestable between ADF and APS members;
- b. middle and senior management positions and personnel in the Defence Department be managed as a total workforce liability and asset;
- c. the current accountability mechanisms for APS and ADF personnel be reviewed to support greater integration of the Defence workforce;
- d. Defence personnel numbers should be flexibly managed through a total Defence Organisation personnel cap; and
- e. a study of the AFP integration of sworn and unsworn officers be conducted to inform the development of an integrated personnel management framework within Defence.

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