

CENTRE FOR DEFENCE AND STRATEGIC STUDIES

Strategic Management Papers

The Development of Senior Officers in the Australian Defence Force

Captain Stephen O'Keefe

September 2008

The Centre for Defence and Strategic Studies (CDSS) is the senior educational institution of the Australian Defence College. It delivers a one year Defence and Strategic Studies Course, a postgraduate level educational program which places emphasis on practical, rather than theoretical research, on teamwork and support for the personal and professional goals of all course members. Course members and staff share a commitment to achieving scholarly and professional excellence, with course members graduating with a Master of Arts awarded by Deakin University or a Graduate Diploma awarded by the CDSS. These papers have been submitted as coursework, and have been chosen for publication based on the relevance and timeliness of their content.

For further information about the CDSS please visit: <http://www.defence.gov.au/jetwc>

© Commonwealth of Australia

This work is copyright. It may be downloaded, displayed, printed and reproduced in unaltered form, including the retention of this notice, for personal, non-commercial use or use for professional purposes. Apart from any use as permitted under the Copyright Act 1968, all other rights are reserved. To replicate all or part of this document for any purpose other than those stipulated above, contact the CDSS.

Disclaimer

This work is the sole opinion of the author, and does not necessarily represent the views of the Centre for Strategic and Defence Studies or the Department of Defence. The Commonwealth of Australia will not be legally responsible in contract, tort or otherwise, for any statement made in this publication.

Editing of this essay to make it suitable for publication was undertaken by CDSS Publications Editor, Stephanie Koorey.

Winning succession planning systems are non-bureaucratic, uncomplicated processes – with a unified approach to ensure consistency and maintain objectivity across business units, organisational levels and geographic areas.¹

INTRODUCTION

1. The process whereby potential leaders are identified and prepared to fill key positions in an organisation is defined as succession planning. In the current employment climate, organisations require effective succession planning if they are to recruit and retain quality personnel.²

2. Australian Defence Force (ADF) officers will, over the course of their careers, be expected to fill single-Service, joint and rotational postings within the Defence organisation. Whilst the Services carefully prescribe the professional requirements for their officers during the operational phase of their careers (up to mid-seniority O4 level³), there is little guidance beyond this point at which ADF officers begin the transition to senior management in the non-operational arena. As a consequence, some of the most senior positions in the ADF will be a common destination for officers who have travelled significantly different paths.

3. In August 2008, the Chief of Defence Force introduced the new Star Ranks Management Framework (SRMF) for ADF officers. This framework aims to enhance Defence capability through appropriate senior executive personnel placement, provide opportunities for well-credentialed individuals at senior levels, manage the appointment and promotion expectations of senior officers, and influence officer

¹ Human Resources, 'Keys to Best Practice Succession Management.' *Human Resources website*, 25 January 2005, available at: <http://www.humanresourcesmagazine.com.au/articles/DD/0C02A0DD.asp?Type=60&Category=919>, accessed 1 August 2008.

² The Chartered Institute for Personnel and Development, 'Succession Planning.' *The Chartered Institute for Personnel and Development website*, available at: <http://www.cipd.co.uk/subjects/hrpract/general/successplan.htm>, accessed 18 August 2008.

³ O4 level = Major (equivalent), O5 = Lieutenant Colonel (equivalent), O6 = Colonel (equivalent), and O7 = Brigadier (equivalent).

retention by highlighting opportunities for high-performing and broadly experienced officers.⁴

4. The challenge facing the three Services is how to support the SRMF with consistently prepared officers who are capable of performing at star rank. The three Services need to ensure that the most talented and organisationally-aligned officers are identified and developed for the most senior positions in the organisation, collaborating on the development of a robust succession planning model.

5. **Scope.** This paper will compare the succession planning models of the ADF with those of a number of commercial enterprises to determine whether common components can be incorporated into a Defence-friendly model. As the Australian Public Service provides a significantly different level of career management and development to that of the Services, it has been excluded from this paper.

AIM

6. The aim of this paper is to determine if succession planning strategies in the commercial sector can inform the development of a more consistent model for preparing senior ADF officers to enter the SRMF.

METHODOLOGY

7. Analysis of the succession planning regimes of the ADF⁵ and a number of commercial organisations⁶ was conducted using the Strengths, Weaknesses, Opportunities and Threats (SWOT) model (see Appendices A and B). Each SWOT was broken down into three sections: succession planning, career development and

⁴ A.G. Houston, *Star Ranks Management Framework (SRMF)*, Chief of the Defence Force Minute CDF/OUT/2008/666, 13 August 2008.

⁵ For the purposes of this paper, the ADF includes the Australian Regular Army, Royal Australian Air Force and Royal Australian Navy.

⁶ The commercial organisations include the Commonwealth Bank Australia, Rolls Royce, Brotherhood of St Laurence, Harris Scarfe, Sydney Ferries and Victorian Police.

retention, to facilitate comparison of findings. The method used to determine the best prospects for the ADF was achieved by relating the strengths of the commercial models to the opportunities facing the ADF in order to overcome the weaknesses in the ADF model.

CAREER PROGRESSION MODELS

ADF

8. Each entity within the ADF has its own distinct career progression model. These models intersect at a number of points, notably in the Australian Command and Staff Course (ACSC) and the Defence and Strategic Studies Course (DSSC). However, different emphases are placed on these career milestones with only the Army viewing them as prerequisites to further progression.

9. Career development and progression for ADF officers is articulated in a suite of formal documents. The Navy articulates its requirements for officers' careers in Australian Book of Reference 6289 (ABR 6289) "Royal Australian Navy Officers Career Management Manual". The Army's requirements appear in Defence Instruction (Army) Personnel 47-1 "Career Management of Australian Army Officers". Whilst the Air Force does not have a single professional development document, career progression requirements are outlined in "RAAF Occupational Specifications" and the "Air Force Officer Remuneration Handbook". An Air Force career handbook is currently in development.

10. The ADF uses a common appraisal system to assess the performance and potential of officers up to the rank of O6. Using a combination of numerical scores and written comments, these appraisals form the source documentation for determining promotions, development opportunities and employment. Greater emphasis is placed on performance, rather than organisational fit (living the

organisational values). For officers of O6 rank and above, a separate system of appraisal is applied.

11. The organisational values of Defence, Army, Navy and Air Force are distinctly different from one another (see Appendix C). Since organisational culture is derived from the values, beliefs, and relationships in an organisation,⁷ by implication, different cultures must exist in these organisations. It is therefore likely that the organisational 'fit' of the officers being produced by each Service will also be different.

Commercial Organisations

12. In November 2007, Chandler and Macleod reported that only 51% of companies had a succession planning program, 83% of which had only implemented them in the past five years.⁸ Two companies with mature succession planning models are the Commonwealth Bank of Australia (CBA) and Rolls Royce. The not-for-profit company The Brotherhood of St Lurance (BSL) is currently developing a formalised succession planning regime, whilst the private-equity funded retailer, Harris Scarfe, has determined that succession planning is not required in such a high-turnover, low profit-margin fashion chain with a high percentage of casual staff.

13. CBA, Rolls Royce and Bunnings all place great emphasis on the need to identify talented employees who are able not only to perform, but also embrace the organisation's values. As a consequence, their personnel appraisal systems assess behaviour as well as performance.

⁷ Quantum3, 'The Language of Competitive Business Intelligence.' *quantum3 website*, available at: <<http://www.quantum3.co.za/CI%20Glossary.htm#C>>, accessed 8 September 2008.

⁸ Chandler Macleod, 'Succession Planning Exposed.' *Chandler Macleod website*, 19 November 2007, available at: <<http://www.workplacebarometer.com.au/SuccessionPlanningExposed/tabid/985/Default.aspx>>, accessed 1 August 2008.

14. Formal mentoring programs were viewed as an important professional development tool by CBA, Sydney Ferries and Victorian Police. The CBA program was specifically designed for talented women, whilst the Victorian Police model used external mentors from Rotary and the commercial sector.

ANALYSIS

ADF Models

15. **Advantages.** The greatest advantages of the ADF models are the mature ADF personnel appraisal system for all officers, and the 'star' plot management program for identifying ADF officers at the O6 level for entry into the SRMF. These systems are common to the three Services and apply the same assessment criteria. Navy and Air Force have mentoring programs for their officers, whilst the Army is yet to implement a formal mentoring scheme.

16. **Shortcomings.** The most significant shortcoming of the ADF models is the lack of a formal agreed process to identify talented officers from all Services early and subsequently prepare them for senior joint and rotational positions. Further, the lack of common values and therefore a common culture, and the practice of filling vacant positions with available officers rather than ensuring that the most appropriately qualified individual is placed in a position, are significant deficiencies in the ADF succession planning models. Other weaknesses include the personnel appraisal system which places limited emphasis on organisational fit, and an inconsistent approach to mentoring which denies some officers the benefit of a career development opportunity.

17. **Potential.** The current ADF models have the potential to form the basis of a more responsive and robust approach to ADF-wide succession planning. The improvement of existing processes to reflect a greater emphasis on commonality and

consistency across the Services is achievable with strong leadership and appropriate resourcing. The 'star' plot process, organisational values, posting procedures, personnel appraisal system and mentoring programs all need to be revised in order to improve the preparation of senior ADF officers for senior positions.

Commercial Models

18. **Advantages.** One of the greatest advantages of the mature commercial regimes is the identification of talent based on organisation behaviour, rather than just on performance. The early identification and development of talent that fits the organisation's values means that companies are able to establish pools of suitably prepared individuals capable of fulfilling a number of the highest level positions. Employees are provided with notice of employment and development opportunities and are thus able to plan for their future career progression, balance their family commitments, and ensure that their career and promotion expectations are realistic.

19. **Shortcomings.** The greatest single shortcoming of the commercial models is the requirement for a sustained high level of investment of resources including time, finances, senior management participation in the identification of talent, and the provision of training, education and development opportunities. The maintenance of an organisational culture that reflects the values of the company can also be challenging as employees are expected to 'live' the values, and cultural breaches can result in formal administrative action.

PROPOSED CHANGES TO THE ADF SUCCESSION PLANNING MODEL

20. The proposed changes outlined in paragraphs 20-24 are derived from successful commercial models and can be adapted to the specific requirements of the ADF.

Early Identification of Talent

21. Early formal identification of talented officers is required in order to manage the expectations and aspirations of those for whom vertical progression is indicated, *and* those more suited to specialisation. The 'star' plot process provides a model which can be expanded to include all officers above mid-seniority O4, or the time they attend ACSC.

Longer Term Posting Horizon

22. A formal and strategic approach to succession planning, incorporating a longer term posting horizon would allow more time to nurture talent, manage expectations and challenge those with proven performance and organisational fit. The management of postings and promotions would thus become less chaotic and the potential for organisational disruption would be mitigated.

Common Organisational Culture

23. Successful commercial organisations would not entertain the notion of supporting different organisational cultures in each business unit. As officers from each of the Services are expected to be prepared for a suite of common positions at the top levels of Defence, a congruence of values is required. A common set of demonstrable values across the ADF would increase the organisational fit of those officers deemed to possess potential for the highest positions in Defence.

Recognition of Organisational Fit

24. The inclusion of items in the personnel appraisal regime to provide a realistic assessment of an individual's organisational fit would facilitate the early identification of talented officers within the ADF.

Formal Mentoring Program

25. The introduction of a common mentoring program across the ADF, featuring mentors from outside Defence for senior personnel, would provide a cost-effective development tool for maximising the potential of talented individuals.

BENEFITS, RISKS AND COSTS

26. The benefits, risks and costs of implementing the above aspects of commercial succession planning models are outlined at Appendix D. The greatest benefit of a formal ADF-wide succession planning model is the formal establishment of a pool of talented officers who have undergone consistent development over time to assume the responsibilities of executive management in single-Service, joint, and rotational positions. Other significant benefits include the management of career progression expectations of officers beyond the O4 rank and the maximisation of the potential of talented officers.

27. The most significant risks associated with maintaining the current ADF succession planning models include the inconsistent preparation of officers for joint and rotational positions, the disenchantment of officers whose expectations have not been met, the diminished appeal of the ADF as an attractive career prospect and squandered opportunities to maximise the potential of talented officers.

28. The most significant costs will be the time investment by senior personnel to initially identify, then maintain, the various talent pools and communicate the outcomes with all officers of mid-seniority O4 rank and above.

29. Based on the acknowledged success of commercial succession planning models, the benefits of implementing an ADF-wide succession planning regime for officers are assessed as outweighing the risks of maintaining the status quo. The investment of time and resources in introducing and maintaining such a model will

reap significant long-term dividends when the processes become embedded in the ADF's culture and the ADF successfully competes with the commercial world to attract and retain quality personnel.

CONCLUSION

30. The three Services currently approach the preparation of their officers for star rank positions very differently. Whilst all three provide formal processes during the operational phase of careers and subscribe to the ADF personnel appraisal system and 'star' plot, the processes do not produce consistently prepared officers capable of performing all of the single-Service, joint and rotational positions at the very top levels of Defence. There is an increasing realisation in the commercial sector that formal early identification of talent, appropriate professional development, and a requirement to embrace the organisational values combine to provide a significant competitive advantage and contribute to staff retention.

31. There is significant potential for the ADF to leverage the mature succession planning processes implemented by successful Australian and global companies. The ADF can refine current processes to significantly improve the consistency of the preparation of senior ADF officers entering the SRMF.

RECOMMENDATIONS

32. In order to improve the consistency of the preparation of senior officers, the ADF should:

- a. develop a formal ADF succession planning model incorporating successful commercial practices, including talent identification, posting notice, organisational culture, organisational behaviour assessment, and mentoring;

- b. redefine the organisational culture of the ADF by adopting a single set of values;
- c. refine the personnel appraisal system to incorporate assessment of organisational behaviour as defined by the ADF's values;
- d. implement a comprehensive communication strategy to inform the ADF of the changes; and
- e. implement a performance measurement regime to track the effectiveness of the implemented changes.

BIBLIOGRAPHY

Australian Army. 'Army's Rules for a Fair Go.' *Australian Army website*, available at: <<http://www.defence.gov.au/army/Fairgo.htm>>, accessed 9 September 2008.

Australian Institute of Management. 'Newsletter Articles.' *Australian Institute of Management South Australia*, available at: <http://72.14.205.104/search?q=cache:YVm_p1HvA4J:www.aimsa.com.au/newsletterArticles.cfm%3Farticle_id%3D19+employee+value+proposition&hl=en&ct=clnk&cd=1&gl=au>, accessed 9 September 2008.

Brotherhood of St Laurence. *Strategy 2008*, Brotherhood of St Laurence, Melbourne, 2008.

Chandler Macleod. 'Succession Planning Exposed.' *Chandler Macleod website*, 19 November 2007, available at: <<http://www.workplacebarometer.com.au/SuccessionPlanningExposed/tabid/985/Default.aspx>>, accessed 1 August 2008.

Department of Defence. 'The Defence Values.' Australian government, available at: <http://defence.gov.au/publications/defence_values.pdf>, accessed 9 September 2008.

Houston, A.G. *Star Ranks Management Framework (SRMF)*, Chief of the Defence Force Minute CDF/OUT/2008/666, 13 August 2008.

Human Resources. 'Keys to Best Practice Succession Management.' *Human Resources website*, 25 January 2005, available at: <<http://www.humanresourcesmagazine.com.au/articles/DD/0C02A0DD.asp?Type=60&Category=919>>, accessed 1 August 2008.

Quantum3. 'The Language of Competitive Business Intelligence.' *quantum3 website*, available at: <<http://www.quantum3.co.za/CI%20Glossary.htm#C>>, accessed 8 September 2008.

Royal Australian Air Force. 'Air Force Values.' Australian government, available at: <[http://72.14.205.104/search?q=cache:Ac2RDDSPDf0J:airforce.gov.au/aboutus/values.htm+%22Royal+australian+air+force%22+values&hl=en&ct=clnk&cd=2&gl=auRAAFwebsite?](http://72.14.205.104/search?q=cache:Ac2RDDSPDf0J:airforce.gov.au/aboutus/values.htm+%22Royal+australian+air+force%22+values&hl=en&ct=clnk&cd=2&gl=auRAAFwebsite?>)>, accessed 9 September 2008.

Royal Australian Navy. 'Traditions and Values.' Australian government, available at: <[http://72.14.205.104/search?q=cache:yTyEgH8B9mMJ:www.defencejobs.gov.au/navy/lifestyle/TraditionsAndValues.aspx+%22Royal+australian+navy%22+values&hl=en&ct=clnk&cd=3&gl=auRANwebsite?](http://72.14.205.104/search?q=cache:yTyEgH8B9mMJ:www.defencejobs.gov.au/navy/lifestyle/TraditionsAndValues.aspx+%22Royal+australian+navy%22+values&hl=en&ct=clnk&cd=3&gl=auRANwebsite?>)>, accessed 9 September 2008.

The Chartered Institute for Personnel and Development. 'Succession Planning.' *The Chartered Institute for Personnel and Development website*, available at: <http://www.cipd.co.uk/subjects/hrpract/general/successplan.htm>, accessed 18 August 2008.

ANALYSIS – ADF SUCCESSION PLANNING MODEL

STRENGTHS	WEAKNESSES
<p>Succession Planning</p> <ul style="list-style-type: none"> • The promotion regime for O6 and above, the ‘star’ plot, provides guidance and feedback to ADF O6s on their potential <p>Career Development</p> <ul style="list-style-type: none"> • Early career milestones are articulated in various Service documents, outlining professional development opportunities available at various career stages • The Services have mature and formalised promotion systems • There is an ADF-wide consistent model for personnel appraisal • Professional education and training is structured at the lower levels the ADF • At least in Navy, different weightings are applied to appraisal criteria as officers progress through the ranks, eg for promotion to O6, more weight is applied to breadth of experience than currency in primary qualification • Air Force and Navy have mentoring/coaching regimes <p>Retention</p> <ul style="list-style-type: none"> • Monetary retention bonuses have had some impact on addressing attrition • The recently introduced Home Loan Assistance Scheme provides incentive to achieve maximum benefit for longer periods of service • The recently implemented Graded Officer Pay Scale significantly increased the salary of many officers and may address attrition in the short-medium term 	<p>Succession Planning</p> <ul style="list-style-type: none"> • Promotion is often viewed as a means of recognising performance, rather than organisational fit and potential until O6 • There is no ADF model for promotion, development or career advancement • Postings tend to be focussed on filling vacant positions than developing officers • Talented individuals are not formally identified for development early • There is no emergency succession planning in place for senior personnel • All officers up to O6 rated using the same personnel appraisal system • Values of the three Services and Defence are different - therefore the individual cultures are different and demand different behaviour • Career and development priorities can change with little notice, however, the accumulation of the right experience and development can take many years <p>Career Development</p> <ul style="list-style-type: none"> • Each Service has a different process for developing senior officers, however, they are all eventually required to be able to successfully fulfil the requirements of the same job (many paths, one destination) • Mentoring and coaching is not consistently applied by the three Services • Significant career development milestones (ie ACSC and CDSS) are treated differently by each Service • Beyond, CDSS, there is little formal education for senior officers • Differing levels of mentoring and coaching exist across the Services • The Services treat career gateways for senior officers differently (eg CDSS) • The current appraisal system suffers from escalation and requires review

	<p>Retention</p> <ul style="list-style-type: none"> • Initiatives tend to be remuneration-related with an associated period of service • Postgraduate qualifications are not exploited or rewarded • Up to O6, formal information on potential is frequently inferred from promotion success (or not), and explanations for a lack of promotion success is vague and non-specific • Significant postings and career gateways are only promulgated twelve months, or less, in advance
OPPORTUNITIES	THREATS
<p>Succession Planning</p> <ul style="list-style-type: none"> • Current processes provide a sound basis for further development and refinement to provide a more formal and robust succession plan. • The ‘star’ plot model could be introduced for those officers of mid-range O4 rank and above • Talent can be spotted earlier and individuals can be informed that they have been identified for specific employment and developmental challenges to prepare them for senior positions – likewise, those assessed to have less potential can be informed and provided with a different set of employment and developmental opportunities • The existing personnel appraisal system can be refined to incorporate a more comprehensive assessment of organisational behaviour based on the ADF’s values and place more emphasis on potential • The ADF’s values can be refined into a single set that describes what makes the ADF a successful organisation <p>Career Development</p> <ul style="list-style-type: none"> • Common career gateways and development challenges for all the Services could be established • The development of a common ADF program for mentoring and coaching officers could maximise the potential of talented individuals <p>Retention</p> <ul style="list-style-type: none"> • A single ADF set of organisational ‘liveable’ values would allow 	<p>Succession Planning</p> <ul style="list-style-type: none"> • There could be a lack of sustained buy-in and support from senior leadership • The current personnel shortage may not improve and the Services’ posting regimes could continue to simply fill vacant positions with the first available individual due to high turnover and an insufficient pool of suitable candidates • The Services could fail to identify talent in sufficient time to exploit development opportunities and manage expectations • Nepotism is possible with individuals being promoted on the basis of their relationship with senior officers, rather than a combination of performance and behaviour <p>Career Development</p> <ul style="list-style-type: none"> • The Services are unable to maintain the flow of talent through career gates due to high turnover and operational requirements • Personnel reaching career gates are not promoted <p>Retention</p> <ul style="list-style-type: none"> • Values are not maintained through organisational behaviours • Values do not permeate all levels of the Services and individuals without limited organisational fit are still promoted • Remuneration is not enough to secure commitment from individuals • Less talented performers do not get meaningful employment or

individuals to assess the congruence of these values with their own when making career decisions

- A longer-term posting horizon would allow individuals to plan their future employment and developmental opportunities, balance their family commitments and ensure that their career and promotion expectations were realistic

development opportunities and their expectations remain unmanaged

- Changes to the military superannuation schemes mean that there will soon be no DFRDB or MSBS incentives to encourage service up to and beyond 20 years

ANALYSIS – COMMERCIAL SUCCESSION PLANNING MODELS

STRENGTHS	WEAKNESSES
<p>Succession Planning</p> <ul style="list-style-type: none"> • Significant senior management buy-in, passionate implementation and sustained participation from the highest levels in organisations • Succession plans are values based – performance alone is insufficient to warrant promotion • Personnel appraisal regimes are based on a combination of performance and organisational fit • Formal talent identification and communication encourages expectation management and an understanding of the employment and developmental challenges available to demonstrate potential and prepare for more senior positions • Planning regimes have reached a mature state in many organisations and are now part of the organisational culture • Early identification of talent provides a pool of trained and educated personnel capable of filling top positions in the organisation • Emergency succession planning facilitates effective crisis management • Notice of employment and development opportunities allows employees to plan their future employment and developmental opportunities, balance their family commitments and ensure that their career and promotion expectations are realistic <p>Career Development</p> <ul style="list-style-type: none"> • Career development is viewed as a competitive advantage • Timing reflects natural cycles in business – different for various parts of the business • Individual’s aspirations are aligned with the business culture of the organisation • Mentoring programs, using mentors from within and outside the organisation, provide support and motivation to employees • Development gates and opportunities are common across the various 	<p>Succession Planning</p> <ul style="list-style-type: none"> • Pooling talent can still leave individuals in career ‘limbo’ and without clear direction of likely career progress opportunities • Individuals are not always informed that they are part of the talent pool and only realise it when they are placed on courses • Culture needs to be defined and ‘lived’ <p>Career Development</p> <ul style="list-style-type: none"> • Talented individuals require specific development opportunities and may need to work in various parts of the organisation • Individuals need opportunities to ‘stretch’ them • High turnover, low profit margin businesses like fashion retailing can be successful without succession planning or professional development <p>Retention</p> <ul style="list-style-type: none"> • Too little attrition may lead to less opportunities for promotion – ie retention rate is too low • Communication is vital to maintain the commitment of individuals in the talent pool and those who are not in it

<p>business units in an organisation</p> <p>Retention</p> <ul style="list-style-type: none"> Keeps individuals with organisational 'fit' within the organisation Behaviour based appraisal makes the task of removing non-performing employees more palatable because their performance inadequacies can be linked to organisational culture and values The emphasis on culture means that the right people remain committed to the organisation. 	
OPPORTUNITIES	THREATS
<p>Succession Planning</p> <ul style="list-style-type: none"> Further definition of company values and quantitative and qualitative evaluation of organisational behaviour <p>Career Development</p> <ul style="list-style-type: none"> Wider implementation of mentoring and coaching regimes from within and outside companies More formal regimes to identify talent early in careers and formally communicate the company's intentions to individuals Formalised executive education programs <p>Retention</p> <ul style="list-style-type: none"> Maintain workforce in times of declining and aging workforce Ongoing work to determine and deliver employee value propositions¹ 	<p>Succession Planning</p> <ul style="list-style-type: none"> A senior individual can easily promote or recruit in contravention of the 'culture', thus shattering expectations <p>Career Development</p> <ul style="list-style-type: none"> Talent may not be released for development opportunities When funding is constrained, development opportunities may be cut <p>Retention</p> <ul style="list-style-type: none"> In a very constrained labour market, remuneration may become an issue, not just corporate culture Some companies may be unable to deliver employee value propositions if the workforce becomes increasingly demanding

¹ An employee value proposition is a statement that articulates what employees value about their employer and their employment – these value propositions may vary for different groups over time. An understanding of employees' key needs is required before an employer offers a value proposition. See Australian Institute of Management. 'Newsletter Articles.' Australian Institute of Management South Australia, available at: http://72.14.205.104/search?q=cache:YVm_p1HvA4J:www.aims.com.au/newsletterArticles.cfm%3Farticle_id%3D19+employee+value+proposition&hl=en&ct=clnk&cd=1&gl=au, accessed 9 September 2008.

DEFENCE ORGANISATIONAL VALUES

VALUE	ROYAL AUSTRALIAN NAVY ²	ROYAL AUSTRALIAN AIR FORCE ³	AUSTRALIAN ARMY ⁴	DEFENCE ⁵
Courage	✓		✓	✓
Integrity	✓	✓		✓
Loyalty	✓	✓		✓
Teamwork		✓	✓	✓
Professionalism		✓		✓
Innovation		✓		✓
Leadership and Follower Excellence		✓		
Respect the Rights of Others		✓		
Work / Life Balance		✓		
Diversity				
Honour	✓			
Honesty	✓			
Initiative			✓	
Communication		✓		

² Royal Australian Navy. 'Traditions and Values.' Australian government, available at:

<[http://72.14.205.104/search?q=cache:yTyEgH8B9mMJ:www.defencejobs.gov.au/navy/lifestyle/TraditionsAndValues.aspx+%22Royal+australian+navy%22+values&hl=en&ct=clnk&cd=3&gl=auRAN website?>](http://72.14.205.104/search?q=cache:yTyEgH8B9mMJ:www.defencejobs.gov.au/navy/lifestyle/TraditionsAndValues.aspx+%22Royal+australian+navy%22+values&hl=en&ct=clnk&cd=3&gl=auRAN+website?>), accessed 9 September 2008.

³ Royal Australian Air Force, 'Air Force Values.' Australian government, available at:

<[http://72.14.205.104/search?q=cache:Ac2RDDSPDf0J:airforce.gov.au/aboutus/values.htm+%22Royal+australian+air+force%22+values&hl=en&ct=clnk&cd=2&gl=auRAAF website?>](http://72.14.205.104/search?q=cache:Ac2RDDSPDf0J:airforce.gov.au/aboutus/values.htm+%22Royal+australian+air+force%22+values&hl=en&ct=clnk&cd=2&gl=auRAAF+website?>), accessed 9 September 2008.

⁴ Australian Army, 'Army's Rules for a Fair Go.' Australian government, available at: <<http://www.defence.gov.au/army/Fairgo.htm>>, accessed 9 September 2008..

⁵ Department of Defence, 'The Defence Values.' Australian government, available at: <http://defence.gov.au/publications/defence_values.pdf>, accessed 9 September 2008.

Capability Focussed		✓		
Operationally Ready		✓		
Determination		✓		
Pride		✓		
Dedication		✓		

BENEFITS, RISKS AND COSTS OF IMPLEMENTING A REFINED SUCCESSION PLANNING MODEL

BENEFITS

If the ADF implements a more robust succession planning regime, aligned to organisational culture, across the three Services:

- the ADF will be more able to challenge the commercial world and compete in a 'talent short market' by attracting and retaining talented personnel
- the ADF will not only retain but maximise the potential of senior personnel
- the talent pools will provide a selection of personnel who are considered likely to perform at the highest level and have been consistently developed over time to assume the responsibilities of executive management
- career and promotion expectations will be managed more effectively and this will discourage individuals from striving for jobs and levels for which they are unsuitable and are unlikely to achieve
- talented officers will be developed, challenged and promoted so that they can realise their potential to the benefit of the ADF in a timely manner – after serving at the highest levels in Defence, they will still be able to pursue a second career if desired
- those individuals not selected for talent pools will still be able to enjoy meaningful employment at their ceiling rank

RISKS

If the ADF does not implement a more robust succession planning regime, aligned to organisational culture, across the three Services:

- individuals may leave for organisations that formally manage their expectations
- ADF officers will continue to be inconsistently prepared for senior joint and rotational positions
- the values of the individual Services will continue to produce senior officers with different organisational attitudes and behaviours
- Defence will lose its appeal as an employer because of its lack of organisational culture and application of values
- the ADF will not maximise the potential of its senior officers to effectively and efficiently perform their roles
- some individuals will continue to strive for positions and promotions for they are not suited
- individuals with inadequate organisational fit will continue to be promoted

COSTS

Additional costs of implementation include:

- administration staff across the three Services to administer the succession planning scheme

- policy development, printing, marketing, advertising, workshops etc
- a project team to revisit and promulgate the values that define the organisational culture of the ADF/Defence
- redevelopment and implementation of a new personnel appraisal system that rates performance and behaviour
- significant time investment of senior personnel to implement and maintain a 'star' plot type system for officers above the rank of mid-seniority O4 officers