



# **PDFORRA**

## **EXECUTIVE SUMMARY**

### **TO ACCOMPANY**

#### **THE**

### **Submission of the Permanent Defence Force Other Ranks Representative Association**

#### **(PDFORRA)**

**To the Public Service Pay Commission**

**February 2018**

## EXECUTIVE SUMMARY

### Part I

**The first question asked by the Committee relates to recruitment difficulties in certain cohorts of personnel.** In the foregoing respect, the vast majority of personnel within the Defence Forces are trained “in house”. Thus, difficulties in general recruitment reflect in vacancies throughout the defence organisation.

As such, the following figures are relevant:

Whole Time Equivalent (WTE) figures have been steady at **9,000- 9,100** for the past five years. The Defence Forces have NOT achieved Employment Control Framework figures, which currently stand at **9,500** since 2012. While at the same time recruitment numbers have had to increase exponentially to meet organisational shortfalls. **Figures on recruitment trends are contained within the accompanying submission to this document.** However, year on year between **400 and 500** vacancies remain unfilled across the organisation.<sup>1</sup>

In summary, organisational difficulties in recruiting and retaining personnel have resulted in near, if not, dysfunctional turnover. The current projected recruitment rate of **700** staff is unsustainable, especially so given recent downward trends in initial applicant numbers. The fall, year on year, in applicants for general enlistment is only being offset by panel resilience (actual entrants to service), which cannot be measured to any empirical degree. Current turnover levels have placed onerous demands on training staff, infrastructure provision and impacts negatively on those personnel remaining in service as they have had to assume multiple roles to cover staff shortfall.

The impact, or “churn”, can be seen in the ever increasing numbers of discharge by purchase – **over 1000 in four years.** The requirement to purchase one’s discharge is relatively unique to the Defence Forces. Additionally, “churn” numbers can be seen in the numbers choosing to voluntary discharge before compulsory retirement age is reached. Again, at least over **1000** in four years.

**The second question posited by the Committee relates to what measures have been undertaken to address recruitment difficulties?** Over the past number of years an apparent number of measures have been undertaken by the Department. These measures have included, *inter alia*, increases in pay for personnel who enlisted Post 2011 (integrated pay scale) and Post 2013 (revised pay scale).

Additionally, targeted recruitment advertising has been undertaken in an attempt to secure greater numbers of applicants. Moreover, additional resources have been utilised in an attempt to secure a greater number of female applicants. This has been undertaken too little effect.

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<sup>1</sup> The definition given by the Committee of unfilled vacancies being “ones which were advertised and not successfully filled”, cannot be readily applied to the Defence Forces generally, as vacancies within the organisation are filled by open recruitment and filled on a promotional basis.

It would be fair to say that entry standards have been lowered, especially when one considers that the Competitions Section is actively targeting personnel who initially applied, yet failed to complete the process. In addition, personnel who fail physical tests are being invited to re-attempt these tests after an intervening period.

The following measures are utilised by countries experiencing difficulties in recruiting personnel to the Armed Forces. These measures are outlined in a 2007 NATO recruitment and Retention study document. The following **highlighted** measures were postulated as recruitment and retention tools.

### **“Increases in pay and benefits”**

*This measure has been undertaken by the Department to some extent through the introduction of revised pay scale for Post 2011 & 2013 personnel.*

*However, as part of the negotiations on the Haddington Rd Agreement, the members represented by PDFORRA were not permitted to utilise alternative cost saving measures, such as, additional work hours without pay etc. This resulted in a depression of earning potential in real terms, which has impacted negatively on both recruitment and retention.*

*Additionally, from PDFORRA’s perspective, the pace of restoration has not progressed quickly enough, and with underlying employment structural deficiencies, such as the failure to legislate for the application of Working Time Directive, has resulted in feelings of disillusionment with the Defence Organisation.*

*The failure to address, or even recognise the disparity of treatment, especially as it pertains to the issue of the 10% reduction in the main duty allowances in 2013, and its potential restoration; coupled with the issue of increased PRD contributions by Defence Forces personnel as compared to other public servants is a cause of disenfranchisement amongst serving personnel.*

### **• Family care and quality of life programs;**

*Advances have been made to family friendly policies within the Defence Forces. The recently amended Defence Force Regulation A.11, which governs leave within the Defence Forces has provided for greater periods of Bereavement Leave, and for the introduction of Marriage Leave.*

*Measures introduced previously included Term Time, Carers’ leave, Career breaks and the Shorter Working year Scheme.*

*A report, finalised in 2010, called the “report on Primary Family Carers”, has not been implemented to any significant degree. However, the fact that the report was commissioned illustrates that measures are being undertaken to induce personnel into the Defence Forces; albeit with limited if any success.*

### **• Improved selection and classification metrics to ensure better person-organization and person-job match;**

*No such practice exists within the Defence Forces currently at the recruitment stage. Commanding Officers can give career advice on an individual basis. A new promotional*

*system has been introduced in recent years, however, some personnel have expressed frustration with this system, as it can be quite uncompromising in the promotion of personnel.*

- **Guaranteed training programs;**

*There are no guaranteed training programs, save the delivery of basic military skills courses. Some personnel may enlist for apprenticeships initially and consequentially be permitted to undertake certain courses.*

*Personnel are provided with the opportunity throughout their careers to undertake training programs. In fact, the completion of courses is a necessary element to contractual continuation.*

- **Targeted advertising;**

*Competitions section within the Defence Forces have utilised targeted advertising, especially in an attempt to attract females to the organisation. This has shown limited success in PDFORRA's estimation.*

*PDFORRA is aware that personnel who fail to complete elements of the recruitment process are invited to re-undertake that element of the process.*

- **Lowering entry standards;**

*Deviation from current entry standards will result in additional costs. Current Psychometric testing has a pass level of 30%. As stated previously, Competitions Section has followed up with specific candidates following disengagement by them from the current enlistment procedures.*

*Fitness tests and Physical attributes for entry have been adjusted for female applicants.*

- **Educational incentives;**

*The Defence Forces have a programme of formal recognition of qualifications with the Institute of Technology Carlow. While this provides graduates with formal qualifications, this programme has been in place since 2011, and would not appear to have enhanced the Defence Forces attractiveness as a career.*

- **Retention bonus programs;**

*No retention bonus programmes are in place currently. PDFORRA would suggest that some measure such as this be reintroduced for personnel. A scheme of bonus payments had existed for personnel who enlisted prior to 1994. Its level of success at retaining personnel is unknown.*

*The Australian and British Armed Forces operate schemes such as these for specialist areas, which are under pressure to retain personnel. PDFORRA believes that two such schemes should be introduced. One a completion bonus scheme, which would result in the payment of a bounty upon completion of a certain period of time to all personnel.*

*A second scheme could be introduced to retain specific personnel on a model similar to that employed by the Australian Armed Forces where a bonus is paid on a continuing basis to*

*technicians who sign up to the scheme. Payment is then made on a pro rata basis to the time in service.*

- **Varying contract length**

*Since 1994, with the introduction of the new short service contract, members of the Defence Forces have suffered the insecurity of not having contractual certainty. There is little doubt that this has had a demoralising impact on personnel. The fact that contract renewal has only occurred, in some instances at the last minute, has resulted in the premature departure of personnel from the Defence Forces, as personnel did not have the ability to wait to see if their continued employment was secure.*

*PDFORRA has made suggestions regarding contract duration as a method of retaining personnel, these are contained in an appendix to the accompanying Submission.*

A 2007 NATO report on recruitment and retention states that “*These (the foregoing) practices while meeting short-term objectives can have negative long-term and costly consequences. Unquestionably recruiting and retention are very complex issues and there is no single solution.*”

## **Part II to the Committees proforma address the issue of Retention.**

The first question posed by the Committee asks: **Are there currently retention difficulties for this sector?**

This question is addressed in the “Retention” section of the accompanying report. However, PDFORRA asserts that retention difficulties are being experienced across a broad spectrum of Defence Forces areas. Evidence for the foregoing assertion can be found in Table 12 of the accompanying report. Moreover, Table 13 shows the increased need for recruits to meet corresponding discharge levels.

In respect of question 2 in Part II, PDFORRA has provided supporting figures within certain areas. It will be appreciated by the Committee that it is not possible for operational/security reasons to identify specific areas in detail.

PDFORRA has provided supporting evidence of the lack of success of direct entry competitions for ERA’s within the Naval Service specifically. This is contained within the retention section of the accompanying report. However, it must be considered that some of the skill sets used within the Defence Forces are not readily available in a civilian sphere. Supporting figures are also provided.

## **PART III**

### **Evidence of impact of staff shortages on service provision**

The evidence of the impact of staff shortages will be largely absent because of the unique conditions of service applied to Enlisted Personnel of the Permanent Defence Force. At the core of this is the requirement for all personnel to render service at any time, for any duration necessary anywhere in the State, its territorial sea area or abroad while on UN peacekeeping

or peace enforcement missions. This underpins the ‘can do’ approach of the Permanent Defence Force which is not a feature of public service generally.

In fact service provision is almost always met because of the foregoing approach. Indeed, where the security of the State is concerned, it is hard to see how it could take any other approach. For example, the reform of the Naval Service in the late 1990s and early 2000s came with a recommendation of the Report to the Steering Group on the Review of the Irish Naval Service and Air Corps that rotation to sea should be on the guaranteed basis of two years at sea/two years off sea. In practice almost no enlisted personnel in the Naval Service receive a guaranteed two years off sea and if they did, Naval Service vessel would be tied up for periods and patrols would not be undertaken. An obvious area where operational impact could be seen is the provision of Air traffic Control services, which due to personnel numbers, had to be curtailed to day time periods.

In the case of Enlisted Personnel in the Naval Service, one of the factors driving high turnover levels is long and unscheduled sea service. A comparable situation exists for Enlisted Personnel in the Permanent Defence Force generally where being caught out of turn or too often for security duties, periods of instruction etc. to ensure service delivery promotes dissatisfaction and ultimately unnecessary turnover.

In respect of labour market pressures, evidence compiled by the ESRI has resulted in the prediction of strong economic growth and declining unemployment forecast for 2017 and 2018<sup>2</sup>.

These figures supplied within the ESRI, Winter 2017 report show:

- GDP growth forecast at 5.0 per cent in 2017 and 4.2 per cent in 2018<sup>3</sup>.
- Growth continues to come from domestic sources with a strong forecast for household spending.
- Robust expansion of labour market will continue with unemployment expected to average 6.2 per cent in 2017 and 5.4 per cent through 2018.
- Revised government surplus for 2018 given improved tax revenue collection and under spending.

Traditionally, there appears to be an inverse correlation between applications for membership of the armed forces and unemployment levels. This is due to a number of factors. The principal inhibitors to armed forces recruitment are set out in detail on pages 59-60 of the accompanying report.

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<sup>2</sup> December 13, 2017 Irish Economy News

<sup>3</sup> The Central Bank Quarterly Report revised this figure upwards to 4.4% on the 26<sup>th</sup> Jan 2018

## **Conclusion**

As described in the 2007 NATO report on recruitment and retention to the armed forces, the exact reasons for lack of recruitment and failure to retain personnel is quite complex with multiple factors involved.

The current difficulties being experienced by the Defence Forces, can, to some degree, be appropriately summarised under the headings of Pay, Pension, Allowances and Security of Tenure.

The Defence Forces are somewhat unique in structure and conditions of service amongst the public service generally. This uniqueness manifests itself in contractual arrangements and obligations on personnel to fulfil contractual obligations within benchmark periods.

Members of the Defence Forces currently have contractual periods which result in compulsory discharge long before entitlements to contributory pension arises. Moreover, Central Statistics Office data shows members of the Defence Forces to be amongst the lowest paid public servants on average. These rates of pay contribute to the disincentive to join the Defence Forces initially, and mitigate against remaining when an offer of contract extension is made. In the foregoing context, the changes made to the Pension Related Deduction as it pertained to members of the Defence Forces is perceived as unfair. This perception of unfairness is particularly acute amongst members of the Defence Forces who have attained the ability to enjoy their pension currently and remain in service. These feelings of unfairness arise as should they depart on pension, the State would be obliged to replace them with the attendant increased costs.

It must also be remembered that members of the Defence Forces are in direct competition with workers from the private sector for rental properties and housing stock, with the private sector worker enjoying the ability to earn overtime at set rates.

In a growing economy the need for tradesmen increases with the attendant pay rises. The Defence Forces have seen a significant percentage of specialist trades, including mechanics, fitters, electricians and ICT specialists depart the defence organisation in a relatively short period. The replacement of these personnel takes considerable time due to the need to induct them as soldiers/sailors and airmen first and then provide them with the skill set necessary to undertake their military role.

Given the complexity of the issues involved in the recruitment and retention of personnel, PDFORRA would ask that consideration be given to the convening of an oral hearing to discuss the matters contained within the substantive report.