



National Defence

Défense nationale

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Mr. John Williamson  
Chair, Standing Committee on Public Accounts  
House of Commons  
Ottawa, Ontario  
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Dear Mr. Williamson,

Following the National Defence response to the Committee on Report 5, Canadian Army Reserve – National Defence, of the Spring 2016 Reports of the Auditor General of Canada (Recommendation 5), in April 2022, National Defence is providing its final update to the Committee on the Canadian Armed Forces Retention Strategy.

Sincerely,

Bill Matthews

Enclosures: 1

**Response to the Standing Committee on Public Accounts' Report 5, Canadian Army Reserve – National Defence, of the Spring 2016 Reports of the Auditor General of Canada**

**Recommendation 5**

*That National Defence provide the House of Commons Standing Committee on Public Accounts with an interim report on its progress in meeting its action plan's first two milestones by 31 January 2018, and a final report assessing the effectiveness of its retention strategy by 30 September 2019.*

*On 4 April 2022, the Committee requested that National Defence provide an interim update on the status of the Canadian Armed Forces Retention Strategy by 30 April 2022.*

**Background**

In its spring 2016 report on the Army Reserve, the Auditor General recommended that National Defence design and implement an Army Reserve retention strategy. National Defence agreed to this recommendation and provided subsequent updates to the Committee, including in December 2019, on its decision to expand strategy development to encompass the entirety of the Canadian Armed Forces (CAF).

In April 2022, the Committee requested an interim update. National Defence responded that the release of the Canadian Armed Forces Retention Strategy was imminent and that it would provide an assessment of the Strategy's effectiveness in 2023, thereby concluding this update.

**The Canadian Armed Forces Retention Strategy**

The Strategy, released in October 2022, serves as a guide for the CAF in the development of strategic efforts to retain its members through targeted retention and better human resource practices, informed by evidence. In the first year of release, National Defence has focused on Targeted Retention and building a long-term framework based on data collection from the Unit Retention Interview (URI).

**Focus Area 1 – Targeted Retention**

To set the stage for a future enduring program, the CAF initiated a beta targeted retention program, focused on developing the means and methods to implement targeted retention. More specifically, military leadership selected four occupations from across the CAF that were among those most impacted by current personnel shortages and affecting operational capabilities: (1) Marine Technician; (2) Signals Technician; (3) Aviation Technician; and (4) Physician Assistant.

In each of these occupations, the CAF conducted a detailed analysis identifying drivers and causes for attrition. The goal is to build a suite of proposed activities, and create a framework to measure the effectiveness of the proposed activities.

The beta retention program has led to an initial attrition model that combines historical and new data. The next step in targeted retention will be for Canadian Armed Forces leadership, including of the Canadian Army, Royal Canadian Navy, and Royal Canadian Airforce to leverage the insight from the model to drive their retention efforts based on an evidence-drive data collection framework.

**Focus Area 2 – Retention Framework**

While the first focus area, targeted retention, addresses areas where attrition is impacting operational capability, the second focus area takes a broader and more systemic perspective in order to develop a sustained approach to retention.

Unit Retention Interview (i.e., Exit Interview). The Unit Retention Interview will provide the data-foundation for a longer-term framework. The URI is a semi-structured interview given to a CAF member by a supervisor once the supervisor is in receipt of the member's request for release. During the interview, the member and supervisor explore any options for retention as well as discussing the specific factors that led to the member's decision to depart.

The URI began implementation in fall 2022 and is currently accessible to Regular Force members. The second iteration of the URI, scheduled to be rolled out during the winter of 2023/2024, will begin implementing the URI in the Primary Reserves. Full implementation across the entire Primary Reserves is expected to be complete by the end of 2025. The URI provides two benefits:

- a. Initial Retention. Early URI data indicates that approximately 30% of releasing members would be open to a retention discussion. The URI will provide a platform to enable these discussions and, where feasible and appropriate, retention options can be explored.
- b. Insight. The primary role of the URI is to provide the behavioral data necessary to enable evidence-based retention program development. The interview format of the URI provides a roadmap of the combination of factors and events which lead a member to choose release.

Early data and insight gained since the URI was launched in fall of 2022 is promising. Early results and findings are being provided to stressed occupations, and the URI appears to provide the data necessary to support targeted retention. It is expected that the URI will achieve sufficient sample size for full utility in September 2024.

### **Summary**

One year since its launch, National Defence has advanced the objectives and requirements outlined in the Retention Strategy; namely be developing a beta targeted retention program as well as the URI, the CAF's primary data collection tool. Moving forward, National Defence's retention efforts will be harmonized as one pillar of the larger CAF Reconstitution effort.

National Defence has provided the Committee with the CAF Retention Strategy, as well as this first annual report. This fulfills all commitments related to Recommendation 5 in *Report 5, Canadian Army Reserve – National Defence* of the Spring 2016 Reports of the Auditor General of Canada and concludes reporting on this Recommendation to the Committee.