



National Defence

Défense nationale

Deputy Minister

Sous-ministre

National Defence Headquarters  
Ottawa, Ontario  
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Quartier général de la Défense nationale  
Ottawa, (Ontario)  
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The Honourable Kelly Block  
Chair, Standing Committee on Public Accounts  
House of Commons  
Ottawa, Ontario  
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Dear Ms. Block,

As agreed upon in the Government Response to the 14<sup>th</sup> Report of the Standing Committee on Public Accounts entitled *Report 5, Canadian Army Reserve – National Defence, of the Spring 2016 Reports of the Auditor General of Canada*, National Defence submits its update on Recommendation 5.

Sincerely,

Jody Thomas

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.*

**Background**

In the 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 with the recommendation and committed to developing and implementing this strategy by 30 September 2019, through a four-stage process: orientation, strategy design, implementation, and validation.

In December 2019, National Defence reported that its decision to expand the scope and scale of the initial Reserve Force retention strategy to include the entirety of the Canadian Armed Forces had resulted in delays. National Defence further noted that it had accomplished phase one of the process (orientation) in March 2019, and was in the process of developing a strategic framework that identified high-level priorities. National Defence stated that it would finalize phase two (strategic design) and have a strategy and implementation plan in place by September 2020, and committed to following up with the Committee by December 31, 2020.

At the time of the last update in December 2020, National Defence reported that work on phase two (strategy design) remained in progress to ensure that all ongoing retention efforts were incorporated into the strategy, aligned, and would effectively address attrition among key demographics within the Canadian Armed Forces and within specific trades. National Defence committed to provide the Committee with an update on the finalized strategy design and initial plans for implementation as part of its update in June 2021. Please find this update below.

**Update on phase two (strategy design)**

National Defence remains on track to release a Canadian Armed Forces Retention Strategy and the performance measurement framework in summer 2021. The Strategy will identify the guiding principles, lines of efforts, and strategic objectives that will guide the Canadian Armed Forces' retention efforts, with a particular emphasis on both targeted retention and unhealthy attrition.

Targeted retention efforts, for example, will effectively address the three fundamental challenges of attrition among key demographics within the Canadian Armed Forces: 1) meeting operational mandates/requirements; 2) meeting legislated mandates; and 3) identifying dissatisfiers and barriers.

- **Meeting operational mandates / requirements:** The Canadian Armed Forces' operational capability requires it to retain a certain number of highly specialized, trained,

and experienced military members on a long-term basis.

- **Meeting legislated mandates:** In all recruitment and training, the Canadian Armed Forces must aspire to meet employment equity goals and ensure a safe, trusting, welcoming, and inclusive environment for all, while improving operational effectiveness.
- **Identifying dissatisfiers and barriers:** The Canadian Armed Forces must continue to identify why CAF members choose to voluntarily release from the Forces, including those issues perceived as dissatisfiers to service life, such as personal recognition, terms of service, work/life balance, military family support, and overall culture.

Addressing these three challenges through targeted retention efforts will result in a more effective and lasting strategy that protects National Defence's investment in the expertise and knowledge of its people, and will complement and support the CAF's on-going cultural transformation of creating a diverse and inclusive workforce where everyone feels safe and respected. The Canadian Armed Forces Retention Strategy will address these efforts, and National Defence will provide the Committee with the Strategy once published in summer 2021.

National Defence recognizes that there are gaps and barriers which have contributed to the limited progress of past CAF retention efforts. To help address these gaps and barriers, National Defence established the Chief Professional Conduct and Culture to develop a detailed plan to align Defence culture and professional conduct with the core values and ethical principles the Defence Team aspires to uphold. This ongoing culture change work will complement the CAF Retention Strategy.

#### **Current status: phase three (implementation)**

Once the Strategy is published in summer 2021, National Defence will launch phase three (implementation) which will be managed through a newly established Program Office. The Program Office will put in place governance mechanisms to streamline and reinforce targeted retention efforts. As noted in December 2020, National Defence will require at least 16 months to implement the Strategy and thoroughly assess its effectiveness using the performance measurement framework.

#### **Next steps: phase four (validation)**

At the end of the 16 month implementation period (Fiscal Year 2022/2023), National Defence will release the first Annual Report, which will validate and thoroughly assess the Strategy's effectiveness. This Annual Report will mark the first time Canadian Armed Forces retention activities are measured against the newly developed performance measurement framework. The Annual Report will also serve to qualitatively assess the alignment of existing retention activities, and identify which demographics within the Canadian Armed Forces would benefit from targeted retention efforts in the following year. Validation and assessment of the Strategy will be completed annually thereafter.

#### **Future updates to the Committee**

The first Annual Report, which will include an assessment of the Strategy's effectiveness, will be provided to the Committee in 2023, thereby concluding this update.