



AUSTRALIAN DEFENCE FORCE DEMOGRAPHIC DATA AND CHALLENGES

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Introduction

An organisation is made of people, people determine whether an organisation or company is a good or bad and hence, if it is a successful or a failed company. With technology getting cheaper by the day and easily available, many companies either win or lose because of the human edge. Therefore, the big challenge is to keep and attract talented people. Understanding the characteristics of the internal workforce and analysing them against the external environment will enable an organisation to develop effective personnel policies or strategies. This report will provide an overview of the Australian Defence Force (ADF) demographics, social and other issues that will affect the supply and retention of personnel.

A significant part of the report will look at the gender issues, as females are significantly under-represented in the ADF when compared with both the Australian population and labour force. Although the other significantly under-represented groups are the ethnic minorities in Australia, this report could not cover the subject in detail as the only available data is from the ADF Census 1999.

ADF Age Profile and External Influences

The ADF has a young workforce compared to the general Australian workforce. Table 1 below shows the median ages for the ADF and separately for males and females.

YEAR	Age Range Largest	ADF Median Age	ADF Female	Gen Female Workforce	ADF Male	Gen Male Workforce
1991 ¹	20-29(49.2%)	27	23	34.2	28	36.1
1995 ²	20-29(49.0%)	28	25	35.3	28	36.9
1999 ³	20-29(47.0%)	29	27	36.5	29	37.7

Table 1: Median Age of ADF Personnel

The median age of ADF personnel rose from 27 to 29 years between 1991 and 1999. Therefore, the ADF age profile trend is in accordance with the general population, that is, the ageing population. The ADF workforce is significantly younger than the general Australian workforce. Table 1 shows that the ageing of the ADF female workforce is faster than both the general population and male ADF members. The ADF male population is older than the ADF female population. This indicates that males tend to stay longer in the organisation.

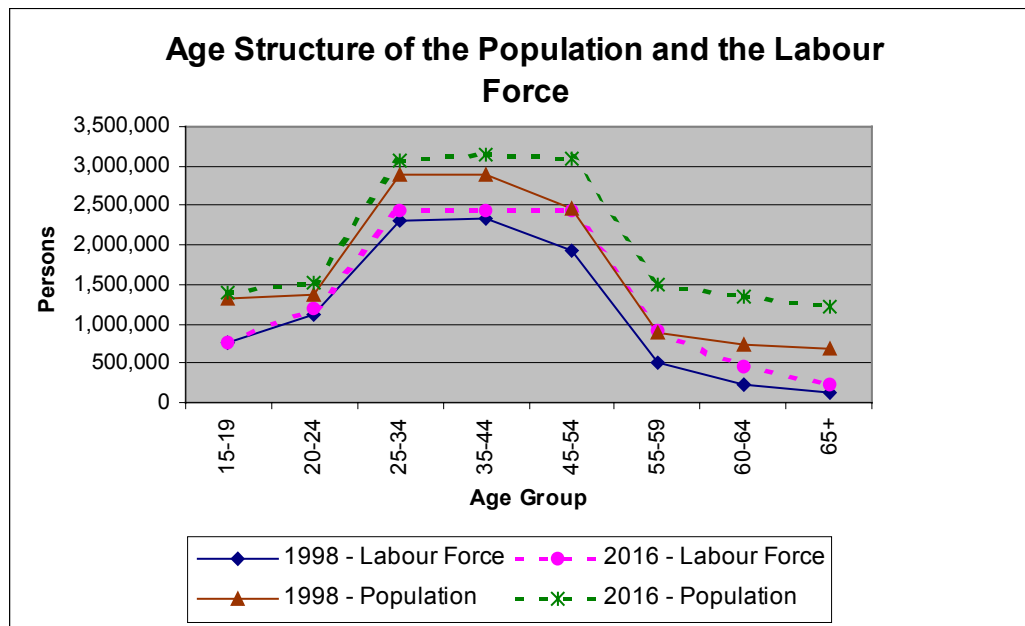
The ‘Ageing Population’ phenomenon in the ADF is also apparent in the general Australian population and labour force. The Australian Bureau of Statistics stated that over 80% of the projected labour force growth is going to be the over 45 age group.⁴ Figure 1 shows the 1998-population structure and labour force projected to 2016. The population graph shows the ageing population and its impact on the labour force. Many employers may have to retain experienced but older employees longer than expected and may have to develop good human resource strategies to attract new staff.

¹ Australian Institute of Family Studies (1991), *Australian Defence Force 1991 Families Census Statistical Summary*, Canberra. The median age is obtained by calculation because this information is not available in the report.

² Roy Morgan Research (1995), *Australian Defence Force 1995 Census Statistical Tables*, vol. 1, Canberra. The median age is obtained by calculation because this information is not available in the report.

³ Roy Morgan Research (1999), *Australian Defence Force 1999 Census – Public Report*, Canberra. The median age is obtained by calculation because this information is not available in the report.

⁴ Labour Force – October 2000, ABS 6203.0, 2000, p.3.



Source: ABS 6260.0 Labour Force Projection - 1999-2016, 2000, p.14, ABS 3103.0 Australian Demographic Statistics - March Quarter 2000, p.20, PC Ausstats Table 1A Projections of Population by Age - 1999-2051 dated 23 Jan 01.

Figure 1: Age Structure of the Population and the Labour Force

Another issue that will have a significant impact on the ADF is its female population. The growth in the labour force for females is expected to be 1.1% between 1998 and 2016 which is larger than for males at 0.6%. The female participation rate is also projected to increase. In 1998, 43.28% of labour force was female, but females made up of 50.24%⁵ of the total Australian population. They are expected to provide a good supply of personnel in the future, and they are also becoming better educated. For example, in 1989, women in the 20-24 age group made up 49% of higher education students and 47 % of those in the 25-44 age group. In 1999, these percentages increased to 52% and 55% respectively.⁶

⁵ Australian Demographic Statistics – March Quarter 2000, ABS 3103.0, 2000, p.14.

⁶ Australian Social Trends 2000, ABS 4102.0, 2000, p.95.

Different Generations

The four distinct generations within the ADF workplace or at any large workplace are the Veterans, Baby Boomers, Generation Xers and Generation Yers or (Nexters). Generation X is the group of people born between 1964 and 1978⁷ and Generation Y refers to those born between 1978 and 1984.⁸ The Baby Boomers, Xers and Yers thus largely represent the current and future applicant pools for the ADF.

The majority of the ADF workforce lies within the 20-29 age group as reflected at Table 1. These people are the Generation X. They are now entering their most productive years in Defence and will progressively inherit the leadership of the organisation over the next two decades. However, there are other generations within the ADF and they do have significant differences in values, goals, cultures, work practices and world-views. This social trend has been very prevalent in the recent management and social scientific literature⁹. Although understanding these generational differences is of paramount importance in shaping the future structure of the ADF, planners should be cautious not to over-generalise and must be sensitive to other issues according to the individual's circumstances. The ADF Exit Survey in 1999 showed that an ADF member's decision to leave was the result of many factors not just a single factor.

Baby Boomers

The Baby Boomers currently fill most of the senior positions in the ADF. They have been the prevailing influence for the last decade and this will continue for the next decade. They are generally poor savers, investing precious little in the future, buoyed by the prosperity of their childhood and early adult years. The bulk of the Baby Boomers will retire between 2010 and 2020 and this will cause extreme pressure on the social security and health systems. They fear restructuring, retrenchment and retirement. Other than having older children at home they may also have an elderly relative for which to care. This may affect their ability to move from place to place. About one-third of the Australian population is aged 40 plus and this large pool of people cannot be ignored. Baby Boomers tend to stay in a particular organisation and usually provide stability to the organisation.

Generation X

The bulk of the ADF personnel are considered to be Generation X. They are the children of the Baby Boomers. Xers grew up as latchkey kids and experienced the breakdown of the traditional family-system. The Xers value high individual freedom and autonomy. Some Xers have deeply seated suspicion and distrust towards traditional

⁷ Howe, N., & Strauss, B. (2000), Generation gaps & training. *Benchmarking – HR news*, pp.1-4.

⁸ Martin, C. (2000). Managing Generation Y. *Generation X – The workforce of the future*. August, Retrieved 9 October 2000, from www.rainmakerthinking.com/backwotf/2000/aug11.htm, p.1.

⁹ Ong, P. (2000). *Discussion paper on top ten factors affecting retention in the ADF*, Department of Defence, Canberra, p.5.

institutions and organisations but it does not necessarily mean they are loyal only to themselves. They decide if they want to be loyal to a particular organisation. Since Xers were the first generation brought up in the fast-paced technology change era, they tend to be at ease with modern technology.

There are a few issues that managers should take into consideration if they want to manage Xers effectively in a multigenerational environment. Generation Xers' work philosophy differs from their parents: 'Xers work to live, not live to work'. The time spent in leisure activities with friends and family is regarded as more important than time at work, and this is the case even though an increasing number of Generation X people decide to remain single. Flexible work-practises – including flexible schedules and location, and a possibility to telecommute¹⁰ are important to them.

Generation X people are self-motivated, believing that the employment-for-life era is over. Therefore, a person has to rely on self-built career security by becoming highly employable through the acquisition of marketable job skills and expertise. At work Xers want to establish an implicit or an emotional contract with their employers. This unwritten contract has a two-way component embedded in it; when the employer is committed to build Xers up with learning opportunities and creative responsibility, Xers will commit themselves to the employer.

There are some other aspects in Generation X people's workplace requirements that somewhat differ from other generations. Often Xers search for creativity independence – to have control over one's work and to have a chance to develop creative solutions. Xers focus on the work and tangible end-results, not on processes or rigid procedures and they occasionally reach the goals through unconventional methods.

Generation Y

This group, or Nexters, are children of Baby Boomers and younger siblings of Gen X. Like their older siblings (Generation Xers) they are independent and techno-savvy. The challenge with Generation Y is that only the first wave of nexters has entered into the workforce. Thus their patterns of work habits and characteristics have not yet been fully established. However, some remarks can be made from the material available. Like their older siblings Generation Y employees relish personal freedom and flexibility at work. They expect their supervisors to trust them when given responsibility. They dislike close micro-management and give their loyalty to managers who are knowledgeable, caring coaches and can mentor them.

Attributing some degree of autonomy to Nexters should not only facilitate the management to socialise Generation Y people to an organisation but would assist in retaining them within the organisation. Nexters want to be treated as colleagues not as

¹⁰ Tulgan, B. (2000). Winning the talents wars: Attracting the talent you need. *Generation X – The workforce of the future*, May, Retrieved 9 October 2000, from www.rainmakerthinking.com/backwotf/2000/may.htm, , p.1.

interns, assistants or “teenagers”.¹¹ A nester who feels that he or she is patronised, subjected to paternalism or not valued by the management will quickly leave the organisation.

¹¹ Martin, C. (2000). Managing Generation Y. *Generation X – The workforce of the future*. August,, Retrieved 9 October 2000, from www.rainmakerthinking.com/backwotf/2000/aug11.htm, p.1.

Retention - Officers and Other Ranks

We have seen in the preceding paragraphs the characteristics of the majority of personnel in the ADF. The challenge for the ADF is to develop relevant policies to attract and retain personnel from the different generations. There must be flexible policies with many options to cater for the different needs. Today, it is not possible to have ‘one size fits all’ types of policies. This section will explore the retention issues within the ADF analysing recent surveys and statistics.

Data collected from personnel leaving the ADF indicate that the ten main reasons for leaving differ between the ranks¹², with some of the reasons being generation and age related. The most prevalent reason for junior ranks to leave was the lack of job satisfaction. Other factors included wishing to make a change while still young enough, but also a perceived lack of reward and low morale were primary reasons. Indeed, when analysing the data by years of service, as opposed to rank, this pattern of results held for the 0-5 years and 6-10 years of service groups. The senior ranks and Officers, however, perceived leaving the ADF as a means to ensure a greater stability (“Desire to stay in one place”) and continuity both for themselves and their families – things that they could not achieve while in the ADF. When tabulated by years of Service the pattern was the same for the more than 20 years of service group.

Some observations can be drawn from this. Firstly, all three rank groups are concerned about the age factor in terms of making career change decisions when they were still young enough to do it. For all rank groups and cohorts “To make a change while still young enough” was the second strongest measured influence on members decision to leave (apart for the 11-20 years service group where it was the strongest reason). It appears personnel, regardless of age and experience, are highly concerned that they might “miss out on something” if they remain in the ADF. Secondly, the bulk of the Other Ranks surveyed (33.5% of the total surveyed are LCPL(E) and CPL(E)) are Generation X. As seen in the previous paragraphs, they have different life, work and career aspiration from the other generations. They need less stability and do not necessarily have or even plan to have a spouse, children or a partner.

¹² Timmins, P., & Christie, M. (2000) *Report on the ADF Exit Survey Trial* (DSPPR RN 1/2000), Canberra: Department of Defence, pp.11-12.

Gender Issues

According to the ABS labour force projection, the female workforce will grow faster than the male workforce will and females are also becoming better qualified. Therefore, the ADF cannot ignore this non-traditional source of labour. The gender situation in the ADF is represented at Figures 2-4. They show the number of male and female Navy, Army, and Air Force personnel between 1990-2000. The red (or dark) columns represent male personnel and the blue (or light) columns represent female personnel. This data indicates that the ADF is still a male dominated organisation, with the absolute number of female ADF members decreasing in the last 10 years. The tables also show that there is a skewed bias present because the number of ADF personnel has shrunk in the last 10 years.

Figure 2: Number of Personnel - Navy

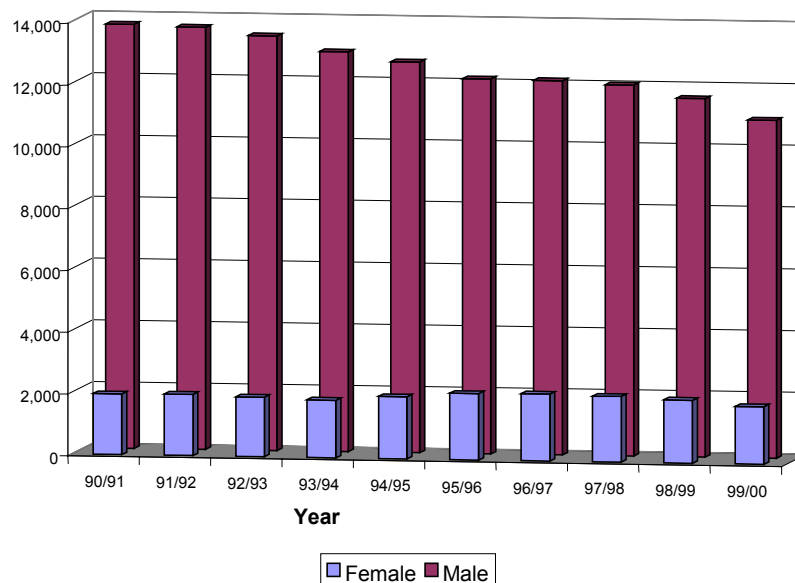
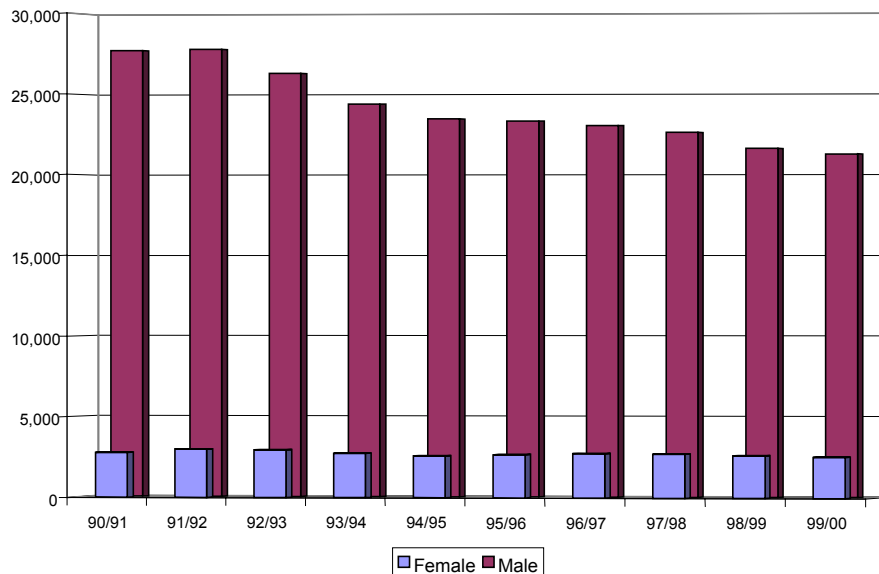
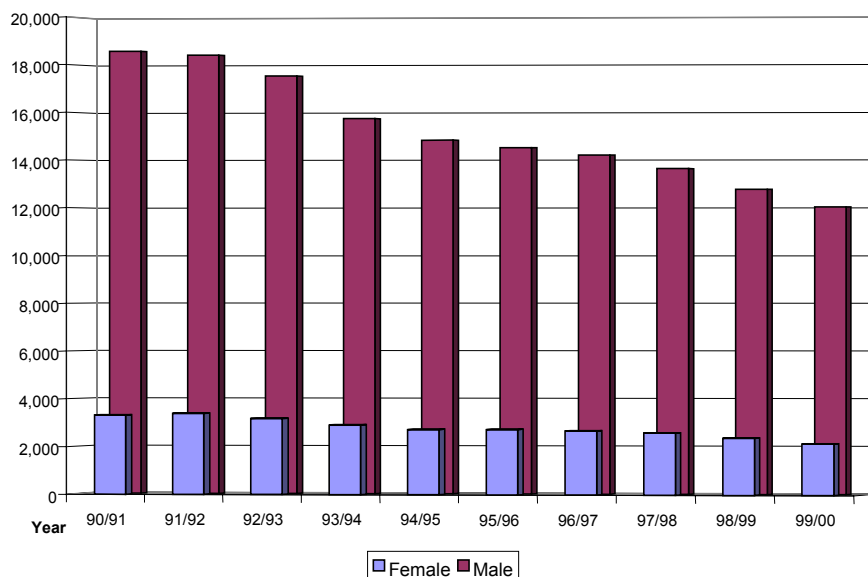


Figure 3: Number of Personnel - Army**Figure 4: Number of Personnel - Air Force**

If the information is analysed for the last five years (1996-2000) the following trends become apparent¹³:

- a. The number of women serving permanently in the ADF has declined over the last five years both in actual numbers (7,698 in 1996 to 6,507 in 2000) and as a percentage of total members (13.7% to 12.82%).

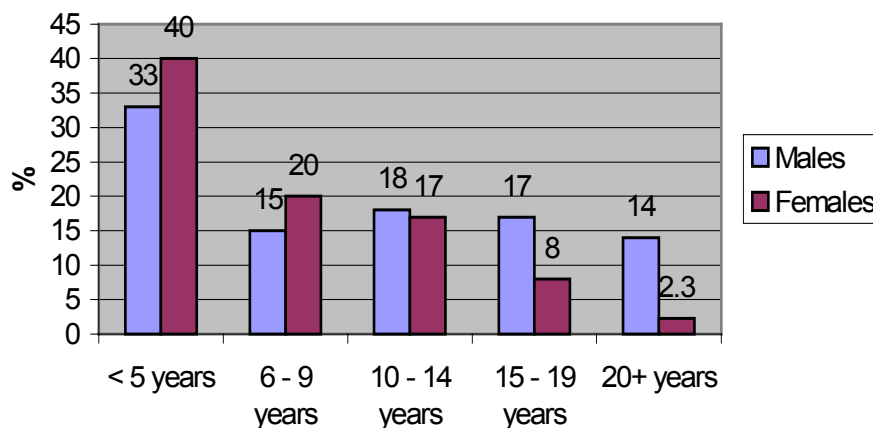
¹³ Defence Reports for the years 1996 to 2000

- b. The ADF has now over 1,000 fewer women than 5 years ago, or a fall of over 15%.
- c. Of the three Services, the Air Force had the highest proportion of permanent female members, with an average of 15.7% for 1996-2000. However, RAAF has experienced the greatest decline with a fall of 24%, followed by the Navy (16%) and the Army (7%).
- d. The number of males has also fallen in actual numbers, but as a percentage of permanent serving members has either increased or remained the same.

The relative decreases have been most pronounced in the RAAF. This could be attributable to the fact that those out-sourced areas have large female representation.

Figure 5 shows the length of service by gender. In numeric terms, the mean length of the service amongst males was 10.6 years, and for females it was 7.0 years. According to the *Australian Defence Force 1999 Census*¹⁴ women were **over-represented** amongst the ADF members who had served less than ten years and **under-represented** amongst those who had served fifteen years or more. However, there was little difference between the sexes for the ten to fourteen years service group. This implies that there is an under-representation of females amongst Senior Ranks and Officers.

Figure 5: Length of Service by Gender (1999 ADF Census)



Quinn (1998)¹⁵ found that in 1995 the men and women of the ADF were essentially similar in terms of their work attitudes. Whilst being a woman (and a mother in particular) was associated with higher levels of organisational commitment, the study

¹⁴ Roy Morgan Research (1999), *Australian Defence Force 1999 Census – Public Report*, Canberra, p.9.

¹⁵ Quinn, K.E. (1998). Gender and work attitudes in the Australian Defence Force. *Unpublished Masters of Arts Thesis*. Macquarie University Sydney.

concluded that the prospect of a promising career was universally appealing and fostered affection towards the organisation. This will result in the desire to continue as a member of it. The latest ADF Exit Survey 1999-2000 had a total of 1,617 respondents. It represents 27.45% of the total number of personnel discharged between 1999-2000. The results at Tables 2 and 3¹⁶ shows that family/stability issues are significant to female ADF members and play an important role in their decision to leave the ADF, but career issues appear more influential (eight out of the ten factors are career related). The majority of the women in the sample were junior ranks (66.8%). Indeed, family/stability and personal issues had more influence on male members to leave the ADF than females.

Reasons for Leaving- Females	MEAN
To make a career change while still young enough	2.13
Lack of job satisfaction	2.05
Desire for less separation from family	1.99
Better career prospects in civilian life	1.95
Insufficient opportunities for career development	1.93
Desire to stay in one place	1.91
A desire for more challenging work	1.88
Limited promotion prospects	1.87
Low morale in my work environment	1.84
Limited opportunities in my present category/trade/mustering or primary qual.	1.8

Table 2: Top ten mean influences on the decision to leave the ADF - Females.

Reasons for Leaving- MALES	MEAN
To make a career change while still young enough	2.42
Desire to stay in one place	2.27
Little reward for what would be considered overtime in the civilian community	2.12
Better career prospects in civilian life	2.1
Lack of job satisfaction	2.09
Insufficient opportunities for career development	1.99
Desire for less separation from family	1.98
Lack of recognition or credit for work done	1.85
Limited promotion prospects	1.83
Desire to live in my own home	1.83

Table 3: Top ten mean influences on the decision to leave the ADF - Males

¹⁶ The mean responses in the Table may be interpreted as follows. For each item, or reason for leaving, exit survey respondents are asked to rate how important the item/reason was in their decision to leave. The mean is thus an average for the total group – a higher score meaning the more significant the reason for the total group.

Notably, although not recorded as a major reason for leaving, about 13% of women list sexual harassment or discrimination as a significant influence on their decision to leave. Burton (1996)¹⁷ also mentions the pressure to conform to male military life is a reason for women leaving the ADF.

The results of the 1999 Defence Attitude Survey, which investigated 'intention to leave', suggested women's intention to leave is influenced largely by their attitudes towards job and career. This is also true for males; however, family and separation issues are also important and significant considerations. This difference could be attributable to the difference in the age cohorts, that is, a greater proportion of women leave around the 30 years age point and at the 5-9 years of service. It would appear that women wish to pursue a more fulfilling employment at a point in their life cycle when some family issues are less relevant (for example family stability, children's schooling etc. which come later in the life cycle). While not possible to establish from the available data, women may also be wishing to establish a family. Clearly, however, the later issues of family stability are not as important to women as they are to men leaving.

¹⁷ Burton, C. (1996). *Women in the Australian Defence Force: The cultural, social and institutional barriers impeding the merit-based progression of women*. Department of Defence, Canberra.

Ethnicity

The ADF 1999 Census is the only available data source providing ethnicity information in the ADF. The question in the census is similar to the ABS census and for the first time direct comparison can therefore be made with the population at large. It identifies the respondent's and respondent's parents countries of births. The capture of such data will continue in future ADF censuses. The ABS considers the third generation migrants as Australians rather than part of an ethnic group.

The last column of Table 4 shows that 86% or the majority of the full-time serving ADF members were born in Australia. The countries in bold such as China, India, Philippines and South Africa registered increases of more than 10% in just four years. Although these are first generation migrants, the second and third generation migrants should be the target groups of employers and they should be nurtured to join the ADF.

	Australia – 1994 ^{a)}		Australia – 1999 ^{a)}		% Change	ADF – 1999 ^{b)}	
	Persons	%	Persons	%		Persons	%
AUSTRALIA	13,761,117	77.07%	14,518,164	76.66%	5.50%	44,851	85.87%
CANADA	26,050	0.15%	27,323	0.14%	4.89%	107	0.21%
CHINA	102,249	0.57%	159,421	0.84%	55.91%	12	0.02%
CROATIA/ SERBIA/ FORMER YUGOSLAVIA	179,426	1.00%	207,628	1.10%	15.72%	75	0.14%
GERMANY	119,914	0.67%	119,941	0.63%	0.02%	190	0.36%
GREECE	143,407	0.80%	142,211	0.75%	-0.83%	7	0.01%
HONG KONG	74,725	0.42%	50,800	0.27%	-32.02%	30	0.06%
INDIA	75,607	0.42%	103,932	0.55%	37.46%	79	0.15%
IRELAND	na	Na	55,209	0.29%	na	89	0.17%
ITALY	264,149	1.48%	245,159	1.29%	-7.19%	37	0.07%
LEBANON	77,173	0.43%	78,901	0.42%	2.24%	14	0.03%
MALAYSIA	81,562	0.46%	92,347	0.49%	13.22%	247	0.47%
MALTA	55,075	0.31%	55,408	0.29%	0.60%	40	0.08%
NETHERLANDS	96,977	0.54%	90,826	0.48%	-6.34%	132	0.25%
NEW ZEALAND	295,866	1.66%	356,961	1.88%	20.65%	986	1.89%
PHILIPPINES	93,176	0.52%	120,816	0.64%	29.66%	60	0.11%
POLAND	70,515	0.39%	69,521	0.37%	-1.41%	47	0.09%
SOUTH AFRICA	56,991	0.32%	73,077	0.39%	28.23%	115	0.22%
UNITED KINGDOM (1999 include Ireland)	1,223,463	6.85%	1,214,992	6.42%	-0.69%	3,696	7.08%
USA	50,156	0.28%	59,669	0.32%	18.97%	85	0.16%
VIETNAM	150,425	0.84%	173,567	0.92%	15.38%	38	0.07%

Sources: a) Australian Demographic Statistics June Quarter 2000, ABS 3103.0, 2000, p.22.

b) Data from the ADF 1999 Census

Table 4: Persons by Country of Birth

The ADF 1999 Census also shows that there were 1.4% who identified themselves as Aboriginal and Torres Straits Islander (ATSI). The ABS Australian Social Trends 2000 indicated that 2.1% of the Australian population considered themselves as ATSI. Therefore, this minority group is also under-represented in the ADF.

Other Useful Trends

We have analysed the internal and external demographic issues and their challenges. Unfortunately there are also other external factors that will affect the supply of labour for the ADF. The job market is the demand side. The Department of Employment, Workplace Relations and Small Business (DEWRSB) provides employment trends for the next five years. Table 5 is an abstract of the information provided by DEWRSB relevant to the ADF. It shows that the job growth for industries in the Retail, Accommodation/Cafes/Restaurants, Property/Business Services, Health/Community Services, Cultural/Recreation Services and Personal Services sectors are all above two percent.

<i>Industry</i>	Jobs Growth % p.a.
Retail Trade	2.1
Accommodation, Cafes and Restaurants	2.7
Transport and Storage	1.2
Communication Services	1.5
Finance and Insurance	0.4
Property and Business Services	4.2
Government Administration	0.3
Education	1.8
Health & Community Services	2.2
Cultural/Recreation Services	2.5
Personal and Other Services	2.3

Source: ABS Labour Force Survey May 2000, DEWRSB trend data.

Table 5: Projected Jobs Growth 1999-00 to 2005-06

The optimistic job outlook will result in better employment opportunities for prospective employees. This will provide more avenues for those deciding to leave the ADF or for those deciding to join the ADF. The situation is further aggravated by the increased demand for highly skilled workers in Australia. 'High skilled workers' are defined as managers, administrators, professionals and para-professionals and 'other workers' as trades persons, clerks, salespersons/personal service workers, plant/machine operators/drivers and labourers/related workers.¹⁸ The highly skilled workers share of the employment market increased to around 12% from 1986 to 1998 (7% between 1978-1985).¹⁹

The job market, prospects and growth for many occupations are bright for future employees. This is a recipe for a very tight labour market that will make it an

¹⁸ De Laine C., Laplagne P., Stone S., 'The Increasing Demand for Skilled Workers in Australia: The Role of Technical Change', Productivity Commission, September 2000, p.x.

¹⁹ *Ibid.*, p.8.

employee's market. Employees will be able to dictate the terms and conditions of their employment and will not hesitate to leave an organisation that does not look after its workers. Therefore, the challenge is to become an employer of choice to attract and retain the skilled workers.

Conclusion

The ADF is generally a young workforce but it is continually ageing at the rate of approximately one-percent every four years. This trend is identical to the Australian population and labour force. Females in the last four years are ageing faster than males. Females will also provide a good pool of labour in the future. These are important factors that must be taken into consideration when developing personnel policies and strategies.

The existence of different generations who have different needs, aspirations and expectations do complicate matters and planners must have flexible systems in place if they want to attract and retain their staff. Baby boomers will remain in the workforce for the next two decades. Generation X and Y are the future leaders of the organisations and both like freedom and flexibility at work.

Females are significantly under-represented in the ADF and they are the non- traditional source of supply of labour. In the last five years their numbers are declining and the ADF must address this problem. The other sources of labour are the ethnic minorities including ATSI who are significantly under-represented in the ADF. Labour especially the skilled and talented will become a scarce resource in the future as the population continues to age and the growth rate begins to decline.

