TDI•VANGUARD

Shaping the future of Defence

People and Skills Workstream

First Report on Key Findings

Contents

1. Executive Summary

To leverage our position as an early-careers collective sitting across the largest public and private organisations in Defence, we organised a series of workshops to understand what improvements can be made to the recruitment and retention of young people in the sector. We identified three themes for change, and one key area where investment will not return value for money:

- **The Pace of the Defence Sector**:
    - This was highlighted as the primary frustration among young people within Defence, standing in sharp contrast to its self-styled image of dynamism. The perception that Defence has a cultural resistance to change must be addressed if it is to attract and retain the right talent.

- **Face-to-Face Working:**
    - Increased levels of Remote Working during and after the pandemic are a significant barrier to development for younger workers, limiting skills growth and job satisfaction. We recommend a blended approach, with targeted in-person days for large teams, and a renewal of in-person team-building events and social clubs.

- **Dynamic and Open Recruiting:**
    - Changing recruitment efforts to place greater emphasis on the sectors' role in homeland Defence, as well as the variety of available roles, will attract a broader talent pool. Transparent recruitment and efficient internal mobility will better leverage a skilled workforce. Additionally, the use of social media will help in reach younger people more effectively.

- **Pay and Benefits:**
    - Our research suggested this was not a key issue to address retention, and that instead effort would be better focused on the areas identified above. This is supported by quantitative research too.

2. Introduction

Team Defence Information (TD-I) is a pan-defence trade association which works with the Ministry of Defence (MOD), Industry, and Academia to advance policy and collaboratively develop solutions to problems facing the sector[1]. TD-I Vanguard sits within this as a voluntary association of young professions from various domains, employers, and roles, working collaboratively on projects.

2.1. Sector-wide Challenges

The People & Skills workstream aims to provide insight into the recruitment and retention challenges facing the Defence sector amid an unstable international environment. During decades of relative security, the sector did not see significant growth. However, the sudden surge in demand after the full Russian invasion of Ukraine in 2022 has exacerbated existing shortages[2]. Over the past three years, defence vacancies have increased by 82%[3]. Furthermore, a 2024 survey revealed that 83% of senior industry leaders fear skill shortages will drive a technological lag, and 77% are concerned with a decline in defence capabilities[4].

However, despite senior leaders identifying and quantifying the issue, there has been little investigation into one of the key problem areas, those in early careers; any long-term resolution to the skills shortage must fix recruitment and retention of those at the beginning of their working lives.

Given these gaps in the current literature, we saw an opportunity as TD-I Vanguard to help. Working with Dick Dixon in Strategic Command as our sponsor, we have leveraged our position as a cross-industry early careers group to provide insight into this topic.

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[1] TD-I website. https://www.teamdefence.info/about/

[2] https://www.mckinsey.com/industries/aerospace-and-defense/our-insights/the-talent-gap-the-value-atstake-for-global-aerospace-and-defense

[3] https://www.thetimes.com/article/18fce9fb-c2d1-49e5-9314fde48691f2bc?shareToken=81ca1a672e0830d7cc52bef9baf9aff2

[4] https://www.guidantglobal.com/news/uk-s-defence-sector-at-risk-of-falling-behind-other-countries-as-the-stem-skills-shortages-rage-on-

2.2. Methodology

As a group with members across defence, we were able to reach back into our home organisations to access a large pool of young professionals. To utilise this, we organised a series of workshops to capture the thoughts of this cohort. Given the limited research on the subject, we believed workshops would be the most appropriate way to gather data, as they could accommodate a range of inputs.

We chose workshops over surveying as, though they provide richer quantitative data, they rely on a well-designed question-set targeted at the right people. Without the foundational research of the workshops, we did not feel able to structure such a survey. We captured the inputs from over 50 young professionals over five separate sessions. The attendees worked at MOD, Babcock, Thales and Boeing, in both technical and non-technical roles.

3. Retention: Areas for potential improvement

3.1. Slow pace of the sector

Across all workshops, participants highlighted that the pace of the defence sector was too slow, both in day-to-day operations and in adopting of new ways of working. This is compounded by the fact that those new into their careers are enthusiastic and keen to prove themselves by taking initiative and applying new approaches to existing problems.

This is shown in the high frequency with which workshop participants identified the opportunity to work on high-end technologies and programmes as a core benefit of the job. However, this enthusiasm collided with a frustration with current processes and structures in place, which limited their ability to do so.

The workshops invited participants to identify the positives ('gains') and negatives ('pains') of their Defence careers. Bureaucracy was universally identified as a primary pain. Whilst this criticism is common in many large organisations outside of the sector, the ubiquity with which it was highlighted is noteworthy. A significant friction point is the interface between Industry

and MOD. Despite good relations between the two, the level of process and perceived 'double working' hinders projects. Additionally, resistance to changing these processes or applying common-sense flexibility as in purely commercial markets further limits the speed of the sector.

Within MOD in particular, this extended further with participants identifying severe delays in internal administration as a 'pain'. In one instance, over a 10-week placement for a graduate rotation, it took the first nine weeks to receive their laptop and password. In other instances, key internal departments could be reached by appointment only, with a response time of often over two working weeks. Both these examples are severe productivity losses, and caused clear job dissatisfaction for those who experienced them.

Underlying all of these examples is a perception that the sector has a cultural resistance to change, standing in contrast to the cutting-edge technology it aims to develop. This manifests in both the continued use of cumbersome processes, and in the difficulties implementing new technologies or ways of working due to lengthy approvals processes.

Whilst the nature of Defence means regulatory scrutiny is necessarily high, the degree to which this is seen to stifle efforts to introduce change has led to a perception that Defence is as one attendee put it "10 years behind" non-Defence sectors.

It is this sense of comparative dynamism in other fields that we have identified as a particular challenge for ongoing retention of those that Defence needs to recruit to continue to deliver first-class capabilities to the frontline. Using more detailed research, we hope to refine our insights as well as begin to identify specific areas of friction and potential solutions.

3.2. Face-to-Face Working

COVID-19 saw the shift to remote working, a trend largely persisting post-pandemic. This change has improved work-life balances and reduced travel times, but has also limited social interactions and networking opportunities. Our research found that while young people appreciated the benefits of Working from Home (WfH) and largely felt they had supportive

teams, they highly valued the innovation, networking, and social opportunities of Face-to-Face (F2F) working and believed more could be done to enhance these aspects.

Participants across multiple workshops identified the replacement of in-person meetings and training with online versions as a core issue. This limits the ability to build working relationships within teams, particularly affecting younger workers and new starters who rely on these relationships for informal development, and for accessing institutional knowledge.

Both industry and government workshops highlighted that F2F working helps break down stovepipes in Defence. The previous section identified frustration with the pace of change as a primary retention issue. Our research suggests that the lack of F2F interaction may exacerbate this by slowing the development of new starters and failing to break down silos.

Beyond personal development, participants also discussed the social limitations of WfH; limited F2F working reduces social connections, particularly among those who had moved to a new area for their role.

These criticisms of WfH and its adverse effects on younger workers are supported by wider research. For example, 2022 research by the Parliamentary Office of Science and Technology (POST) found that whilst two-thirds of respondents felt that their productivity was the same or higher when WfH, younger workers (18-29 year old) saw less benefit with only half that figure reporting fewer distractions[5]. Additionally, whilst 47% reported improved wellbeing from WfH, it was found that those living alone or in house shares were the most likely to feel WfH negatively affected their mental health. This living situation is far more common among young people.

While mandatory office days might seem an easy fix, attendees recognized the benefits of WfH, especially for those with young families. A common sentiment was to more formally organise F2F working within teams. Suggestions included 'team days,' in-person training, and

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[5] Natasha Mutebi, Abbi Hobbs. (2022, October 17). The impact of remote and hybrid working on workers and organisations. UK Parliament Post Brief. doi:https://doi.org/10.58248/PB49

volunteering during work hours. Additionally, attendees expressed interest in out-of-hours social opportunities, both team-based and early-career specific, as well as workplace clubs (e.g., sports or hobby clubs) to improve networking, social wellbeing, and ultimately retention

4. Retention: Existing Strengths

4.1. Pay and Benefits

While some workshops highlighted pay as a motivator for taking a job in Defence, it emerged across all the workshops that pay and benefits were largely satisfactory, making it a non-critical issue for retention. Nevertheless, we felt it important to highlight and understand what current pay and benefits look like for those starting their career in Defence.

In Defence, there is significant variation in pay between MOD and private industry. Despite the variation in upfront pay, MOD roles benefit from a highly competitive pension scheme. However, in our research, pension benefits did not emerge as a motivator for young people, and was not something they gave significant thought to when accepting the position. In comparison, industry provides higher upfront salaries and greater opportunity for performance-based incentives. We believe this nuance should be borne in mind when discussing recruitment and compensation, despite overall satisfaction.

To compare our qualitative research with external figures, we analysed pay across the UK. The average full-time salary is £36,700, according to the Office National Statistics (ONS). Young people below this figure, with 18 to 21-year-olds earning on average £24,400, and 22-29 earning £32,292[6]. Utilising the labour market analysis tool Horsefly, a comparison was made of graduate earnings in non-Defence sectors (e.g. marketing, financial services) with Defence graduates[7]. UK-wide early careers salaries showed near parity with those in Defence; Defence graduates earned 1.2% more a year more than the national average of £36,444.

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[6] Earnings and hours worked, age group: ASHE Table 6 - Office for National Statistics
[7] Labor Market Analytics Firm | Horsefly Analytics

Additional analysis showed some small pay variation depending on the specific role and area of Defence, with technical roles earning on average 3% more than non-technical positions.

Results from the workshop and supplementary analysis reinforce a conclusion that pay is largely in-line with other early-career and graduate opportunities across the UK, and that the variation within Defence roles is expected and dependent on the level of technical skills required. Instead, room for improvement in retention appears more centred on other areas discussed in this report.

5. Recruitment

5.1. Image of Defence

We identified the image of the Defence sector as hindering the recruitment of those in early careers. Our research identifies potential improvements to the message delivered by the sector, and the channels used to deliver it.

Additionally, whilst many of those sampled in this study made an active decision to join Defence, a number of participants had joined hybrid defence/civil companies. Having not taken the same path into the sector, this particular group offered an alternative, 'outside', perspective into potential improvements Defence can make to its image.

Across those we sampled, there was strong consensus that current recruiting and marketing material from the sector solely emphasises combat and battle-readiness. This poses challenges to the image of the sector for two reasons. Firstly, the messaging itself was off-putting to some, particularly those who had not joined the sector directly, and secondly, it obscured the range of roles that are available within Defence.

To remedy this, a number of participants suggested pivoting recruitment campaigns to reflect a more diverse spread of the roles available in Defence. This was reinforced by those who have joined hybrid defence/civil companies, proposing a greater emphasis on Defence's involvement with humanitarian missions, and the development of new technologies.

Furthermore, though any communications around Defence must necessarily include combat effects, pivoting the emphasis towards their deployment for homeland defence was suggested by many as a positive change, particularly as we move into a more unstable international environment. To engage those in early careers more effectively, a shift to more modern communication channels is needed. This must involve far greater use of social media platforms to advertise jobs and sector areas more effectively, rather than a traditional reliance on television advertising or LinkedIn.

5.2. Aligning skills and roles

The final area of potential improvement is in the alignment of skills and roles. Getting this right has benefits for both employees and the sector as a whole, boosting individual satisfaction and more efficiently exploiting the existing skills-base.

A theme that emerged across a number of workshops was 'under-utilisation', where participants did not feel they had been placed in roles which maximally utilised their existing, often technical, skillset. Two potential causes were identified; overly general recruiting drives, and a lack of flexibility regarding internal mobility.

Participants gave a number of instances of STEM graduates working in roles that did not utilise their existing skill-set or match the role they thought they were starting. For example, one case was highlighted of an engineer specialising in energetics spending significant amounts of time writing internal newsletters rather than working on technical tasks. In another case, a surplus of engineers in some areas led to tasks being arbitrarily split in two in order to keep all busy.

These cases were demotivating to those involved, and are an inefficient use of resources in a sector with self-recognised shortages of technical skills. More transparent recruiting, to allow better matching of skills to roles initially, and easier internal mobility to allow skills to be redeployed to areas they are most needed would help overcome this.

Both of these themes emerged predominantly in the MOD workshops. Given this, and the subsample of workshops this represents, we are keen to test this initial hypothesis with further research to understand how widespread this is versus individual examples.

6. Conclusions & Next Steps

Our research identified three areas to improve recruitment and retention in Defence, and one area where investment may be less effective.

The primary frustration across workshops was the slow pace of change, compounded by current F2F working arrangements that limit early career development and exacerbate stove piping.

In recruitment, it was found that changing the Image of Defence and using different channels could attract more young people. Additionally, improving recruitment processes can lead to better use of existing skills and increased satisfaction.

Conversely, pay and benefits were identified as an area which is not driving dissatisfaction, and should not be the focus of investment and effort in improving recruitment and retention.

Looking to the future, Vanguard aims to build on this initial research. Whilst the workshops provided valuable insights without prior research, they had a small sample size. In future, we could expand our sample through surveys, reaching more people and testing our initial hypotheses on a larger scale. It would also enable us to identify specific areas for improvement in recruitment and retention by job family and location. As with the workshop stage, we would hope to leverage the Vanguard network in the next steps.

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