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BRIEFING

# Remuneration and its Motivation of Service Personnel

## Focus Group Investigation and Analysis

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Prepared for the UK Ministry of Defence

The research described in this report was prepared for the UK Ministry of Defence.

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# Preface

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This document, prepared for the Service Personnel (Policy) (SP(Pol)) directorate within the UK Ministry of Defence (MOD), presents key findings and trends from a series of focus groups which RAND Europe conducted at a tri-Service level. The objective of this work was to better understand the views of **servicing** personnel of the pay and allowance package provided by the MOD and to identify trends for further analysis.

After analysing the responses of focus group participants in light of the project objectives, a number of key findings stand out. These are:

- The remuneration package is complex and difficult to understand
- The current basic pay package and pension scheme are satisfactory
- Aspects of the remuneration package drive unwanted behaviour
- Other factors more directly impact recruitment than the remuneration package
- There is an overwhelming and widespread desire for less stretch and disruption in Service life

This report does not purport to provide an statistical extrapolation of the views of the British Armed Forces—in fact the use of focus group are a qualitative research technique, and, thus, do not aim to draw statistically significant findings; however it does provide a strong evidence base and highlights key trends and areas for further analysis. This will assist SP(Pol) in more extensive examinations of the MOD’s remuneration scheme and will be a useful input into the Strategic Remuneration Review.

This report will be of interest to UK defence policymakers working in the Human Resources field. It may also be of wider interest to other parts of the MOD, other personnel professionals, and academics.

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# Contents

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Preface.....	iii
Summary.....	vii
Acknowledgments.....	xiii
Abbreviations.....	xv
<b>Introduction .....</b>	<b>1</b>
<b>Key Findings.....</b>	<b>6</b>
<b>Project Methodology.....</b>	<b>8</b>
<b>Focus Group Conduct and Composition .....</b>	<b>13</b>
<b>Focus Group Perceptions .....</b>	<b>20</b>
<b>Linking Questions to Target Issues .....</b>	<b>40</b>
<b>Areas for Further Study.....</b>	<b>49</b>
<b>APPENDICES .....</b>	<b>53</b>
Appendix A: Focus Group Protocols.....	54
Appendix B: Focus Group Demographics.....	58
Appendix C: Aligning Perception of Remuneration Provision and Outcomes.....	62





# Summary

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This document, prepared for the Service Personnel (Policy) (SP(Pol)) Directorate within the UK Ministry of Defence (MOD), presents key findings and trends from a series of focus groups which RAND Europe conducted at a tri-Service level. The objective of this work is to better understand the views of serving personnel of the pay and allowance package provided by the MOD and to identify trends for further analysis.

Within the context of this project, the MOD wished to examine six key issues relating to the overall remuneration scheme. They are:

- Motivational utility of specific pay and allowance packages
- Ability of the remuneration package to encourage military recruitment
- Satisfaction with the current remuneration package
- Career aspirations and the role of remuneration
- Impact of home ownership and family stability
- Identification of additional remuneration options

## Key Perceptions/Findings

After analysing the responses of focus group participants in light of the project objectives, a number of key findings stand out. While we examine these in greater depth later in this report, a summary follows:

- **The remuneration package is complex and difficult to understand:** Nearly all of our focus groups describe the current pay and allowance package, particularly allowances, as complex, difficult to understand, and difficult to determine eligibility and entitlement. Service members do not know what allowances they are entitled to, nor do they find it easy to claim allowances—either through, from their perception, ill-informed clerks or due to inadequate direct information from the MOD.
- **The current basic pay package and pension scheme are satisfactory:** Focus group members are largely satisfied with their basic pay and pension arrangements. Individual participants have some specific negative comments regarding pay and promotion banding introduced in Pay2000 and the lack of additional pay for operational deployments; however, these concerns are not salient across all focus groups, and, in general, pay and pensions have a positive impact on Service members.
- **Aspects of the remuneration package drive unwanted behaviour:** There are many cases where eligibility requirements concerning certain allowances are incentives for Service personnel to act in ways contrary to MOD aims or expectations. Three particular examples stand out; in some cases, the benefits of promotion (particularly to the non-commissioned officer ranks) are mitigated through insignificant pay increases

coupled with increased responsibility and expense (mess bills, for example). This lessens the attraction of promotion to certain Service personnel. Likewise, some Service members feel pressure to marry because of the resulting increased benefits (eligibility for a married quarter, increased displacement allowance, etc.). Finally, the eligibility requirements surrounding allowances, such as Continuity of Education Allowance (CEA), encourage Service members to contort their mobility behaviour in order to continue sending their children to boarding school.

- **Other factors more directly impact recruitment than the remuneration package:** When examining why people joined their respective Service, the focus group participants rarely cite remuneration reasons as direct factors for joining the Armed Forces. Other factors, such as lifestyle and family/colleague experience, appear to be more directly relevant. However, the pay and allowance package might *indirectly* impact recruitment through its influence on perceptions of Service life or experiences of former Service members (who, in turn, influence others to join the military).
- **There is an overwhelming desire for less stretch and disruption in Service life:** Although not directly related to remuneration, the focus groups reveal a desire for reduced stretch and disruption in their careers. Stretch is seen as causing more frequent deployments and operational tours, or increasing the hours and intensity of work. Disruption often occurs in two forms—short-term disruption caused by Service requirements such as postings or operations and longer-term disruption which impacts on family stability, education, spousal career, etc. The salient view of the focus groups is that the remuneration package should mitigate the effects of stretch and disruption.

## Focus Group Methodology, Conduct, and Composition

For this project, we used focus groups as the method to capture Service member perceptions about their remuneration package. Focus groups are a qualitative research method where multiple groups of individuals are asked to discuss a topic to gain insights into their perceptions and attitudes. Questions are asked in an interactive group setting where participants are free to talk with other group members.

During a two-week period at the end of January and beginning of February 2006, we conducted twenty-seven focus groups with MOD Service personnel at seven locations in the UK<sup>1</sup>. Within each site, groups were divided by rank structure<sup>2</sup>, in order to provide an environment where participants felt comfortable sharing their candid comments. This structure also allowed them to focus on issues and areas that most affected them.

Overall, 162 serving Service personnel participated in twenty-one groups. Additionally, we held a session at each site for military spouses/partners in order to capture their views as well. A total of 35 spouses/partners participated in these sessions.

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<sup>1</sup> The sites visited were: RAF Cottesmore, RAF Halton, Northwood, Blandford Camp, Bulford Camp, HM Naval Base Portsmouth, and HM Naval Base Plymouth.

<sup>2</sup> The rank groups were Officers, Senior NCOs, Junior Ranks, and Spouses.

Each of the focus groups lasted between 70 and 90 minutes. The semi-structured protocol allowed the project team to guide the groups and so ensure that their discussion was consistent and also flexible and dynamic. A facilitator led focus groups while another member of the project team took notes of the session. The note takers attempted to capture the essence of the discussion and used the participants' own words to the greatest extent possible. After completion of the groups, we summarised the sessions and entered the data into a software package designed to assist in data analysis. By being able to look at responses both across all sites, but also within rank or Service groups, we were able to determine which perceptions were *salient* to their respective groups. The salience of responses is the crucial factor when identifying key trends across the various focus groups. Salient responses are those that occur across a majority of the groups and, thus, can be taken to be more representative of the groups' views than those responses that only occurred in one or two groups.

The question protocol that we used can be found in Appendix A of this report; further focus group demographic information can be found in Appendix B.

## Focus Group Perceptions

When asked why they joined the Armed Forces, group participants provided four reasons that were salient across the groups. Opportunities to travel, a family history or experience with the military, a career with job security, and the only/best option available at the time were the reasons given across all groups. Within Service and rank groupings, officers tended to join because of altruistic reasons while junior and senior ranks joined because it was the best option available to them at the time. Within the Services, Navy personnel expressed an interest in joining the military for the training opportunities provided.

When looking at positive aspects of being in the Armed Forces, six factors were salient across all groups: career options and job security, remuneration (especially pensions), camaraderie, lifestyle (to include sport and adventure training), variety (in both job opportunities and posting locations), and the opportunity for travel. Within the different rank groups, officers tended to view job variety, camaraderie, and responsibility as positives, while junior ranks appreciated the military lifestyle involving travel, sport, adventure, and social opportunities.

Turning to negative aspects of the Armed Forces, three factors stood out: disruption—both in terms of family instability and the imposition of short-term requirements, (over)stretch issues, and some remuneration factors, to include Pay2000 'banding' and instances of insignificant pay rises upon promotion. Within the rank groups, officers and senior NCOs voiced concerns about (over)stretch, while spouses stressed displeasure about the impact of family disruptions.

When looking at factors which provided the greatest influence in deciding to stay in the Armed Forces, focus group members provided four salient reasons: remuneration options (primarily concerning the pension), desire for reduced disruption, career and promotion prospects, and job satisfaction. Within rank groups, junior ranks most valued job security and lifestyle factors while officers and spouses focused on reducing (family) disruption.

There were several comments about the overall remuneration package. The pension was almost universally perceived as a positive factor; most basic pay (or rate of pay) comments were positive,

with the exception of Pay2000 'banding' which could disincentivise promotion and pay levels for hours worked. The allowances received a mix of positive and negative comments.

When asking focus groups what actions the MOD could take to encourage people to stay in the military, four reactions were salient: reduce disruption, reduce stretch, provide better communication regarding remuneration issues, and improve perceived disparities among the Services. Focus groups also made three salient suggestions of additions to the remuneration package to encourage retention: to increase operational/deployment net pay, improve the childcare provision, and improve the disturbance allowance to assist single personnel. There was no consensus regarding suggestions of the remuneration package to cut, although there was a very strong divergence of views over certain allowances.

## Linking Questions to Target Issues

We are now able to relate the perceptions of the focus groups to the MOD's target issues identified at the beginning of this summary.

- *Satisfaction with the current remuneration package:* The salient view of the focus groups is one of satisfaction with the pay and pension package. Together, *amongst those still serving*, the package as a whole is sufficiently attractive to encourage officers, NCOs and Junior Ranks and their spouses or long-term partners to accept the demands of Service life. The salient view of participants, however, is that pay does not compensate for the increased stretch that they now face. Allowances are considered to be unsatisfactory overall, particularly so in the way in which they mitigate the effects of disruption.
- *Motivational utility of specific pay and allowance packages:* Pay and pension motivate personnel in the Armed Forces to remain in their Service until pension entitlement. The perception of the focus groups is that personnel leave when the attraction of the pay and pension package is outweighed by the effects of disruption. Of the two, the pension is seen as the more important. The salient view of the focus groups is that the allowance package is difficult to understand and use due to the perception of it being too complicated and poorly communicated. They see some allowances as contradictory or a distortion of normal behaviour, motivating claimants to accept other compromises to continue receiving certain allowances.
- *Ability of the remuneration package to encourage military recruitment:* The perception of the focus groups is that pay and pension are amongst many potential influences that persuade personnel to join the Armed Forces. Pay has an indirect effect for those that conclude joining the Forces is their best option. Serving family members are an important influence on many who join. We discuss above the positive perception of the focus groups of their pay and pension and so we believe that both have a positive, *indirect* link to recruitment. Other non-financial, quality of life factors also encourage people to join.
- *Identification of additional remuneration options:* Participants identify few potential changes to the remuneration package. Their proposals include increasing net pay for those on deployment or operations; improve childcare provision; improve other allowances associated with disruption (particularly for those moving location; remove

differences in allowances between the Services and between married and single personnel and those in long-term relationships; and remove the pay (and promotion) anomalies associated with Pay2000.

- *Career aspirations and the role of remuneration:* The common theme of the focus groups is that career progression is linked to promotion. Some of these groups see promotion as a tool for retention as being positive, too. None of the respondents link promotion and pay or pension, except where they discuss the negative effects of Pay2000. Some respondents comment that promotion causes disruption. We expect a link to exist between career aspirations and remuneration, since pay and pension play such an important role in career satisfaction as discussed above
- *Impact of home ownership and family stability:* Though the protocol asks participants about home ownership, the focus groups express no salient view linking home ownership and family stability. The overwhelming perception that more needs to be done by the MOD to counter the effects of disruption focuses on the ability of spouses to work, access to medical facilities, and education of children. Consequently we found no evidence linking the demographic responses and perceptions on home ownership. Some participants comment on the allowances MOD offers to assist home ownership, but these are not often mentioned views.

Finally, we identified a number of areas that require further study on the basis of questions raised during this series of focus groups and the resulting analysis. By examining these issues in greater detail, the MOD will be able to better formulate remuneration policy and improve its impact on the behaviour of Service personnel.



# Acknowledgments

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This work could not have been accomplished without the assistance of many individuals. Mrs. Sara Parry, Deputy Director SP(Pol) Audit, commissioned this study and provided direction and support throughout the project. Additionally, Commander John Harbour, Lieutenant Colonel Nigel Harrison MBE, and Squadron Leader Ian McWilliam from the Ministry of Defence were invaluable in setting up the various focus groups and providing on-site support for each of the sessions. We are also indebted to Service personnel at each of the installations we visited for their excellent organisation and hospitality. Although they cannot be named in order to preserve their confidentiality, this project could not have been completed but for the participation and candid perceptions of the Service members during our focus group sessions.

Within RAND, we owe a big thanks to Meg Harrell for her advice, mentoring, and assistance in developing the focus group protocol, data coding and analysis; the project would be much poorer without her input. We also would like to thank Jonathan Grant and Greg Hannah for their thoughtful reviews of the project as well as Kaye Marshall for her administrative support throughout.

All of these individuals mentioned above assisted us with gathering information and provided helpful suggestions for this research. We, however, are solely responsible for the interpretation of data gathered during our focus groups and the judgements and conclusions drawn. And, thus, we alone are responsible for any errors.





# Abbreviations

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CEA	Continuity of Education Allowance
DCDS(Pers)	Deputy Chief of the Defence Staff (Personnel)
JPA	Joint Personnel Administration
JR	Junior Ranks
Jt	Joint
MOD	UK Ministry of Defence
NCO	Non-commissioned Officer
Off	Officer
RAF	Royal Air Force
RN	Royal Navy
Sp	Spouse
SPB	Service Personnel Board
SP(Pol)	Service Personnel (Policy)
UK	United Kingdom
US	United States



# Introduction

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## ***Remuneration and its Motivation of Service Personnel***

### **Focus Group Investigation and Analysis**

**UK Ministry of Defence  
Presentation by RAND Europe**

This RAND Europe project is presented in the form of an annotated briefing. The key messages of the report can be found in the slides at the top of each page, with text providing further details underneath. This style highlights the major thrusts of the project through the slides, but also allows the reader the option to delve deeper into the detail of the report as circumstances permit. Alternatively, this work could be presented as a stand-alone briefing with the underlying text guiding the presenter's explanation of each slide.

### ***Objective***

**To better understand the views of serving personnel of the pay and allowance package provided by the MOD and to identify trends for further analysis**

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DCDS(Pers)-2 0406

This document, prepared for the Service Personnel (Policy) (SP(Pol)) Directorate within the UK Ministry of Defence, presents key findings and trends from a series of focus groups which RAND Europe conducted at a tri-Service level. The objective of this work is to better understand the views of serving personnel of the pay and allowance package provided by the MOD and to identify trends for further analysis.

## ***Report Structure***

- **Introduction**
- **Key Findings**
- **Project Methodology**
- **Focus Group Conduct and Composition**
- **Focus Group Perceptions**
  - **General Findings**
  - **Variations by Service and Rank**
- **Linking Questions to Target Issues**
- **Areas for Further Study**

**RAND**

DCDS(Pers)-3 0406

The work presented in this report is structured in six distinct sections. First, we introduce the study in order to provide background information to its focus and aims. Second, we highlight the key findings of the focus groups. These findings will be explored further in later sections of the report. Third, we present the focus group methodology used in this project, highlight advantages and disadvantages of using focus groups, and describe the focus group sessions—both in terms of structure and content. Fourth, we then report on key perceptions that arose from the focus groups we conducted. Fifth, we relate those perceptions to the key target remuneration areas defined by the MOD and draw conclusions on the basis of our earlier analysis. Finally, we explore areas of further work that the MOD may wish to pursue as a result of issues arising from these focus groups.

### ***The Investigation Was Part of Larger MOD Effort***

- **Contributes to wider MOD Strategic Remuneration Review**
- **Input to 'Pre-Study' Paper**
- **Short time frame study—six weeks from start to finish**
- **Snapshot to capture views of serving personnel and their spouses/partners**
- **Linked to target issues defined by SP(Pol)**
- **Does not account for upcoming JPA changes**

**RAND**

DCDS(Pers)-4 0406

This report is part of a larger MOD effort to better understand remuneration issues. At the highest level, it is part of a pan-MOD Strategic Remuneration Review. In particular, the report is a key input into SP(Pol) Audit's Concept Paper which will be presented to the Service Personnel Board in March 2006 and lay out key issues which should be addressed in future phases of work.

This study was conducted in an extremely short timeframe. Commission of the work to submission of the report only took six weeks. During this time period, the RAND Europe project team developed its focus group protocols, conducted twenty-seven focus groups at seven distinct sites, recorded and analysed focus group results, and wrote this report to document key perceptions arising from the focus groups.

Such a rapid timeframe meant that the work would only be an initial test of Service views; it is not a full scientific research paper. Analysis of the focus groups allowed the project team to capture a 'snapshot' of current views of serving personnel (and their spouses/partners) over a discrete number of issues defined by the MOD and formulated by RAND. The timing of the project, coming prior to the formal introduction of Joint Personnel Administration (JPA) to the Armed Forces, also meant that the study effort did not explicitly take into account future changes to the pay and allowance system which will be introduced by JPA. However, within these constraints, we are satisfied that the evidence presented here is well substantiated.

### ***The Investigation Examined MOD Target Issues***

- **Motivational utility of specific pay & allowance packages**
- **Identification of additional remuneration options**
- **Career aspirations and the role of remuneration**
- **Impact of home ownership and family stability**
- **Ability of remuneration package to encourage military recruitment**
- **Satisfaction with current remuneration package**

**RAND**

DCDS(Pers)-5 0406

Within the context of this project, the MOD wished to examine six key issues relating to the overall remuneration scheme. They are:

- *Motivational utility of specific pay and allowance packages:* Does the current pay and allowance package drive particular behaviour among Service members? Are there aspects of the current package that are especially useful in motivating desired outcomes?
- *Ability of the remuneration package to encourage military recruitment:* How does the current pay, pension, and allowance package contribute to recruitment? Is it a key factor in encouraging prospective Service members to join the Armed Forces?
- *Satisfaction with the current remuneration package:* Are Service members content with the current pay, pension, and allowance scheme? Are there specific components of the package that are particularly valued or disliked?
- *Career aspirations and the role of remuneration:* How does the remuneration package contribute to Service members' goals within the Armed Forces? What positive or negative impacts does the current package provide?
- *Impact of home ownership and family stability:* What are Service members' views about the importance of home ownership and family stability? How does the current remuneration package impact on these areas?
- *Identification of additional remuneration options:* Are there options that would be inserted into the pay and allowance package that would increase Service member satisfaction and meet MOD recruitment, retention, and performance aspirations?

## Key Findings

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### ***The Focus Groups Drew Out Many Key Perceptions About Pay and Allowances***

- **The remuneration package is complex and difficult to understand**
- **The current basic pay package and pension scheme are satisfactory**
- **Aspects of the remuneration package drive unwanted behaviour**
- **Other factors more directly impact recruitment than the remuneration package**
- **There is an overwhelming desire for less stretch and disruption in service life**

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DCDS(Pers)-6 0406

After analysing the responses of focus group participants in light of the project objectives, a number of key findings stand out. These we examine in greater depth later in this report. However, in summary they are:

- **The remuneration package is complex and difficult to understand:** Nearly all of our focus groups describe the current pay and allowance package, particularly allowances, as complex, difficult to understand, and difficult to determine eligibility and entitlement. Service members do not know what allowances they are entitled to, nor do they find it easy to claim allowances—either through, from their perception, ill-informed clerks or because of little direct information from the MOD.
- **The current basic pay package and pension scheme are satisfactory:** Focus group members are largely satisfied with their basic pay and pension arrangements. Individual participants have some specific negative comments regarding pay and promotion banding introduced in Pay2000 and the lack of additional pay for operational deployments; however, these concerns are not as salient across all focus groups, as the positive view of the pay and pension.
- **Aspects of the remuneration package drive unwanted behaviour:** There are many cases where eligibility requirements concerning certain allowances are an incentive for Service personnel to act in ways contrary to MOD aims or expectations. Three particular examples stand out; in some cases, the benefits of promotion (particularly to



the non-commissioned officer ranks) are sometimes mitigated through insignificant pay increases coupled with increased responsibility and expense (mess bills, for example). This lessens the attraction of promotion to certain Service personnel. Likewise, some Service members feel pressure to get married because of the increased benefits that brings (eligibility for a married quarter, increased displacement allowance, etc.). Finally, the eligibility requirements surrounding allowances, such as CEA, encourage Service members to contort their mobility behaviour in order to continue sending their children to boarding school.

•**Other factors more directly impact recruitment than the remuneration package:**

When examining why people joined their respective Service, the focus group participants rarely cite remuneration reasons as direct factors for joining the Armed Forces. Other factors, such as lifestyle and family/colleague experience, appear to be more directly relevant. However, pay and allowances may *indirectly* impact recruitment through their influence on perceptions of Service life or experiences of former Service members (who, in turn, influence others to join the military).

•**There is an overwhelming desire for less stretch and disruption in Service life:**

Although not directly related to remuneration, the focus groups reveal a desire for reduced stretch and disruption in their careers. Stretch is seen as causing more frequent deployments and operational tours, or increasing the hours and intensity of work. Disruption often occurs in two forms—short-term disruption caused by Service requirements such as postings or operations or longer-term disruption which impacts on family stability, education, spousal career, etc. The salient view of the focus groups is that the remuneration package should mitigate the effects of stretch and disruption.

# Project Methodology

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## ***Report Structure***

- Introduction
- Key Findings
- **Project Methodology**
- Focus Group Conduct and Composition
- Focus Group Perceptions
  - General Findings
  - Variations by Service and Rank
- Linking Questions to Target Issues
- Areas for Further Study

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In this section, we discuss our methodological approach to the project. We discuss the value of focus groups, their advantages and limitations, and why they are appropriate for this work. Additionally, we show how this method allows comparative analysis between Service groups and rank structures as well as discuss how we approach the post-focus group analysis phase of the project.

### ***Focus Groups Provide a Robust Methodology to Capture Service Members' Views***

- **Methodology similar to that used in comparable personnel studies conducted by RAND in the US**
- **Process to preserve participant anonymity and capture individual thoughts**
- **Rigorous and systematic analysis through structured, focused questions, data capture and software analysis**
- **Strict focus group guidelines:**
  - **~8 participants per focus group**
  - **8-10 questions per group session**
  - **Individuals given opportunity to respond to all questions**
  - **Answers recorded and entered into analysis software**

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DCDS(Pers)-8 0406

When determining how to best understand the views of serving military personnel toward their remuneration package, focus groups appeared to be the most appropriate way to study the issues in the project timeframe.

Focus groups are a method used in qualitative research where a group of individuals are asked to discuss a topic to gain insights into their perceptions and attitudes. Questions are asked in an interactive group setting where participants are free to talk with other group members.

Related RAND military personnel research in the United States have successfully used focus groups to inform their research in a number of major studies<sup>3</sup>. Focus groups also provide a means to capture Service members' thoughts while preserving their confidentiality; this is important as for the study to be most useful, participants must feel able to freely express their opinions without fear of harm or retribution.

Using the focus group methodology also provided us with an opportunity to apply rigour and structured processes to the problem. By using structured and focused question protocol, a systematic data capture process, and software analysis tool (QSR N6), we were confident that focus groups would provide the rich, frank responses which would assist the MOD in better understanding the motivations and impacts of their remuneration package.

Focus groups are usually made up of approximately eight individuals discussing eight to ten questions per group session. The sessions are structured to allow each member of the group to express their opinions. The group discussion is then captured and made available for further analysis in order to detect trends in the discussion.

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<sup>3</sup> For example, James Hosek, et al. *How Deployments Affect Service Members*. Santa Monica, Calif: RAND Corporation, MG-432-RC, 2006.

### ***Focus Groups Have a Number of Advantages...***

- **Participants able to react and build on each other's responses**
- **Facilitator can interact directly with the respondents**
- **Participants can express opinions in their own words**
- **Groups can provide large quantities of data in a short time period**

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Focus groups provide a number of advantages as a technique to gather information and understand issues. Some of these benefits include:

- *Participants are able to react and build on each other's responses.* This can lead to comments and insights which otherwise may not have arisen during a one-to-one interview.
- *The facilitator can interact directly with respondents.* This allows for clarification of responses and follow-up questions with the participants. In this way, the facilitator can gain a deeper understanding of the issues discussed.
- *Participants have the freedom within the discussion to explain their opinions in their own words; they are not limited to a series of choices (as one may find in a survey).* This allows the richness of individual comments to shine through—a powerful tool when 'playing back' responses from a group.
- *Focus groups can provide large quantities of data in a short time period, given that the groups are properly organised.* Access to an abundance of rich data provides many opportunities for fertile analysis.

Additionally, through the discussion generated within groups, researchers can gain a more nuanced understanding of the perceptions of the group participants. This would not be possible in a more static survey. The dynamic discussion also provides participants the opportunity to verify their own experiences with those of others, and this interaction allows the group facilitator a better understanding of the individual and collective experiences of the wider group.

### ***...but Focus Groups also have Limitations***

- **Not a quantitative research method—and thus statistical significance cannot be drawn from results**
- **Interpretation is subjective and open to argument**
- **Provide preferences, but not reasons behind those preferences**
- **Opinions may not be representative of wider population**

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However, it is also important to understand that focus groups also have some limitations and are not appropriate for all situations.

A limitation of focus groups is that one cannot extrapolate focus group results to form statistically valid conclusions about the wider community from which the focus group is drawn. One should always remember this limitation when drawing conclusions from the findings of focus groups. Focus groups are a qualitative, and not a quantitative research method, and any attempt at statistical extrapolation is inappropriate to the method. As we will see later, it is the replicative nature of comparing multiple focus group results that provides the salience that is then used to draw out compelling results. Although not statistically valid in themselves, focus groups can also be used to draw out issues that can then be further tested in a quantitative large-scale statistical survey.

The interpretation of focus group data can also be open to argument, since many of its findings are somewhat subjective. This provides a different type of evidence base than more objective (and usually statistically significant) data-gathering methods. However, there are questioning and data-capture methods that we utilised in this particular study to mitigate against this weakness.

Finally, focus groups will provide a wealth of information concerning preferences or opinions, but may not provide insight as to the reasons behind those preferences. Thus, although the groups may reveal specific feelings about issues, they do not always reveal why those feelings exist.

Since the purpose of this study was to capture Service member perceptions about pay and allowances and to identify areas for further study, a focus group approach was appropriate. Additionally, by properly designing the groups, they offer the opportunity for comparative analysis as well.

### ***The Focus Groups were Designed to Allow for Comparative Analysis***

- **Groups conducted within specific rank bands**
  - **Junior Ranks (Corporal and below)**
  - **Senior NCOs (Sergeant and above)**
  - **Officers**
  - **Family members (Spouses and partners)**
- **Groups conducted at Service-specific sites\***
  - **RAF**
  - **Army**
  - **Royal Navy**
  - **Joint (Northwood)**

**RAND**

***\*Nominal service designation only***

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The structure and set-up of the individual focus groups was specifically designed to allow the RAND team to not only understand general perceptions to remuneration issues, but also to allow for comparisons between groups.

Within each site, groups were divided by rank structure, in order to provide an environment where participants felt comfortable sharing their candid comments. This structure also allowed them to focus on issues and areas that most affected them.

Within the rank divisions, we divided Other Ranks personnel into two groups—Corporals and below and Sergeants and above. The officer group was spread across new entrants and those with longer service. We did not differentiate by rank in the spouse/partner group.

Within the individual Services, we were able to categorise participants from the nominal Service from which they came. This was relatively straightforward because, outside of Northwood, which provided a joint perspective of remuneration issues, each of the sites was nominally Service specific.<sup>4</sup>

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<sup>4</sup> This was specifically true at all sites except for RAF Cottesmore; although Cottesmore is an RAF installation, there are Royal Navy personnel present on site, and two of them attended our session for officers.

## Focus Group Conduct and Composition

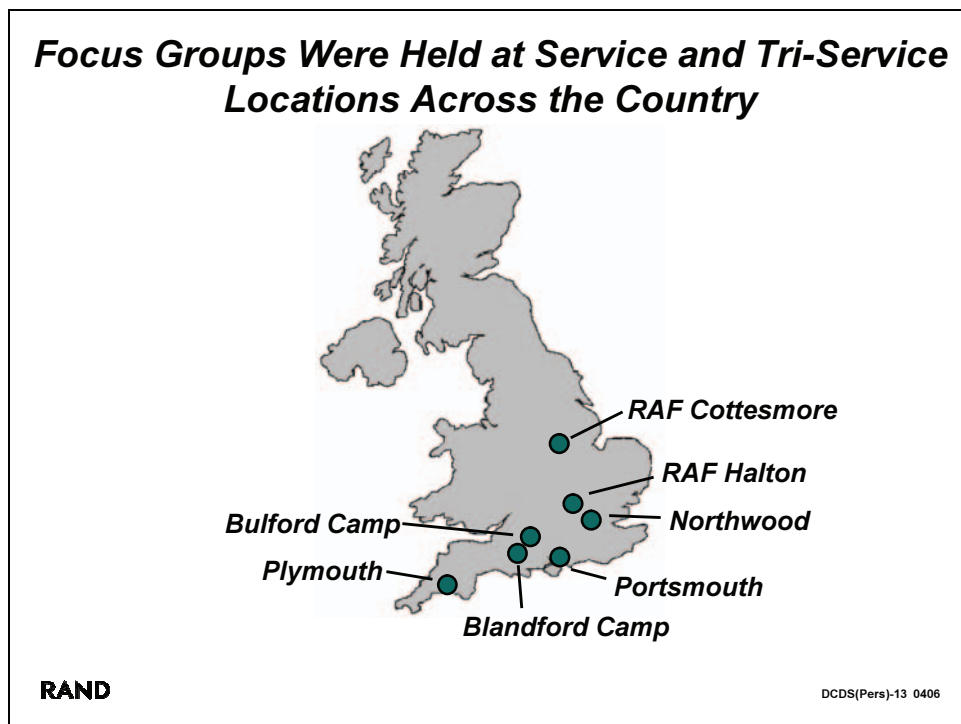
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***Report Structure***

- Introduction
- Key Findings
- Project Methodology
- **Focus Group Conduct and Composition**
- Focus Group Perceptions
  - General Findings
  - Variations by Service and Rank
- Linking Questions to Target Issues
- Areas for Further Study

**RAND** DCDS(Pers)-12 0406

In this section, we discuss specific details about the focus groups we conducted in support of this project. We provide an overview of each of the sites visited and breakdown of our actual focus group demographics. Finally we detail the key questions used in the focus group sessions and show how they relate to the project target issues defined by the MOD at the beginning of the project.



During a two-week period at the end of January and beginning of February 2006, we conducted focus groups with MOD Service personnel at the seven locations shown in the slide above. The table below shows the location and timetable for each series of focus groups.

Date	Location	Service
30 January	RAF Cottesmore	Air Force
1 February	RAF Halton	Air Force
2 February	Northwood	Joint
7 February	Portsmouth	Navy
8 February	Blandford Camp	Army
9 February	Plymouth	Navy
10 February	Bulford Camp	Army

The sites visited were selected by the MOD because they provided a wide variety of both Service type (two visits to each of the tri-Services plus one visit to a joint location) and installation function. For example, RAF Halton and Blandford Camp are primarily training installations whereas RAF Cottesmore, Bulford Camp, and Northwood house operational units. The two RN sites (Portsmouth and Plymouth) combine training with operational activities. The paragraphs below provide a short description of each installation visited:



**PJHQ Northwood:** The Permanent Joint Head Quarters is in Northwood, London. It is a tri-Service HQ that exercises operational command of British forces deployed around the world. Its other main function is the provision of politically aware military advice to the Ministry of Defence.

**HM Naval Base, Portsmouth** is the home to the majority of the surface fleet of the Royal Navy. It provides lodgings for Royal Navy personnel serving at the base or on ships stationed there. At periods of peak activity the base can employ 17,200 people.

**HM Naval Base, Devonport** is located in Plymouth, is the base port for a number of Royal Navy ships and is equipped to conduct nuclear submarine refits. The base is estimated to generate 10 per cent of the wealth for Plymouth.

**Blandford Camp:** As the home of The Royal School of Signals since 1967, Blandford Camp is responsible for the Phase Two and Phase Three training received by Royal Signals personnel. During times of peak activity, it can accommodate 5,000 personnel in training. The camp is located in Dorset.

**Bulford Camp** is the home of the 12th Mechanised Brigade, which had previously been based in Aldershot. 12 Mechanised Brigade includes the Kings Royal Hussars, 1st Battalion The Staffordshire Regiment and several supporting units. It is one of the Army's most deployable brigades having recently returned from a tour of duty in Afghanistan and preparing for a tour to Iraq.

**RAF Cottesmore** is currently home to three operational RAF Harrier aircraft squadrons and is the core component for Joint Force Harrier. Both RAF and RN personnel staff the base as well as contractor personnel as part of a partnering maintenance programme.

**RAF Halton** is responsible for the training of RAF personnel, including new recruits and those specialising in diverse roles such as policemen or administrators. Halton is located between Aylesbury and Tring.

### ***A cross-section of military personnel participated in the focus groups***

- **162 individuals participated in 21 focus groups broken down into:**

	Junior Ranks	Senior Ranks	Officers
Army	18	18	20
Royal Navy	17	14	20
Royal Air Force	20	17	18

- **Additionally, 35 military spouses/partners also participated in focus groups at six sites**

**RAND**

DCDS(Pers)-14 0406

This slide shows the general demographic make-up of our total focus group population. Overall, 162 Service personnel participated in twenty-one groups. Additionally, we held a session at each site for military spouses/partners in order to capture their views as well. A total of 35 spouses/partners participated in these sessions.<sup>5</sup>

Further focus group demographic information can be found in Appendix B at the end of this report.

Each of the sessions began with a short introduction to the project, to include its primary aim, background on RAND Europe, the project sponsors, how participants were selected to participate in the group, and the final produce of the focus groups. Additionally the groups were advised that their participation was voluntary and that their responses would remain confidential. The session facilitator also gave the participants an opportunity to ask questions concerning the project as well as providing contact information, should members of the group have any follow-up thoughts or questions.

Each of the focus groups we conducted lasted between 70 and 90 minutes. The semi-structured protocol allowed the project team to guide the groups and so ensure that their discussion was consistent and also flexible and dynamic. A facilitator led focus groups with another member of the project team taking notes of the session. The note takers attempted to capture the essence of the discussion and used the participants' own words to the greatest extent possible. Additionally, we recorded each session using a digital recorder.

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<sup>5</sup> Due to scheduling constraints, we were not able to hold a Spouses/Partners focus group in Portsmouth on 7 February.

***Post-Focus Group Analysis  
Identifies General Discussion Trends***

- **Following each session, notes are transcribed electronically**
- **Responses are coded to reflect general category trends**
- **Specialist software employed to review, sort, and analyse comments**
- **By analysing along multiple dimensions, wide range of analysis is possible**

**RAND**

DCDS(Pers)-15 0406

Following the focus groups, we transcribed the notes into an electronic file, developed analytic codes, and organised the notes according to the scheme. We used QSR N6 software, a qualitative-coding program that allows users to organise and systematically analyse data such as focus group comments. The software allowed us to create a coded, electronic database that enabled us to review, sort, re-sort, re-code and analyse comments along a number of dimensions. The goal of this was to discover as wide a range of explanations as possible for why focus group questions may have been answered as they were.

We used our software package to handle the large amount of information we gathered, and from it identified responses, or groups of responses, that were salient to a majority (or even all) of the groups. The *salience* of responses is the crucial factor when identifying key trends across the various focus groups. Salient responses are those that occur across a majority of the groups and, thus, can be taken to be more representative of the groups' views than those responses that only occurred in one or two groups.

The software allows us to look at the information across the rank bands and by Service. We also considered the strength of feeling of the answers, both by noting group concurrence, dissension, or equivocation, and by carefully assessing the number of comments noted for any one response. As we discussed earlier, there are dangers in attempting to derive too much from quantitative analysis of focus group responses. That is why assessing the salience of the group perceptions is so important.

### ***Investigation Questions Were Formulated to Identify Perceptions of Target Issues***

- **Reasons for joining the military**
- **Positive aspects of Service life**
- **Negative aspects of Service life**
- **Important factors which will influence retention**
- **Views of pay and allowance package**
- **Suggested ways to retain Service members**
  - **Pay and allowance additions**
  - **Pay and allowance subtractions**

**RAND**

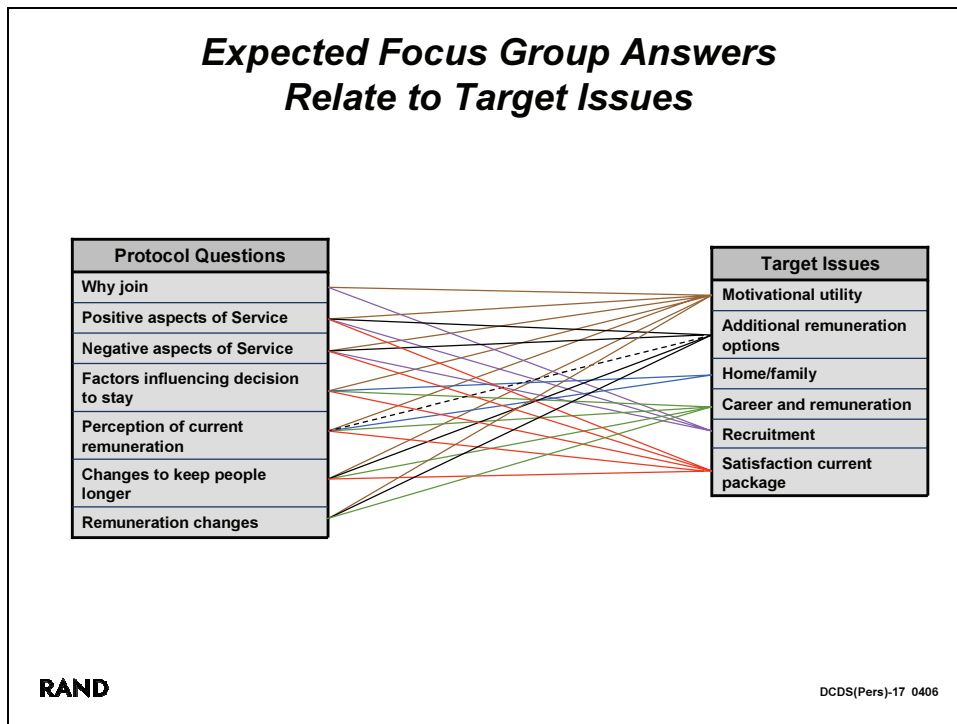
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In order to ensure that all six target issues (as articulated by the MOD) were covered in the focus groups, the RAND project team devised a number of investigative questions to capture Service member views of the target issues. Those questions topic areas are shown in the slide above.

We asked these questions in each of the focus group sessions, with the protocol for the spouse groups modified where necessary to gather information about their serving partners. Mostly this related to demographic information, but we also asked the spouses if they knew why their partners joined for example. The term protocol is used because the series of questions includes instructions to the moderator and note taker for each group. In this way, we attempt to limit any impact the delivery of the questions may have on the potential responses of the participants. Similarly, we wanted as much commonality in the style of the notes as possible. This aids objective analysis. The protocol was carefully designed to encourage participation from all of those present and ensure as far as possible that no one person could dominate a session. This provides additional rigour in the conduct of the focus groups, given the very short notice set-up of the group sessions, should improve the quality of the responses.

Not all of these investigative questions directly address remuneration issues. By providing the focus groups with topics areas that are not explicitly pay and allowance related, the project team is then able to better understand the *relative* value of the remuneration package in the overall context of Service life. This is also the rationale for leading with questions only peripherally related to remuneration and then following-up with more explicit pay and allowance queries.

A copy of our question protocol can be found in Appendix A.



This slide shows the deductive relationship mapping that we use to ensure that each of the MOD’s target issue areas are addressed by the focus group protocol. The different patterned lines connecting the target issues (on the right) with the protocol questions (on the left) show which questions we expect will contribute to a better understanding of each target issue. For example, we expect that protocol questions #4 and #5 (factors influencing decision to stay and perception of current remuneration package) will contribute to the understanding of Target Issue #3: impact of home ownership and family stability. This does not mean that other protocol questions may not also address this target area; rather, these are the protocol questions that we expect will yield the richest information regarding that issue.

Of course, in practice the participants in focus groups relate their views across all the questions, with some answering each question afresh, whilst others continue with a theme. The protocol is designed to allow this to happen for a few questions and then break up the flow to provide an opportunity to sample perceptions again. Our analysis software allows us to manipulate the responses so that we can attempt to identify any bias, from a dominant participant for example, and help us to record the views of all the participants.

The figure also shows that we expect each of the target issue areas will be addressed by multiple protocol questions; this provides a degree of redundancy and additional richness to the analysis.

## Focus Group Perceptions

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### *Presentation Structure*

- Introduction
- Key Findings
- Project Methodology
- Focus Group Conduct and Composition
- Focus Group Perceptions
  - General Findings
  - Variations by Service and Rank
- Linking Questions to Target Issues
- Areas for Further Study

**RAND**

DCDS(Pers)-18 0406

In the following section we discuss our findings and use the actual responses of the focus groups to explain the views of the participants. It is important in such a study as this to protect the confidentiality of those taking part. We made this undertaking to each focus group. Following any quote in this document are parentheses in which we show either the type of Service group or the type of rank group in which the response was made. We do this to show the breadth and depth of quotes. Unless we indicate otherwise in the text, we do not intend such attribution to highlight that the quote represents the views of only that Service or rank group. We are able to track every quote through our separate notes and the analysis software but we are not providing this ability to the MOD to ensure confidentiality of the group participants.

The quote abbreviations are:

Service Groups		Rank Groups	
Royal Navy	RN	Officer	Off
Army	Army	Senior Other Ranks	NCO
Royal Air Force	RAF	Junior Other Ranks	JR
Joint	Jt	Spouse	Sp

### ***Prominent Reasons Given For Joining***

- **Opportunity to Travel**
- **Family History or other Experience of Military**
- **Best Option Available**
- **A Career with Job Security**

**RAND**

DCDS(Pers)-19 0406

The opportunity for travel is an important influence on the decision to join the Armed Forces. Personnel in the Navy, Army, and Air Force and across all of the rank groupings describe the “opportunity to see places” (Off), to “see the world” (JR), and the “promise of travel” (NCO) as a significant attraction when making the decision to join. Of similar importance in this decision is the presence of a family member or close friend who is serving or served in the Armed Forces. Other pre-joining experience from, for example, the Sea Cadets, University Officer Training, or the Reserve Forces is included in this category of response.

“I joined because I come from a small town with no jobs. My sister was in at the time and ... she’d had a great time.” (RAF)

“I’m from a generation where my father ... and other family members had been in the army and it all seemed very exciting.” (Army)

“My husband is a Warrant Officer. I believe he joined because he was interested in Army Cadets and he stuck on from there.” (Spouse)

A significant number of the focus groups described the Forces as having been the best option in their circumstances. For some this was to escape from the boredom of their hometown, others did not want an office job nor to work in a factory, and some gave up employment to join a Service.

“I joined up because there wasn’t really anything else to do. And I was just fed up with education really.” (Jt)

The prospect of a career or the job security in the Armed Forces is of equal saliency to all of the focus groups as those reasons for joining above. Some respondents joined for a “secure career” (Jt), whilst others identified the “career option” (RAF) separately from “job security – it is guaranteed employment for 22 years” (Army).

<b><i>Different Trends Exist Within Service/Rank Groups</i></b>	
<b><u>Rank Group</u></b>	<b><u>Service Group</u></b>
<ul style="list-style-type: none"> <li>• <b>Officers—altruism</b></li> <li>• <b>Other Ranks (both junior and senior ranks)—best option available at the time</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Navy—travel and opportunity for training/education</b></li> <li>• <b>Army—family history/experience</b></li> <li>• <b>RAF Pilots—excitement</b></li> </ul>
<b>RAND</b>	<small>DCDS(Pers)-20 0406</small>

There are noticeable deviations in the responses explaining why personnel joined too. Officers more often speak of joining for excitement and to do something worthwhile or responsible. We characterise these responses as more altruistic. On the other hand, many more of the Other Ranks participants offer reasons that show they considered the Forces as the best option available to them.

“I joined because I wanted something that I could be proud of as a job.” (Off)

“I joined ... because I came from a pit town. There was nothing happening for us there.” (NCO)

“I joined because there were no jobs in Scotland at the time. The shipyards had all closed.” (JR)

There are differences too by Service. The Navy groups talk more about travel and the potential for training and education, whilst every Army group describes the importance of family Service or pre-joining experience of the Service as influential on their decision to join. Noticeable in the responses from the RAF groups is the occurrence of “wanted to fly” (Off), with this answer offered even from those that are not now aircrew; we include this response with those that talk of excitement.



### ***Military Service has many Positive Aspects***

- **Career options/job security**
- **Remuneration**
- **Camaraderie**
- **Lifestyle (to include sport and adventure training)**
- **Variety—in both jobs and locations**
- **Opportunity for travel**

**RAND**

DCDS(Pers)-21 0406

Respondents favoured these aspects as positive descriptions of the advantages of being in the Armed Forces. The opportunity to develop a career with accompanying job security is important, with responses including “career options” (Off), “long term prospects” (JR), and “job security which is absent from civilian life” (Off). The current pension appears frequently in the responses that we grouped as remuneration, with its positive effect resonating across the Services and the rank bands. There are positive comments about pay too.

“You’ll never be rich working in the Navy, but you will never be poor either.” (RN)

“The job is money for old rope – it’s not particularly hard.” (JR)

“The pay is better than in civilian life – you can get a good salary straightaway. There is paid sick leave.” (NCO)

Camaraderie is salient across the Services and ranks, though as we will see next, it seems to resonate differently for junior ranks.

“The biggest perk for me is the people in the Navy. Its not that they are necessarily better but they are different. You don’t get the camaraderie elsewhere.” (RN)

“You make friends and stick together.” (RN)

We differentiated between camaraderie and lifestyle so that we could analyse the wider range of aspects respondents described as positive. The comments in this latter area link lifestyle, sport and adventure, as well as other social community activities, and these are seen as important advantages to Service life. “Long lunch breaks so that I can work out” (Jt) or “I enjoy the social life and sport and pub activities the Army puts on” (Army) are examples of these views.

“I like the job security. But it also gives you the chance to pursue recreational activities. I’m not aware of any other job that pays you to go skiing, and pay your wages while you ski. It gives that opportunity, no other job does.” (JR)

In a similar vein, and equally important in the minds of the majority of focus groups, the variety of jobs that form the Service career is as a plus.

“You are constantly presented with new challenges, which is stimulating.” (Army)

“The ability to do a diverse range of jobs and tasks – it provides you with choices.” (Army)

“The variety of experiences ... it is not humdrum.” (RN)

Finally, the majority of the focus groups reinforced the importance of travel opportunities as an attractive component of being part of the Armed Forces.

***There Were Some Significant Variations Among Groups***

<b>Rank Group</b>	<b>Service Group</b>
<ul style="list-style-type: none"> <li>• <b>Officers</b> <ul style="list-style-type: none"> <li>– <b>Responsibility (idealism)</b></li> <li>– <b>Camaraderie</b></li> <li>– <b>Job variety</b></li> </ul> </li> <li>• <b>Junior Ranks—Lifestyle (travel, sport, adventure, social opportunities)</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Navy—opportunity to gain education and qualifications</b></li> </ul>

**RAND** DCDS(Pers)-22 0406

We identified that officers expressed themselves in more altruistic terms when giving reasons for joining. This occurs again in their responses to this question and runs as a thread through their sentiments in the areas of responsibility, camaraderie and job variety. In coming to this conclusion, we are relying on the sentiments expressed and not the eloquence of the response.

“What has kept me in for the previous 18 years is the status, the sense of responsibility and the sense of achievement, especially if you get to do operations overseas. To see people with the same work ethic grow and develop in those situations – you can’t get that in Civvie Street.” (Off)

“There is an almost religious aspect to what we do.” (Off)

“The biggest perk for me is the people in the [Services]. Its not that they are necessarily better but they are different. You don't get the camaraderie elsewhere.” (Off)

Some of the junior rank groups expressed similar sentiments, but the more resonant view aligned to the perceived lifestyle advantages of being in the Armed Forces.

“The social aspect - you are never bored. There are many activities. You make friends and stick with each other. There are subsidised sport activities.” (JR)

Many of the focus groups mentioned the value of educational advancement in the Forces and the ability to gain important qualifications. The responses were not so prevalent to merit selection as a first tier response, though it is interesting to note that this view resonated more strongly across all rank bands in the Navy groups.

### ***Military Service has Negative Aspects Too***

- **Disruption**
  - **Family stability**
  - **Short-term Requirements**
- **Stretch**
- **Remuneration**
  - **Pay2000 'banding' issues**
  - **Pay upon promotion**

**RAND**

DCDS(Pers)-23 0406

Having identified positive perceptions, we asked the groups to identify what they saw as the negative aspects of Service life. Concerns about disruption and its effects on the individual and the family unit stand out as the most significant response in the majority of groups. All of those groups for which disruption is salient focus on family stability or lack of it and the impact this has on spouses or children. Less common, but noteworthy nevertheless, many of the groups see individual disruption as a negative aspect.

“We moved so many times, and it’s meant that my eldest child has had nine schools. We wanted to settle down with a property. My husband wanted us to buy a home but we don’t know where. My experience with the jobs I’ve taken, I’ve taken what I can but I don’t have the qualifications that would give me a very good job. I went on a course to improve my qualifications and it was a two-year course. In the second year we had to move and I couldn’t transfer it, I had wasted a year and couldn’t finish the course.” (Sp)

“The Armed Forces have lost sight of the fact that most people now need their partners and wives to work just to pay the household bills. You need wives with their own careers, and they need stability for their own personal development. Therefore, this notion of lifting families around purely on the basis of their husbands job is horribly outdated.” (Jt)

“I’ve lost two jobs in four years following my husband, and every time there has been a monetary loss. There needs to be some sort of stability.” (Sp)

“It is difficult for the children – they have to change schools and friends.”(RAF)

“It is difficult to place the children in school when you have to move in the middle of a school term.” (RAF)

Deductively, disruption is likely to be linked to stretch. Many respondents across most of the groups perceive that the Armed Forces are “facing bigger global commitments” (Jt) and that the “increased deployments, increased optempo with fewer forces, ...[means] less people to do more.” (NCO). Interestingly, however, the participants rarely describe the two as related, even though these two areas draw an overwhelming response separately across the majority of the rank and Service groups.

“They don’t tell you, they keep you in the dark. We had to cope with a move, and we were told three weeks that ‘you’re going’. It doesn’t give you enough time to pack or to move a house or to sort the kids out. To move house in three weeks...then he had to come down and start work, and I had to do everything else. Its quite hectic when you move.” (Sp)

Indeed, the most common link from stretch was to the pace of current Service life and how this dilutes the value of pay. The “lack of personnel means existing personnel become stretched” (JR) and that “manpower is a big issue now” (JR) and consequently some personnel feel “overworked, underpaid” (NCO). Poor remuneration because of stretch does not, however, resonate for the majority of groups or respondents. Firstly, “overstretch” (Army) is the dominant feeling with many comments expressing concern that “we are fooling people that ask us to achieve things, we pull through and they think we can manage” (NCO), or that “we can’t retain these guys because they are broken after three years” (Off), or my spouse “is frustrated by the lower manpower levels resulting in rising work hours” (Sp). Secondly, the remuneration comments themselves focus mostly on other issues, with negative perceptions of Pay2000 banding and insufficient pay upon promotion most common. We cover these in more detail in later. Some negative remuneration themes are salient to a sufficient number of the groups to make them noticeable and we discuss these next.

### ***Again Among Groups There was Variation***

#### **Rank Group**

- **Officers and Senior NCOs—Concerns about (over)stretch**
- **Spouses—Consensus about impact of family disruption (almost unanimous)**

#### **Service Group**

- **Army/RAF—Poor accommodation**
- **Army—single/married inequalities**

**RAND**

DCDS(Pers)-24 0406

Many Officers and Senior NCOs in the majority of their focus groups expressed concern about overstretch or the impact of stretch, either on themselves, lower ranks, or the ability of the Service to meet the demands placed upon it. Whilst similar perceptions were voiced in the Junior Rank groups, there are far fewer comments. Disruption of the family is salient for all the spouse groups and for almost all of the spouses in those groups.

The Army and RAF groups criticise on-base single accommodation and the standard of married quarters. The spouse groups in particular complain of “poor quality” (Sp), “dirty” (Sp) housing.

“The poor housing situation has been going on for a long time and its not been gripped by the system.” (Sp)

Whilst across the Service groups there are perceptions of inequalities between married and single personnel, the Army groups are most vocal, with comments spread across each of the rank bands (JR, NCO, Off, Sp). The majority of the responses concern unequal treatment of married and unmarried couples.

“The fact that at a certain age you have to be married to have a quarter is unfair. I think it would be far better if they recognised long-term partners. My husband and I had to get married because we wanted to live in our accommodation. We had bought a property together and had a child together, but we still weren't seen as a long-term relationship. I had absolutely no recognition by the [Service] at all. A lot of people are forced to rush into marriage. The result is a lot of [personnel] that are divorced.” (Sp)

***Four Factors Appear to Provide Greatest Influence in Retention Decision***

- **Remuneration—primarily pension**
  - **Overwhelming consensus**
- **Reducing Disruption**
- **Career and promotion prospects**
- **Job satisfaction**

**RAND**

DCDS(Pers)-25 0406

When looking at factors that provide the greatest influence in a Service member's decision to remain in the Armed Forces, the importance of the pension resonates very strongly across all of the focus groups. In answer to this question and from others in the protocol, respondents return often to the value of their pension.

“When someone is approaching pension age, they think ‘Let’s just get there’.”(Off)

“The only reason I have stayed in for the last 6 years is the pension. I will leave when I can get it.” (NCO)

Reducing disruption is salient for many of the groups. Some respondents suggest that they keep in balance their career and its impact on family stability.

“You go when it's right for your family.” (NCO)

Others “will stay in the RAF longer” (RAF) if the family can remain together. “Keeping the family together is crucial” (Sp), “family stability is the crucial factor” (Army), and for many “family considerations would persuade [them] to leave if the Service got in the way” (NCO).

“I can't see myself getting married in the Army.” (Army)

Disruption is not just perceived as an issue of family stability however. Respondents across the Service and rank groups, in answer to both this question and that of negative aspects of Service life, highlight the “balance between job and personal life” (Off), that “being in the Navy means uncertainty in the short term” (RN), “the hours are unsociable ... you can be made to work 24 hours a day with no notice [and] the lack of notice is the worse aspect” (Army).

“We’re off to Gibraltar. That’s three months away, but someone will turn around and say ‘this is not an operational tour’. Yeah, you’re quite right its not, but its still three

months away. Then you come back and straight away you're out on an operational tour. Even in your down time, you're away. So its just recognition of the fact that we do have lives. The Army has lost that point." (Army)

Many participants link career and promotion as they discuss the factors that will influence their decision to stay. "Promotion would make me stay" (JR), "[I] will press for the one last promotion" (Off), and "career progression is important" (NCO) are typical responses that drew consensus in several of the groups. Separate to the idea of career progression, but equally resonant, many participants want to continue to get job satisfaction.

"Job satisfaction and the culture surrounding your job are important." (JR)

"Job satisfaction – if the job continues to be fun" (Off)



<b><i>Different Factors Influenced Groups Differently</i></b>	
<b><u>Rank Group</u></b>	<b><u>Service Group</u></b>
<ul style="list-style-type: none"> <li>• <b>Junior Ranks—job security and lifestyle most important</b></li> <li>• <b>Officer/spouse—focus on reducing disruption (family)</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Army/RAF—reducing disruption of key concern</b></li> </ul>
<b>RAND</b>	DCDS(Pers)-26 0406

In trying to identify differences between ranks and services as to which factors influence personnel to remain in the Armed Forces, Junior Ranks reinforce their perception of the importance of job security. Recall that job security is a major attraction for joining to all these focus groups, and that the idea of the Services as the best option is particularly salient to the Junior Rank groups. It is consistent for the Junior Rank groups to identify continuing security of employment, which they express also as financial security, and this further reinforces a difference in perception from those in higher ranks. The Junior Ranks also focus on the importance of their lifestyle and this too might reinforce the link to joining the Forces as the best option.

The Officer groups see reducing family disruption as an important concern. Spouses, not surprisingly, do too. The prevalence of this view in the Army and RAF groups is noticeable, though it is important not to draw on this intersection (Army/RAF and Officer/spouse) as we only undertook one Navy spouse focus group and the participants in the other Navy spouse group express similar views to those of the other Services.

### ***There Were Several Comments About the Overall Remuneration Package***

- **Pension perceived as positive (no negatives)**
- **Most basic pay (rate of pay) comments were largely positive except for...**
  - **Pay2000 and promotion (disincentive)**
  - **Pay levels for hours worked**
- **Mixed positive and negative perceptions of allowances**

**RAND**

DCDS(Pers)-27 0406

In asking the focus groups about their views on the overarching remuneration package, we first reminded the focus group that we are undertaking an investigation of the impact of pay and allowances, and then ask what they think of the current levels of their pay, pension, and allowances. To capture the wide spread of responses, we split them into positive and negative answers before taking these in turn and looking for pay and allowance perceptions or those relating to pensions.

We saw earlier that the focus groups perceive the pension as an influential factor that is affecting their decision whether to remain in the Forces. Surprisingly there are very few comments about the pension in response to this question and none that are negative. We do know that pension arrangements for members of the Armed Forces have changed recently, but we do not know which arrangement the respondents are on.

Pay drew many comments, most of which were positive and echo the sentiments quoted earlier such as “basic pay is good” (Army). This view is particularly salient for the Junior Rank groups. The common negative pay comments focus on Pay2000 and the link to promotion as well as the perception that pay for hours worked is unsatisfactory. These comments are salient to a small number of the focus groups, though one respondent makes the point that “officers aren't on the higher/lower band system” (Navy).

“My husband is a [Junior Rank], but he’s going to end up on less money if he takes the promotion to [NCO] because of the cost of the mess. So if you actually figure it out, by next year he is going to be on less money.” (Sp)

“It makes a mockery of the rank structure - you can have someone earning more than his immediate superior.” (NCO)

“The wage is poor when you consider the long hours and the risk of the job.” (Sp)

“Pay isn't good enough for the demands of a 365-days-a-year job.” (RAF)

There are many positive and negative expressions about the allowance package, with perceptions of married/single inequality and inter-Service inequality of greatest saliency. These we cover in the next question. We deal with CEA later. Our analysis shows no significant variation of perceptions across the groups.

***The MoD Could Take Specific Actions  
to Encourage People to Stay in the Military***

- **Reduce disruption**
- **Reduce stretch**
- **Better remuneration communication**
  - **Complexity/ambiguity of allowances**
  - **Lack of communication regarding eligibility**
- **Improve inter-Service culture**

**RAND**

DCDS(Pers)-28 0406

Not surprisingly, the negative aspects of military service from earlier feature as the most salient across the groups as actions that could be taken to encourage retention. Our analysis of these questions is separate, and resonance across and within the focus groups of these responses highlights their importance to the participants. Again, the majority of respondents do not link disruption and stretch, though this does occur in some of the officer and spouse groups.

“Because I work I pay for childcare and that’s my decision. The nursery here is subsidised anyway and I put my children there when I work. But in the evenings or at the weekends I can’t do anything, and I think the Services could help here by providing childminders or a baby sitter so that I can do the shopping because these are the only times you can fit going to the supermarket. I spend a fortune on babysitters. Things like that could make it easier on partners when the husband is away.” (Sp)

“When we are 'back in camp', we often aren't! We are sent all round the country. When we are back in the UK, we need some downtime. The Army used to be fun. All we've got left in the Army now is sticks - no carrots any more.” (Army)

We have cross-pollinated responses from other answers to characterise the next two issues that are salient to the majority of the focus groups and their participants. “The allowance system is so complex” (Off) is a response salient to the majority of groups. Furthermore, “there is a lack of information available because of [a] lack of communication” (JR) about the remuneration package and in particular the allowances. The result is confusion because “Soldiers do not know their allowances” (Army) and disenchantment with, or cynicism of, the pay and allowance system. “To get the allowances you’re entitled to you have to read every book and all the paperwork” (Army), “it is difficult to find out allowance entitlement – even the advisors are unsure” (RAF), and so the “system needs to look after us better - they need to produce an easy-to-

read booklet which tells us instantly which allowances we are entitled to” (Sp). The perception of the participants is that allowances are complex and poorly communicated.

“I would just like to have a list of all allowances, I don’t even know what most of them are. I think sometimes, when it comes to pay and allowances, the wives need to know more than the husbands because we’re the ones that administer the bills when they’re posted away.” (Sp)

“I think they need to severely simplify the bureaucracy within allowances. I mean the hoops that you have to demonstrate you’ve jumped through to be able to be entitled to the allowance. As time goes [by] more hoops and hurdles seem [to be] put in the way. To live in a married quarter you have to do x, y and z. More and more problems are put in the way of being able to get the allowance when it should just be part of the overall package. I would like to see simplifications of the regulations: ‘it is x’, instead of saying ‘you have to be this and that’ because that is social engineering to try and fit an outdated model for supporting the married couple. That whole ethos of regulation has to disappear.” (Off)

To some extent, it is possible that the perception of the allowance package as complex causes the participants to view the conditions in the other Services as more favourable. The “RAF and RN actively ensure personnel get what they are entitled too” (Army) so “greater tri-Service equality” (Jt) is seen as one improvement that will aid retention. There is comparison, too, in other areas. “Faster promotion ... comparable to the Army” (RAF), or “improve promotion prospects – dislike being outranked by the Navy” (RAF), or “blaming the Army and RAF” (RN) for tri-Service parity are typical of the views salient to all the Service groups, though perhaps not with always the same sentiment. There are similarly diverse sentiments with a common theme regarding inter-Service culture. It seems that the development of joint organisations or the greater use of units in joint operations is causing the participants to compare their Service with the others and question the practices they perceive as unequal. Promotion we have already mentioned; perceptions of unequal attention to career management and incomparable rank responsibilities are seen by some of the groups as important steps that will encourage retention if corrected.

***Groups Identified Some New  
Remuneration Ideas to Retain Individuals***

- **Pay**
  - **Increase deployment/operational net pay**
- **Allowances**
  - **Improve childcare provision**
  - **Improve disturbance allowance and assist single personnel**

**RAND**

DCDS(Pers)-29 0406

More specifically, we then asked the focus groups to identify changes to the pay and allowance package that would encourage Service members to remain with the Armed Forces. The groups feel that stretch is leading to more frequent deployments and longer working hours. Whilst there are a few of the expected knee-jerk comments to increase basic pay, many more participants do not “think that raising pay would improve things much” (RN). The salient view is that “people of our rank leave because they want to leave – it is not the money” (NCO) and this is supportive of the responses to other questions. The resonant view across and within the groups is that deployments and operational tours should result in an increase in net pay. Most respondents compare their situation with those of the foreign forces they work alongside in Iraq and elsewhere, suggesting their pay should be tax-free for example.

“You might be able to buy people in for a short term, but operational service – ‘an exceptional effort in exceptional circumstances’ - should be better paid. Don't make [personnel] on deployment pay tax.” (Off)

“There is disparity between benefits given to UK forces and those in other European countries. MOD should introduce tax-free foreign postings.” (NCO)

“Provide some incentive to go on deployment - currently, the money is terrible. Don't tax the bonus.” (JR)

There are a number of allowance responses that are group specific and that probably relate to the situation at that site. We identify two areas with salience across a number of the groups. The first concerns childcare provision, with the requirement for at work facilities resonating across some of the groups. Some participants feel that “the Navy could pay for childcare” so that the spouse can work and “we could afford a house” (both Navy). Others suggest that at work childcare would “encourage women in the [Services] to stay on after the birth of a child” (JR).

Another idea is to introduce “subsidised childcare” (Jt). The second allowance is that paid to mitigate the cost of disturbance. Some single participants wish to receive more financial or physical help when they have to move units. For families there needs to be an “increase in the financial package for moving house because house prices are so high – civilian employers tend to compensate their employees very well when moving them” (Jt). The participants appear to see a move of family location in terms of the overall cost of everything involved. They do not think disturbance allowance provides sufficient compensation.

“If my husband’s next posting is out of area again – and it always has been before – then I will have to leave my job again and that will be the third time. I work for a government department and I lose about six months wage, which is about £7,500, and that’s before you add the actual cost of moving house itself. And they give you compensation of, I think, about £1,000. That doesn’t cover anything like what any of us earn.” (Sp)

“You pay every time you move house. You should be compensated for all the associated costs of what you will lose, and not the Armed Forces’ perception of what it costs you.” (Sp)

It is interesting to note that the participants link stretch and the financial compensation to pay; and to address disruption they propose changes to the available allowances.

### ***There was Little Consensus for Specific Cuts in the Remuneration Package***

- **Most suggestions pertained to allowances instead of pay**
- **Possible areas for cost savings (without consensus):**
  - **Specialist Pay (specifically flight pay)**
  - **Continuity of Education Allowance (CEA)**

**RAND**

DCDS(Pers)-30 0406

In order to fund potential additions to the remuneration package identified in the previous slides, we then asked the focus groups what aspects of the package could be reduced. The only common theme for suggestions relating to pay is to remove flying specialist pay. RAF focus groups participants make all such comments. There is no consensus for specific cuts to any of the allowances, although such a statement masks the strength of the opposing comments participants made about Continuity of Education Allowance (CEA) or, as it was more often called, boarding school allowance. We do not believe that any conclusion can be drawn from further analysis of the focus group comments, except to record the diversity of views this allowance generates. The quotes that follow and our commentary relate the breadth of responses from the focus groups throughout the sessions and not just those in answer to the question asking for proposals for cuts in the remuneration package. This clearly shows the lack of consensus surrounding this issue.

On the one hand, the allowance “benefits a select few very highly” and Service personnel should be “free to choose other schooling options for their kids and not lose out on the financial allowances” (both Jt). “Reform boarding school allowance: it currently rewards too few Service personnel very highly” and “the money saved could be used to fund subsidised childcare” (both Sp). Alternatively, the allowance is “absolutely brilliant” (Sp), it gives a child a “stable education” (JR), and for some it is a “key for staying in the Service” (RAF). Some participants do not “think that the boarding school allowance is very relevant in this day and age and that those funds could perhaps be better spent” (Sp). Another view is that it is a “fantastic package” as “we are often forced to different education areas and the process of finding new schools is very difficult”, though “it has so many caveats” and he “has to drag his wife around everywhere with him” (all Off). Two specific quotes that illustrate this disagreement are shown below:

“It seems odd to me that so much money is put into boarding school allowance but no one has thought of supporting young mothers returning back to work. Perhaps it would



be fairer to redirect some of the funds from the boarding school allowance to funding childcare. It is a very difficult decision to send your child to boarding school and only certain families choose it. It seems to me a very odd way of spending our money when we could channel these funds to a more inclusive way of supporting those Service personnel that have children. That would be a fair and equitable way. (Off)

“We are often forced by our posting to different educational areas and qualities of school. Hence I had to send my kids off to boarding school. It is a fantastic package but it ties you to a lot of things. The small print says that you have to live in married quarters. My wife doesn't want to, but she has been forced to. There are lots of little caveats.” (Army)

## Linking Questions to Target Issues

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***Report Structure***

- Introduction
- Key Findings
- Project Methodology
- Focus Group Conduct and Composition
- Focus Group Perceptions
  - General Findings
  - Variations by Service and Rank
- **Linking Questions to Target Issues**
- Areas for Further Study

**RAND** DCDS(Pers)-31 0406

In this section, we examine the perceptions of the focus groups and the answers they provided and link them back to the MOD's original list of target issues. To do this, we first summarise the salient points, both remuneration-related and not, from the focus groups. We then attempt to generally show the impact that each of the salient factors has on MOD desired outcomes of recruitment, performance, and retention using the focus group perceptions concerning MOD pay, allowance, and pension policy. Finally, we relate the perceptions of the focus groups to the MOD's target issues and conclude with some key findings.

### ***Summary of Salient Remuneration Perceptions ...***

- **Basic pay and pension are positive**
  - **Some dissatisfaction with Pay2000 pay banding**
  - **Would like deployment/operational pay to reflect increased workload from (over)stretch**
- **Career and job security important**
  - **Promotion positive, Pay2000 banding negative**
- **Allowances complex, communication poor**
  - **Possibly cause for inter-Service jealousy**
  - **Married, long-term partner, single equality**
  - **Would like increases in some to mitigate disruption**

**RAND**

DCDS(Pers)-32 0406

We can now bring together the salient responses that resonate in the majority of the focus groups.

*Basic Pay and Pensions:* There are no negative comments about the Service pension. There are some comments about basic pay and most of these are positive. In light of these responses, and because of the repeated direct line of questioning, we interpret that the perception of the focus groups towards their pay and pension is positive. As we have described, Pay2000 draws unfavourable remarks and its presence here is because the respondents dislike the banding concept and the way in which it undermines the feeling of togetherness. Participants have been influenced by their contact with the Armed Forces of other nations, and many argue for pay to become tax free when on operations or deployed. Rather than adhere to this prescriptive approach, we characterise that sentiment and the others that are similar with the statement that the focus groups would like an increase in pay when deployed or on operations. Their justification for this is that they are working harder because of (over)stretch.

*Career and Job Security:* Our respondents see their participation in the Armed Forces as a career decision. They feel that they have made a long-term commitment and feel that they receive job security as a result. Career progression is important, therefore, and promotion is seen as positive progression. Pay2000 again draws negative criticism because of the perception that the banding system undermines the military sense of superior rank and responsibility.

*Allowances:* The majority of focus groups describe the allowances as complex and say that communication of information about them is poor. This perception possibly means that some allowances, which would otherwise be working as intended, may not be. The perception from each of the Services that some aspect of the other two is at a greater advantage – inter-Service jealousy – reinforces our contention on this point. The groups do not like the inequalities that they perceive to exist between married and single personnel or those in long-term relationships. Allowances are seen by the groups as the best way in which to mitigate the effects of disruption.

### **... and Those Not Related to Remuneration**

- **Quality of life factors of great importance**
  - All – Travel, excitement, training, family experience
  - Officers - Altruism, idealism, camaraderie, variety
  - Other Ranks - Lifestyle
- **Stretch a significant concern**
  - Overstretch a common view
  - Too few people working harder for longer, reduced down-time
- **Disruption a significant concern**
  - Individuals – no ability to plan, feel messed around
  - Families – Spouse loses own career, children's schooling affected, worries about medical and other support

**RAND**

DCDS(Pers)-33 0406

The design of the protocol allows us to compare the salient perceptions of the respondents to remuneration factors with those that have no direct pay, pension, or allowance link. We conclude that remuneration is not at the forefront of the majority of participant's minds when they assess how to react to important employment decisions and changing circumstances.

*Quality of Life:* Somewhat intangible quality of life factors, encompassing the perceived peculiarities of Service life and the opportunities it provides, together with a sense of doing the right thing for some, are of great importance and salient to all of the focus groups.

*Stretch:* Stretch and its impact are a significant concern. Many respondents in many groups believe they are overstretched with not enough people to do all that is required. They feel that they are working longer hours, often much harder. For some, this means a loss of the time available for non-work related activities that they see as important.

*Disruption:* Disruption is equally troubling to all of the focus groups and many of the participants in them, with family stability the most salient factor, though there are differing priorities for minimising the effect on the family unit. Some worry about ensuring the spouse can work, for his or her own career or for the financial benefits; others see the education of their children as more important. Individual concerns arise too. Disruption is seen as affecting the ability for many of the respondents in many of the groups to plan their lives with any certainty; missing holidays, losing leave, or just feeling messed around are the examples given.

### ***Target Issues and Focus Group Perceptions (1 of 2)***

- **Satisfaction with current remuneration package**
  - Perhaps overall seen as satisfactory, some good parts and some bad, though no room for complacency
- **Motivational utility of specific pay & allowance packages**
  - Pension good, basic pay good, allowances poor
- **Ability of remuneration package to encourage military recruitment**
  - Remuneration one consideration, and seen positively, of many non-financial factors

**RAND**

DCDS(Pers)-34 0406

We are now able to relate the perceptions of the focus groups to the MOD's target issues identified at the beginning of this project. An explanation of the process we use to do this can be found in Appendix C. To give a more complete understanding, and in line with the responses of the focus groups, we include the perceptions of the pension scheme when we consider the pay and allowance package.

- *Satisfaction with the current remuneration package:* The salient view of the focus groups is one of satisfaction with the pay and pension package. Together, **amongst those still serving**, they are sufficiently attractive to encourage officers, NCOs and Junior Ranks and their spouses or long-term partners to accept the demands of Service life. The salient view of participants, however, is that pay does not compensate for the increased stretch that they now face. Allowances are considered to be unsatisfactory overall, particularly so in the way in which they mitigate the effects of disruption. We are aware that the Armed Forces pension has changed recently and we are not able to say which scheme is influencing the respondents. It may be that the new scheme will become to be seen as less satisfactory.
- *Motivational utility of specific pay and allowance packages:* Pay and pension motivate personnel in the Armed Forces to remain in their Service until pension entitlement. The perception of the focus groups is that personnel leave when the attraction of the pay and pension package is outweighed by the effects of disruption. Of the two, the pension is seen as the more important. The salient view of the focus groups is that the allowance package is difficult to understand and use. This is because they perceive it as too complicated and poorly communicated. They see some allowances as contradictory or a

distortion of normal behaviour, motivating claimants to accept other compromises to continue receiving certain allowances. Such allowances not only trigger other problems, but in the view of some respondents, remove support from areas that should otherwise benefit.

- *Ability of the remuneration package to encourage military recruitment:* The perception of the focus groups is that pay and pension are amongst many potential influences that persuade personnel to join the Armed Forces. Pay has an indirect effect for those that conclude joining the Forces is their best option. Serving family members are an important influence on many that join. We discuss above the positive perception of the focus groups of their pay and pension and so we link believe that both have a positive, indirect link to recruitment. Other non-financial, quality of life factors also encourage people to join. The groups do not describe the allowances as having any role.

### ***Target Issues and Focus Group Perceptions (2 of 2)***

- **Identification of additional remuneration options**
  - **Deployment/operational pay, childcare, improve disruption allowances, improve Pay2000, make remuneration equal**
- **Career aspirations and the role of remuneration**
  - **Pay2000 causes problems, role of remuneration unclear**
- **Impact of home ownership and family stability**
  - **No perception that owning equates to family stability with focus more on reducing impact of disruption on spouses and children**

**RAND**

DCDS(Pers)-35 0406

- *Identification of additional remuneration options:* Participants identify few potential changes to the remuneration package. Their proposals include:
  - Increasing net pay for those on deployment or operations. This is seen as mitigating the effect of increased stretch.
  - Improve childcare at work and for spouses, possibly by changing CEA. This is seen as mitigating the effects of disruption.
  - Improve other allowances associated with disruption, particularly those for moving location.
  - Remove differences between the Services. Apply allowances equally to married and single personnel and those in long-term relationships.
  - Remove the pay (and promotion) anomalies in Pay2000.
- *Career aspirations and the role of remuneration:* The salient view of the focus groups is that career progression is linked to promotion. Some of these groups see promotion as retention positive too. None of the respondents link promotion and pay or pension, except where they discuss the negative effects of Pay2000. Some respondents comment that promotion causes disruption. We expect there to be a link between career aspirations and remuneration, since pay and pension play such an important role in career satisfaction as we discuss above. The participants make implicit comments linking higher remuneration to higher rank, though there are so few such comments that we are unable to report any saliency. The groups do not describe the allowances as having any role.

- *Impact of home ownership and family stability:* Though the protocol asks participants about home ownership and we are able to record their responses in the demographic graphs in Appendix B, the focus groups express no salient view linking home ownership and family stability. The overwhelming perception that more needs to be done by the MOD to counter the effects of disruption focuses on the ability of spouses to work, access to medical facilities, and education of children. Consequently there is no meaningful analysis that we can undertake to explore any link between the demographic responses and perceptions on home ownership. Some participants comment on the allowances MOD offers to assist home ownership, but these are not salient views. These respondents do not link house purchase with greater family stability.



### ***The Focus Groups Drew Out Many Key Perceptions About Pay and Allowances***

- **The remuneration package is complex and difficult to understand**
- **The current basic pay package and pension scheme are satisfactory**
- **Aspects of the remuneration package drive unwanted behaviour**
- **Other factors more directly impact recruitment than the remuneration package**
- **There is an overwhelming desire for less stretch and disruption in service life**

**RAND**

DCDS(Pers)-36 0406

After analysing the responses of focus group participants in light of the project objectives, a number of key findings stand out:

•**The remuneration package is complex and difficult to understand:** Nearly all of our focus groups describe the current pay and allowance package, particularly allowances, as complex, difficult to understand, and difficult to determine eligibility and entitlement. Service members do not know what allowances they are entitled to, nor do they find it easy to claim allowances—either through, from their perception, ill-informed clerks or because of little direct information from the MOD.

•**The current basic pay package and pension scheme are satisfactory:** Focus group members are largely satisfied with their basic pay and pension arrangements. Individual participants have some specific negative comments regarding pay and promotion banding introduced in Pay2000 and the lack of additional pay for operational deployments; however, these concerns are not as salient across all focus groups, as the positive view of the pay and pension.

•**Aspects of the remuneration package drive unwanted behaviour:** There are many cases where eligibility requirements concerning certain allowances are an incentive for Service personnel to act in ways contrary to MOD aims or expectations. Three particular examples stand out; in some cases, the benefits of promotion (particularly to the non-commissioned officer ranks) are sometimes mitigated through insignificant pay increases coupled with increased responsibility and expense (mess bills, for example). This lessens the attraction of promotion to certain Service personnel. Likewise, some Service members feel pressure to get married because of the increased benefits that brings (eligibility for a married quarter, increased displacement allowance, etc.). Finally, the

eligibility requirements surrounding allowances, such as CEA, encourage Service members to contort their mobility behaviour in order to continue sending their children to boarding school.

•**Other factors more directly impact recruitment than the remuneration package:**

When examining why people joined their respective Service, the focus group participants rarely cite remuneration reasons as direct factors for joining the Armed Forces. Other factors, such as lifestyle and family/colleague experience, appear to be more directly relevant. However, pay and allowances may *indirectly* impact recruitment through their influence on perceptions of Service life or experiences of former Service members (who, in turn, influence others to join the military).

•**There is an overwhelming desire for less stretch and disruption in Service life:**

Although not directly related to remuneration, the focus groups reveal a desire for reduced stretch and disruption in their careers. Stretch is seen as causing more frequent deployments and operational tours, or increasing the hours and intensity of work. Disruption often occurs in two forms—short-term disruption caused by Service requirements such as postings or operations or longer-term disruption which impacts on family stability, education, spousal career, etc. The salient view of the focus groups is that the remuneration package should mitigate the effects of stretch and disruption.

## Areas for Further Study

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### ***Areas for Further Study***

- **Baseline perceptions of remuneration (survey, etc.) and test new ideas**
- **Inter-Service remuneration and culture issues**
- **Disruption issues**
  - **Impact on family and individual**
  - **Home ownership impact/benefits**
- **New recruit aspirations/motivations**
- **Valuation of remuneration package**
- **Promotion motivation and pay issues**
- **Stretch and options for additional deployment or operational remuneration**

**RAND**

DCDS(Pers)-37 0406

This investigation has been limited in scope in order to meet the wider-requirements of the MOD's Strategic Remuneration Review. However, it highlights a number of areas that will benefit from further study, and we describe these below.

- *Baseline perceptions of remuneration and test new ideas:* At the beginning of this report we put our investigation in context with other remuneration work being undertaken by the MOD. This suggests that there is an expectation of introducing change once all such work is completed and decisions can be made. Thus, a short period exists in which to understand what Service personnel think of their current remuneration and any other factors that affect their decisions to join, remain and perform. The work we report here is a statistically unrepresentative snapshot that may indicate to MOD decision-makers that Service personnel view remuneration differently to the decisions of previous policy makers. However, a statistically significant survey, that draws on our findings and others that may be available, will provide a known starting point for the MOD; it may influence policy formation and subsequent decisions, it could be used as a baseline against which to test new ideas, and it will allow measurement of any change.
- *Inter-Service remuneration and culture issues:* The MOD is a joint organisation and policy decisions, such as the introduction of JPA, reflect this. If the perceptions of our focus groups reflect those of the wider Service community, however, it would seem as if there is a disconnect in the areas affected by remuneration somewhere between policy and execution. This may be because of the complexity of the allowances, the way in which

they are communicated within each Service, or both. JPA may improve both of these areas, though we would recommend understanding the inter-Service remuneration and culture issues first to ensure that it does. This will help decision-makers too as they consider changes to the remuneration package.

- *Disruption issues:* In this work we are unable to explain why our respondents did not link stretch and disruption. It could be that the nature of the protocol influenced respondents to answer in this way, though this is not obvious either from further consideration of the protocol or analysis of the answers. The perception of disruption of the focus groups may be different, also, from that expected by the MOD. The link by the groups of disruption to allowances and not pay is one aspect, family stability is the second, and the third is the concerns salient to several groups about individual disruption. There are very few comments about home ownership either and none linking ownership of property and family stability. We suggest that further work is needed in this area to give a better understanding of how Service personnel perceive disruption.
- *New recruit aspirations and motivations:* Our participants each describe their reasons for joining the Armed Forces<sup>6</sup> and our analysis indicates a range of factors that are influential. The focus groups are not representative of those who have recently joined or might join, however, and we recommend that further work similar to the approach we describe in this report is undertaken to understand the aspirations of new recruits and the factors that motivate them.
- *Valuation of remuneration package:* Although specific aspects of the Service remuneration package can be costed to understand absolute cost to the MOD, individual Service members appear to place a perceived value on these aspects as well. By using tested contingent valuation techniques<sup>7</sup>, the MOD will be able to better to understand perceived value of its remuneration package and may be better able to offer a package that better accounts for Service members' preferences while still meeting MOD requirements.
- *Promotion motivation and pay issues:* The perception of many of the focus groups is that Pay2000 is causing anomalies to pay and promotion. For some it is altering their decisions about accepting promotion and others describe frustration at what they see as inequitable pay bands. Also salient to the groups is the importance of promotion as a motivator for retention and performance. This suggests that aspects of Pay2000 and its impact on serving personnel need to be investigated further to understand how such situations occur and what might be acceptable solutions. As a first step, possibly in concert with the survey we describe above, we recommend that MOD undertakes a statistically significant survey of those affected by Pay2000 to better understand their concerns and strength of feelings. We would expect analysis of the results to clarify any problems and allow formulation of policy options that would solve or mitigate any problems discovered.

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<sup>6</sup> Participants in the spouse groups describe the reasons for joining of their serving partner.

<sup>7</sup> Such as stated preference (SP) and revealed preference (RP) choice modelling.

- *Stretch and options for operational and deployment remuneration:* We describe in this report the very strong feeling, salient to almost all of the focus groups, that they do not receive adequate compensation for the effects of stretch. Their perception is that they are undertaking deployments or operational tours more frequently, that there are fewer people to do the work, and those that remain are working longer and harder. We suggest there is a need for MOD to articulate stretch in a way that the majority of Service personnel accept and show the relationship between these effects and current remuneration. Objective analysis of the reaction to this will indicate if additional remuneration options need to be considered. Such a process might also investigate of direct and indirect links between stretch and disruption, so that coherent remuneration policies for both can be formulated and articulated.



## **APPENDICES**

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# Appendix A: Focus Group Protocols

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## RAND PROTOCOLS USED IN FOCUS GROUPS<sup>8</sup>

### Oral Informed Consent for Focus Groups

Good morning (afternoon). My name is \_\_\_\_\_ and this is \_\_\_\_\_. We're researchers from RAND Europe, a non-profit research institution that looks to improve policy making through research and analysis. As part of RAND's work for the Ministry of Defence, we have been asked by the office of the Deputy Chief of the Defence Staff for Personnel to conduct a series of focus groups to understand the impact of the pay and allowance package on the Armed Forces. This is part of a larger MoD effort to review the pay and allowance issues.

You were selected to participate in this focus group because of your unit type and scheduling availability. During this discussion we will be asking questions about how and why you decided upon your current career, your opinions about it, and your plans about remaining in or leaving this career field.

Your participation in this discussion is entirely voluntary. You may decline to participate or to not answer any questions that you are uncomfortable with. We will be taking notes today, but we will not insert your name into the notes, and we will not show the notes to anyone outside of RAND, except as required by law. Our notes will help us to identify general patterns within and across different military communities. We will also be recording the sessions, but the recording will only be used as back-up—in case we need to verify something that was said. When our investigation is complete, we will give a report to the MoD that summarises the results of our focus group sessions. This report may include quotes, but we will ensure that any such comments cannot be attributed back to specific individuals. Also, we ask that each of you commit to keeping today's discussion confidential by not revealing the names of other participants or their comments to anyone. What each of you says should remain in this room. However, you should be careful not to say anything today that would cause you harm if another participant were to repeat it outside the group.

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<sup>8</sup> This protocol is based on one developed by RAND US colleagues which used focus groups in support of an on-going study looking at understanding and retaining US Special Operations Forces; we would like to thank Margaret C. Harrell and Laura Werber Castaneda for their assistance and approval to use their protocol as a blueprint for the one used in this project.



Since some of you may not have participated in focus groups before, I would like to say a few words about how we will operate today. We expect that this session will last approximately 90 minutes, which will conclude your participation in our investigations. During this session, we will be asking you a series of questions about service life—some of which will directly address your pay and allowance package. Once a question is asked, we would like each of you, in turn, to respond. If you prefer not to answer a question or don't have anything extra to add, you don't have to answer. Because we are trying to record your answers, please do not respond until I call on you. Also, please don't speak for a second time until everyone has had a chance to speak. Due to time restrictions, we anticipate having around 10 minutes per question, so please try to limit your individual answers to between 30 and 60 seconds each.

Before we begin, do you have any questions about this discussion?

I will give out my business cards now so you will have my contact information on hand. If you have any questions about the study later on, don't hesitate to contact me.

*If applicable:* You will also notice that \_\_\_\_\_ from the Ministry of Defence is also in the room. He/she is here to evaluate our facilitation of these focus groups, and he/she is not part of our investigations.

### FOCUS GROUP QUESTION PROTOCOL

1. Please take a turn and tell us briefly your age, rank, how long you've been in the Service, and why you decided to join the Armed Forces?

[Moderator and Notetaker. Record left participant as 1 and number participants clockwise. Answers on demographic matrix.]

2. Some of you mentioned [FEEDBACK] as reasons for joining. Are there other positive aspects to being in the Armed Forces?

*Probe:*

- a. Are there other benefits or rewards?

3. Are there any negative aspects to being in the Armed Forces?

4. What factors are influencing or will influence your decision on whether to stay in the Armed Forces?

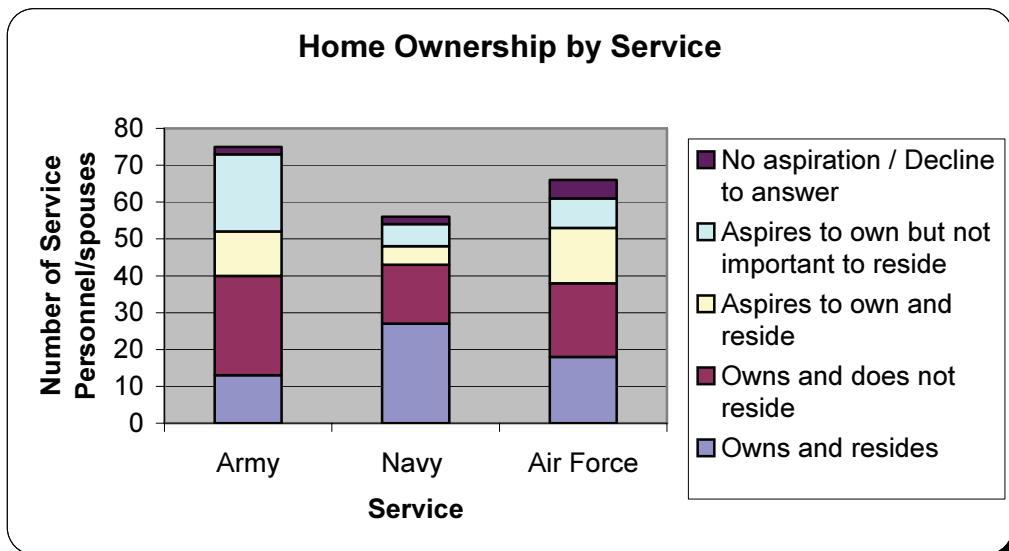
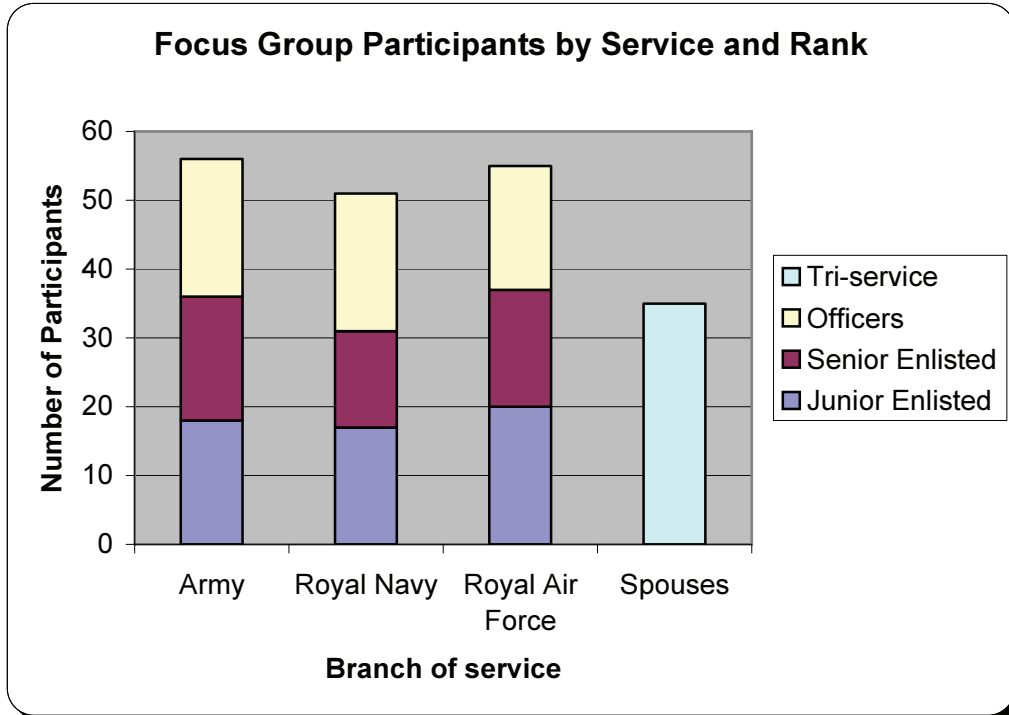
*Probe (if necessary):*

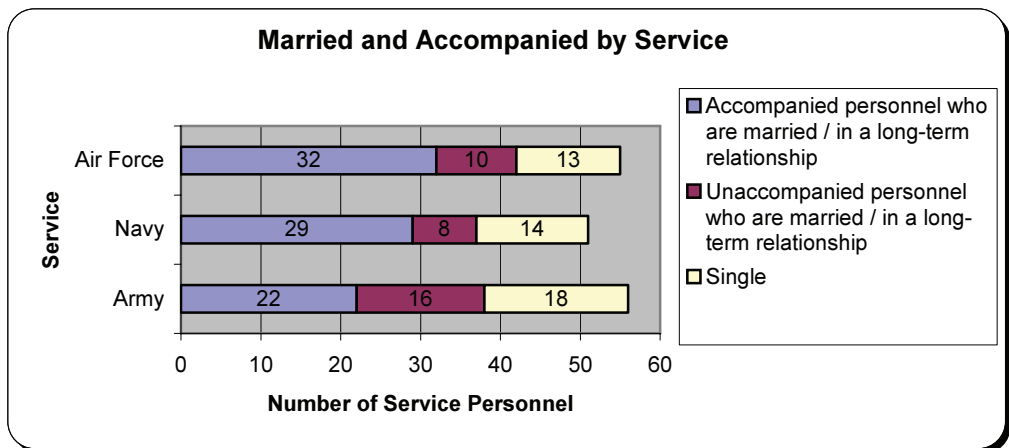
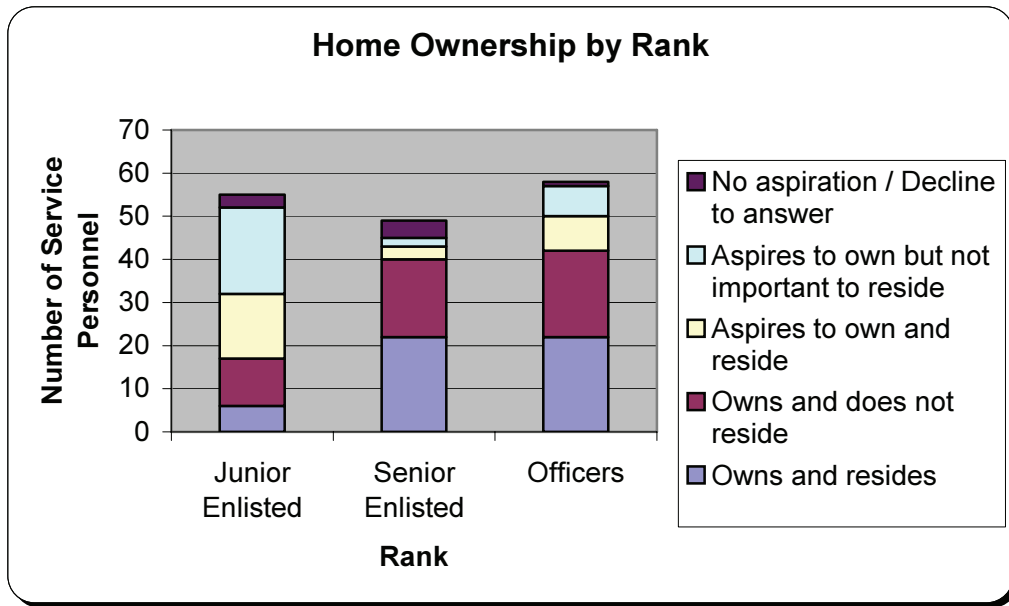
- a. Are finances a consideration?
  - b. Career options outside the military?
  - c. Family issues?
5. “As I mentioned at the beginning, this is review of the impact of pay and allowances. With that in mind what do you think about the levels of your current pay, future pay and your allowance package?”
  6. Since we have heard that domestic issues are a factor for some people, how many of you are married or in a committed long-term relationship?  
*[Notetaker: Note which participants raised their hands. Answer on demographic matrix.]*
  7. Of those of you who just raised your hand, how many are accompanied?  
*[Notetaker: Note which participants raised their hands. Answer on demographic matrix.]*
  8. How many of you have children? *[Notetaker: Note which participants raised their hands. Answer on demographic matrix.]*
  9. Of those of you that just raised your hands, how many claim education allowances? *[Notetaker: Note which participants raised their hands. Answer on demographic matrix.]*
  10. How many of you own your own home? *[Notetaker: Note which participants raised their hands. Answer on demographic matrix.]*
  11. Of those of you who just raised your hand, how many of you live in the home that you own? *[Notetaker: Note which participants raised their hands. Answer on demographic matrix.]*
  12. If you do not own your own home, do you aspire to and would you plan to live in it? *[Notetaker: Answers in format (2) Yes, No; (4) Yes, Yes; (7) Yes, No - Let it out]*
  13. Pay has been mentioned too and I want to be clear about this as well. How many of you receive currently specialist pay such as flying pay, submarine pay,

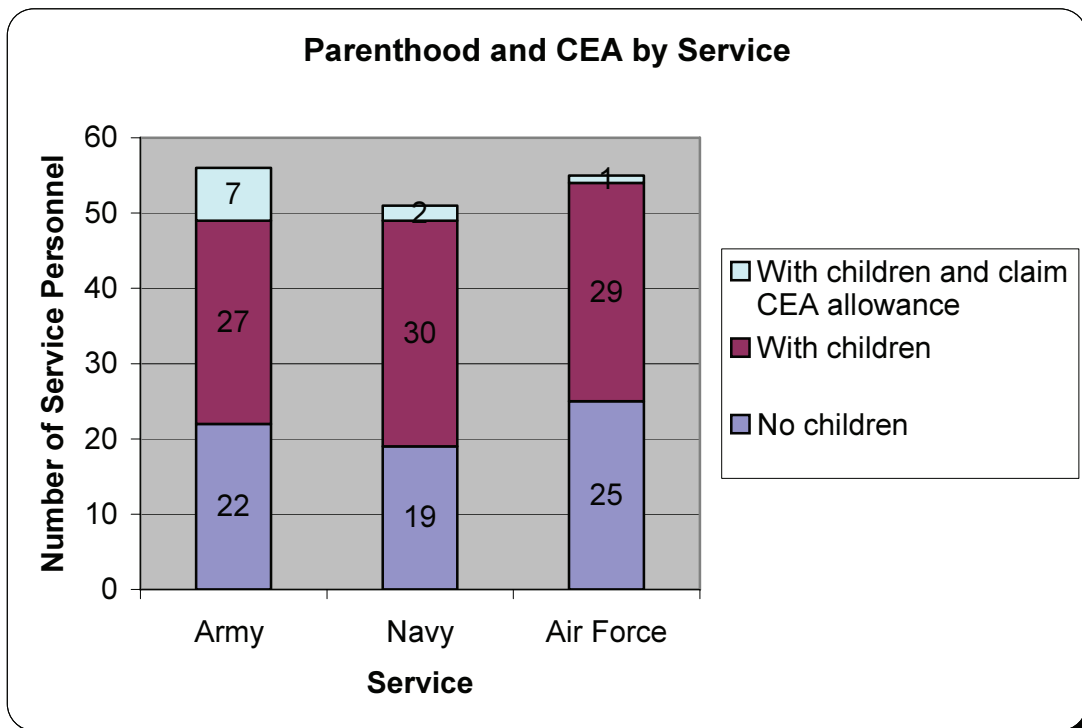
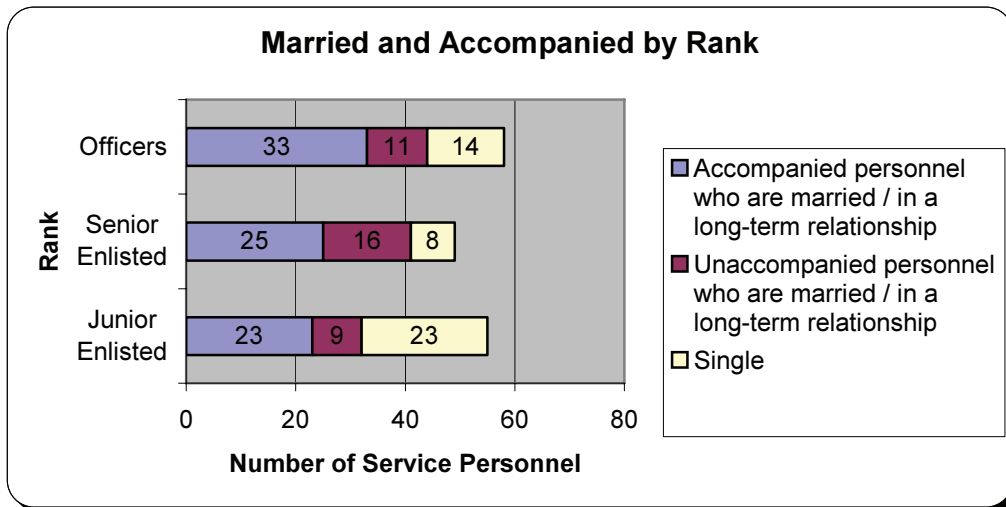
parachute pay, or similar? *[Notetaker: Note which participants raised their hands. Answer on demographic matrix.]*

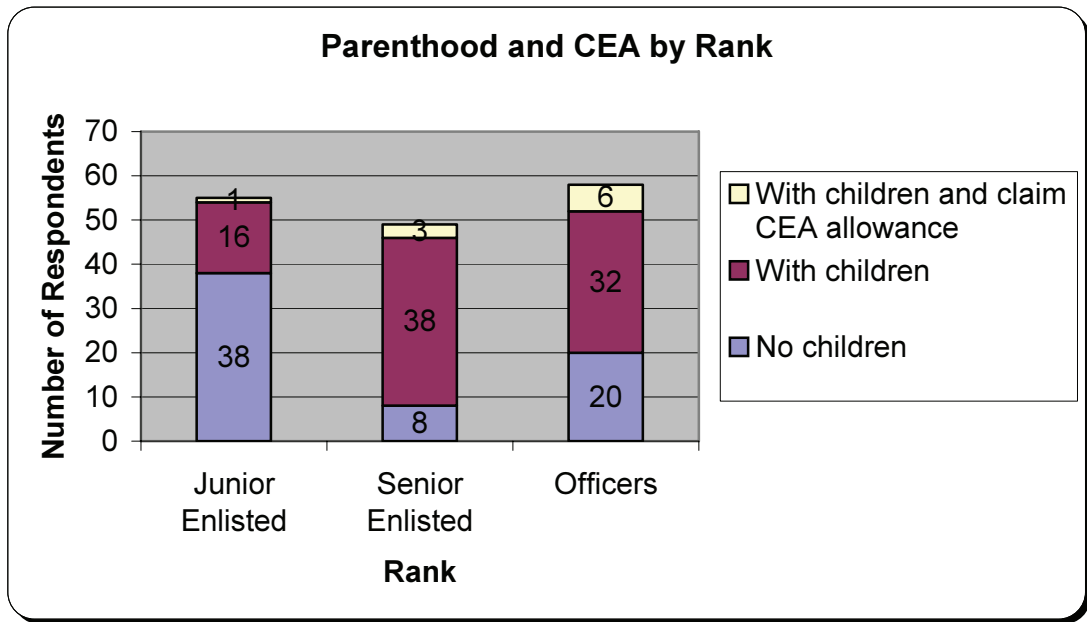
14. What could be done to keep people in the Armed Forces for longer?  
*Prompt if necessary: “Don’t worry about whether they’re likely to make such changes – what would compel people to stay in longer or make people want to stay longer?” [Moderator: In this question we want to see what ideas, financial or otherwise, the participants think will have a positive effect on all aspects of retention.]*
15. “Some of you proposed financial ideas.” What changes could be made to the pay and allowance package to make it more attractive for people to stay?
16. “Most of the changes that you have suggested will cost Defence more money. Since there may not be additional funding these changes would have to be offset in some way. With this in mind, what could be removed from the pay and allowance package?” *[Moderator: Note how the group reacts to each proposal, particularly where there is consensus (C), dissension (D), or a split (S)]*
17. What message would you like to convey to the leaders and policymakers in the Armed Forces regarding your pay and allowances?

## Appendix B: Focus Group Demographics









## Appendix C: Aligning Perception of Remuneration Provision and Outcomes

**Perceptions of Remuneration Provision and Salient Factors**

Focus Group Perceptions of MOD Provision			Focus Group Salient Factors
Allowances	Pension	Pay	
			Quality of life*
			Career & Job Security
			Pay
			Disruption
			Stretch
			Pension
			Allowances

	Provision has no or an adverse impact
	Provision has some impact or falls short
	Provision has positive impact

*\*Quality of life is travel, excitement, family, altruism, lifestyle etc*

**RAND** DCDS(Pers)-40 0406

In this table we show the remuneration and non-remuneration salient factors in the column on the right (these are initially presented in the report on pages 40 and 41). They are in no particular order except that which aids presentation. In the sub-columns on the left we have split the MOD’s remuneration provision into the constituents of Allowances, Pension and Pay. As we have seen, the focus groups perceive the impact of remuneration provision on these salient factors to vary.

- Allowances are linked by the focus groups to disruption; disturbance allowance, CEA, childcare help are perceived as having some impact or falling short, so we colour the allowance – disruption intersection orange. We are not making a judgement about CEA in this intersection, although it is worth highlighting that for some it is a policy with positive impact and others believe it has no impact. Interestingly, some of those that use CEA accept other disruption to the family unit to qualify; the allowance causes disruption. Allowances provision is too complex and poorly communicated and this makes the allowances provision – allowances factor intersection red.
- The groups perceive overwhelmingly that their pension is having a positive impact on their career choices. The intersection of pension provision and career & job security is green. The perception of pension provision, in the minds of the focus



group participants, is positive and this we show with green in the pension provision – pension intersection, although we are aware that the recent changes to the Armed Forces pension scheme could alter perceptions.

- Moving on to pay provision, we link the salient perception of basic pay to the career & job security factor. Not only is this a deductive step, a job equals income, but many respondents describe financial security and career together as well. The intersection is green. Pay provision is seen as falling short because of Pay2000; it is perceived as negative for two reasons – pay banding and promotion banding – and these are salient together or singly across the majority of groups. On the other hand, for basic pay to be seen as positive, there are presumably positive aspects to pay provision. We colour the intersection of pay provision – pay as orange. Participants link pay to stretch and salient to the majority of groups is the perception that stretch is diluting the value of their basic pay. Longer hours with harder work are one aspect; lack of deployment or operational pay is the other. There are remuneration schemes available to personnel on operations or deployment and some participants mention some of these. These schemes are described as bonuses or allowances, though in the minds of the participants they are seen as pay. We colour the pay provision – stretch intersection orange.

**Perception of Salient Factors and Human Resource Outcomes**

Focus Group Salient Factors	Outcomes		
Quality of life*	Recruit	Perform	Retain
Career & Job Security			
Pay			
Disruption			
Stretch			
Pension			
Allowances			

\*Quality of life is travel, excitement, family, altruism, lifestyle etc

**RAND** DCDS(Pers)-41 0406

In this table we relate the same salient factors discussed in the previous page to Human Resource outcomes. These outcomes are a distillation of the target issues to their simplest form. We suggest that they represent three possible desirable outcomes of a personnel policy: recruit people, retain them, and motivate them to perform<sup>9</sup>. From the responses in the focus groups we are able to group the salient factors so that, for example, in the perception of the majority of participants, the recruit output draws on the factors of quality of life, career & job security, and pay. It needs to be emphasised that the phrase quality of life covers those intangible aspects identified by the focus groups. The *perform* outcome draws on the recruit outcomes and the additional salient factors of pay and disruption. *Retain* draws on all the salient factors.

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<sup>9</sup> These areas are articulated in the MOD Statement of Requirements for this project: “how [the reward package] features in motivation—e.g. to undertake certain duties or to be recruited into or retained by the Armed Forces.” (Paragraph 5)

### Aligning Perception of Remuneration Provision and Outcomes

Focus Group Perceptions of MOD Provision			Focus Group Salient Factors	Outcomes		
Allowances	Pension	Pay		Recruit	Perform	Retain
			Quality of life*			
			Career & Job Security			
			Pay			
			Disruption			
			Stretch			
			Pension			
			Allowances			

	Provision has no or an adverse impact
	Provision has some impact or falls short
	Provision has positive impact

*\*Quality of life is travel, excitement, family, altruism, lifestyle etc*

**RAND** DCDS(Pers)-42 0406

We now bring the two tables together to show how we relate the perceptions of remuneration provision to the possible outcomes of personnel policy. We use the factors salient to the focus groups to do this by aligning the assessments of remuneration provision, through the factors, to the outcomes.

- The impact of allowances provision on the *perform* outcome, because the perception of the participants is that it fails to meet their needs to mitigate disruption, is ambivalent. For the *retain* outcome we combine the perceptions of allowances provision through both the disruption and allowances salient factors, the latter of which is negative. We suggest that overall, allowances provision is negative for the *retain* outcome.
- We see an indirect link between the perception of pension provision and the *recruit* outcome. Many participants describe the influence of a serving family member as having been an important factor in their decision to join. Given the positive impact of pension provision on the careers of participants, where they are that serving family member, we suggest that it has a positive impact on the *recruit* outcome. The *perform* and *retain* outcomes draw on the perception of pension provision through the career and pension factors directly; overall this is decidedly positive.
- Basic pay, in the form of best option, is a direct and positive influence through the career & job security factor on the *recruit* outcome. We argue that the intricacies of Pay2000 are unlikely to affect a joining decision. We suggest there are indirect links too, not least via family influence in the quality of life factor. *Recruit*, therefore, draws on aspects of pay provision via the perception of pay itself,

through career & family security, and through career & job security to family influence to quality of life factors. These are positive. The *perform* outcome includes these as well, though now with the moderating effect of Pay2000 and the consequent ambivalent effect of the pay provision – pay factor intersection. The pay provision – stretch intersection further mitigates the positive pay provision – career & job security perception. The *retain* outcome has the same features as *perform* and overall we suggest that pay provision is slightly positive.