



# Talent Challenges and Opportunities in Aerospace & Defense

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# State of Talent in A&D: Overview of Findings

September 2021

# Our research leveraged multiple sources of insight

## Targeted interactions with AIA members



**20+**

AIA Workforce Policy Council members and HR leaders surveyed



**25+**

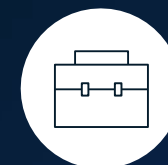
Interviews with company executives across AIA's membership

## Outside-in analytics<sup>1</sup>



**315K**

Employee reviews



**2.7M+**

Job posts



**1.4M+**

Employee profiles

## McKinsey proprietary solutions

McKinsey Global Institute

Organizational Health Index survey

Women in the Workplace 2019 survey

Talent Intelligence

1. Leveraging data aggregated across 50+ sources (e.g., LinkedIn, Indeed)

# Our research produced 10 key insights on Talent in A&D

1

There is **significant disruption in the A&D industry** and companies have **mixed confidence in their preparedness**

2

**COVID-19's impact on the industry is largely negative** but has been a **catalyst for positive changes in culture**

3

Most companies agree that **talent management is a priority** but feel their **efforts have mixed effectiveness**

4

A&D companies are **less confident in their digital skills vs. traditional engineering skills**

5

Leaders have a **positive view of culture and organizational health**, but this does **not uniformly align with employee perception**

6

**Diverse profiles are underrepresented** at all levels of A&D companies

7

**Data and analytics tools are not used as effectively as they could be** in talent management

8

A&D companies believe they have **well defined value agendas**, but **do not consistently match top talent to critical roles**

9

Leaders indicate that their companies work in **built-for-purpose teams** and understand talent gaps, but **companies are slow to (re)allocate talent**

10

A&D companies are **more likely to have a purpose and agree with its importance** but **aren't leveraging this enough in talent attraction**

# Our insights led us to 4 key recommendations for the A&D industry



**A**

## Tell the story of life in A&D to attract talent

Re-invigorate messaging to highlight mission and purpose as well as innovation and culture

Identify targeted opportunities to engage with desired talent pools



**B**

## Build the digital skills needed to succeed

Use data & analytics to map current employee skills and talent gaps – currently and 2-3 years out

Build skills using tailored learning journeys, and move quickly using a rapid test/learn approach



**C**

## Radically improve on diversity, equity, and inclusion efforts

Elevate agenda through top team ownership of initiatives

Hold leaders accountable to attract and retain diverse talent with bold, visible targets



**D**

## Re-imagine how work gets done post COVID-19

Assess how process changes in response to COVID-19 have worked and pilot improvements on wider scale

Pilot organizational structure changes that leverage agile teams to increase operating speed

# A: There is an opportunity to tell a new story of life in A&D to attract talent

Create a disciplined branding strategy with focus on what employees already appreciate

## What A&D leaders believe...

“” We’re thought of as old and clunky and formal. Here it would take a year to change, versus an agile Google or Amazon

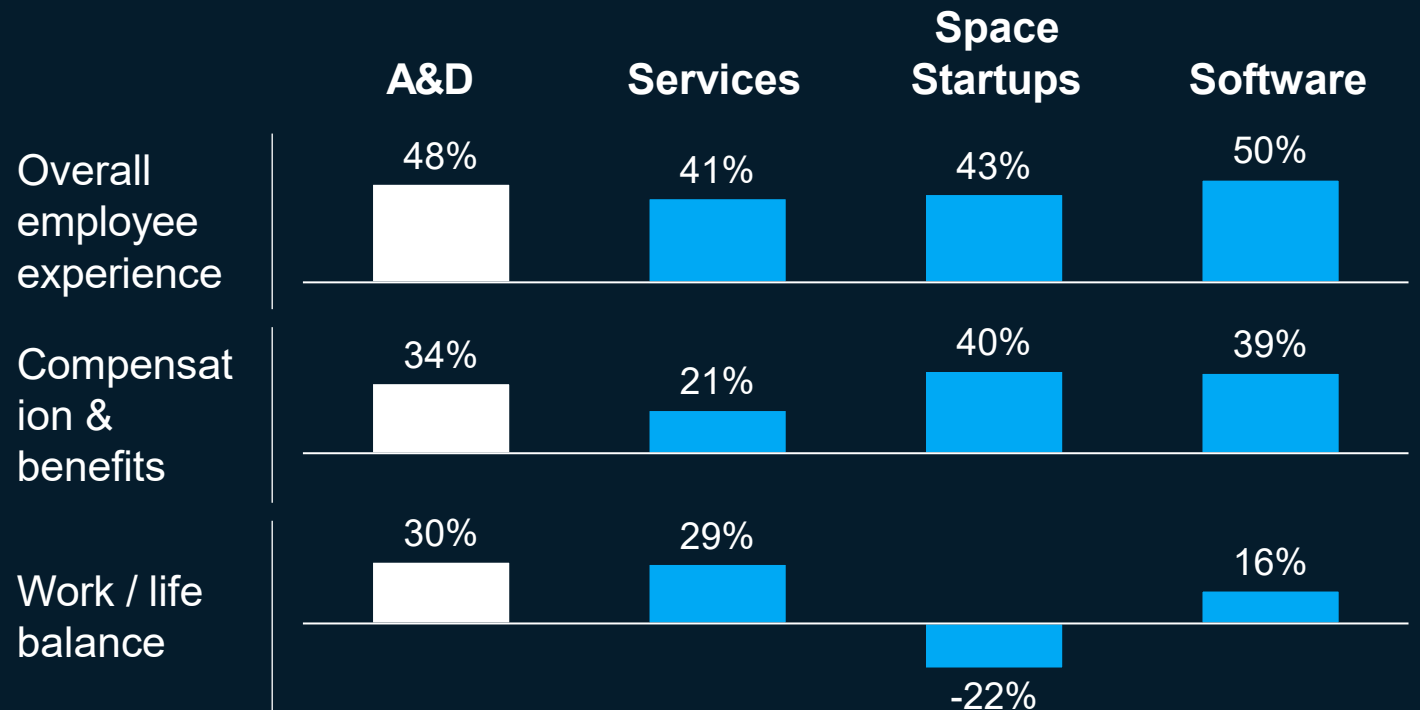
“” The current narrative impacts our ability to recruit the best and brightest. There is a positive story that isn’t making it to the surface

“” Candidates want equity, bonuses. Software/Silicon Valley offers things that we can’t



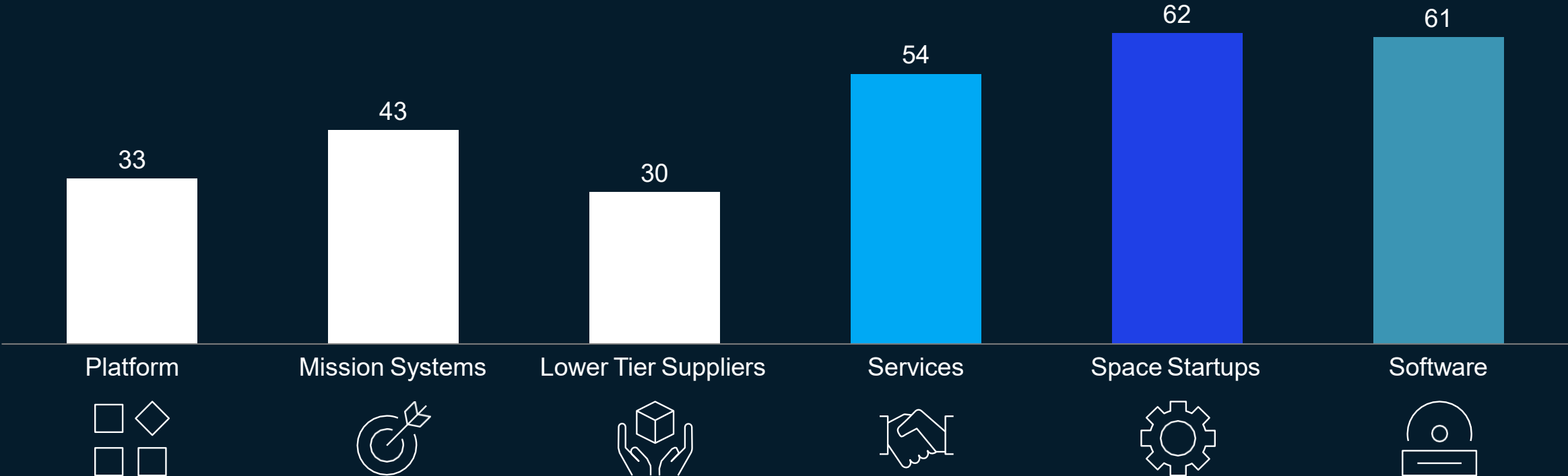
## ... and what the data indicate

Net promoter score<sup>1</sup>, Scores from -100% (all negative) to 100% (all positive)



# B: Build the digital skills needed to succeed

Employees With At Least One Digital Skill<sup>1</sup>, % of all employees who have listed skills



1. Employees with digital and analytics skills like Java, C++, integration, software development etc. See taxonomy in appendix

# C: Radically improve diversity, equity & inclusion efforts

Across companies, a handful of **leading DE&I initiatives** stand out – *many of which are not yet widely adopted in A&D*



Set targets and objectives to **create accountability among leaders**



**Identify top 5% of diverse talent** in company and create networking and community building for these top performers



“Radiate” diverse profiles by creating **regular opportunities to present to leadership**



Empower **ERGs with executive team ownership** and engagement



Create DE&I programs with strong **metrics to reinforce accountability**



**Tie leaders' performance evaluations to success** in creating diverse workplaces



Require **diverse slates and diverse decision-makers** when considering candidates for promotions



Build **inclusive succession plans** that take diversity into account

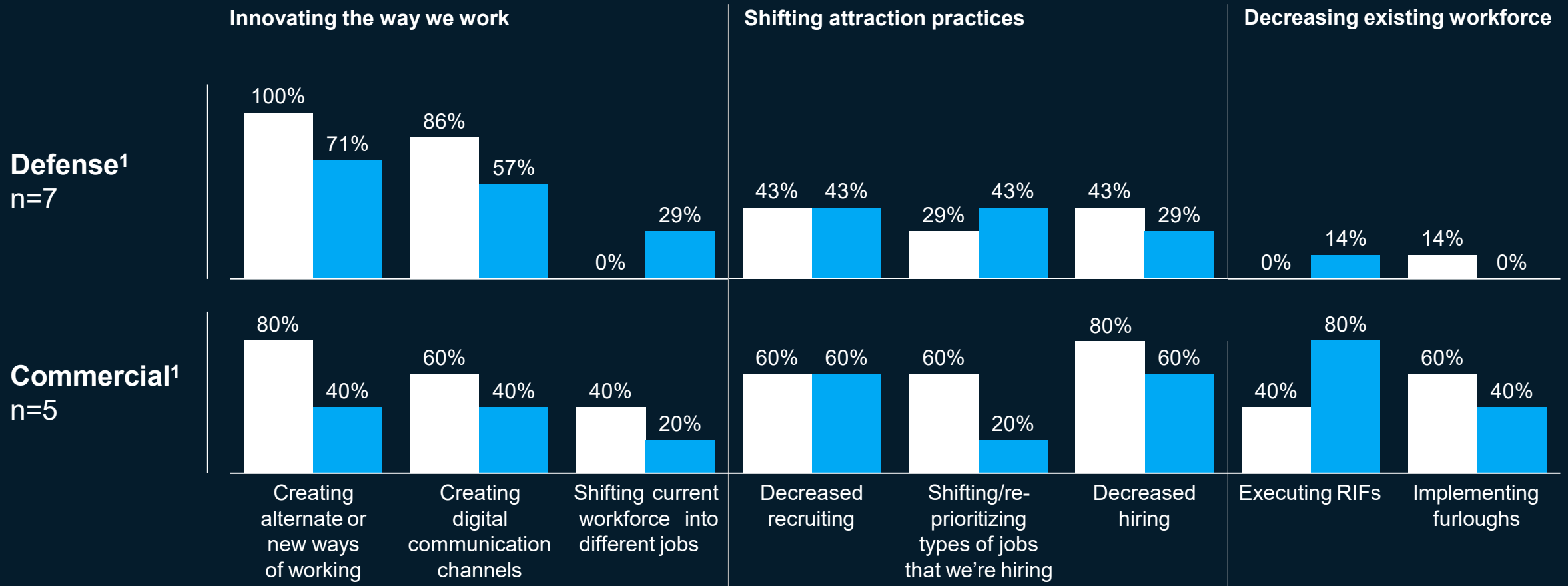


# D: Re-imagine operating models post COVID-19

The vast majority of A&D companies are creating new ways of working

■ Strategy is currently employed ■ Planning to employ strategy

## Talent strategies in the context of COVID-19, % of unique responses



1. Defined as having more than 50% of revenues in this segment

# Fireside Chat with NOAA Administrator Rick Spinrad

September 16, 2021 | 12 - 1 PM ET

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**Moderator:**  
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NOAA



# THANK YOU!



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