



# The Battle for Emerging Talent- Forces Shaping Aerospace & Defense in 2024

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## Market Drivers: Economic and Geopolitical

A turbulent, fast-changing environment will continue in 2024. Aerospace and defense companies must drive technology advancements, efficiencies, productivity, and military advantage in a business environment that blurs the lines between industries. A growing awareness of the importance of sustainability continues across all aspects of the space. Here are the key forces shaping the aerospace and defense industry in 2024:

- Heightened complexity and interconnectedness, alongside increasing competition and disruption.
- A pressing need for enhanced productivity, efficiencies, flexibility, and intellectual property (IP) protection.
- Rising demand for superior military capabilities, emphasizing precision, accuracy, and reduced human risk.
- Growing consciousness of environmental impacts, driving the push for long-term sustainability.
- An intensified interest in mergers, acquisitions, and strategic opportunities in the market.
- Escalating cybersecurity threats and geopolitical instability, including conflicts in regions like Ukraine and the Middle East, leading to increased defense spending and urgency for risk mitigation.

These forces are driving a number of thematic trends.

# Trends in A&D

## Advancements in Autonomy and Technology

The aerospace and defense industry is evolving rapidly with key technology developments, including:

- Increased utilization of military drones and UAVs for surveillance, coupled with advancements in AI and machine learning for enhanced aircraft capabilities.
- Growing interest in space exploration, focusing on the development of reusable rockets and spacecraft.
- A strong emphasis on cybersecurity to safeguard military and commercial aircraft from digital threats.
- A push for more fuel-efficient aircraft with lower emissions, reflecting environmental concerns.
- Innovative use of 3D printing in aerospace manufacturing and the development of hypersonic weapons capable of exceeding Mach 5 speeds..

## Focus on Sustainability and Environmental Impact

The aerospace and defense industry is experiencing significant shifts, focusing on sustainability and technological advancements:

- Growing pressure from stakeholders for sustainable business practices, leading to cleaner manufacturing processes, waste reduction, and the use of technologies like 3D printing.
- The rise of digital twin technology and increased demand for quieter, more energy-efficient technology with reduced emissions.
- A shift towards hybrid/electric propulsion systems in both aircraft and ground vehicles to meet environmental goals.
- Continuous advancements in reusable rockets and other sustainable technologies in the sector.
- The aerospace and defense industry is increasingly hiring executives with expertise in green energy and sustainable manufacturing to steer these initiatives.



## Evolution of Supply Chain Challenges

- Having navigated through a supply chain crisis, the industry continues to face significant supply chain challenges:
- Persistent focus on enhancing supply chain security and resilience in response to evolving challenges.
- Surging demand for skilled supply chain professionals following years of exposed vulnerabilities.
- Implementation of effective supply chain strategies and lessons learned from adjacent industries.

## Fluidity of Workforce Dynamics

Aerospace and defense (A&D) is adopting new work dynamics and talent management strategies to support the industry's evolution:

- Innovating working models to bridge talent shortages and skill gaps in the industry.
- Striking a balance between the industry's unique needs and national security with the trend towards remote work.
- Integrating technologies to facilitate digital experiences, remote work, and decentralized decision-making.
- Emphasizing the need for A&D employees to travel nationally and internationally to various sites as required.
- Placing increased emphasis on diversity and inclusion in the workforce, alongside evolving soft skills for effective leadership in this dynamic sector.



# Talent Implications for 2024

## Increased complexity and risk require more sophisticated leadership capabilities

In the aerospace and defense industry, the talent landscape is evolving, with outperforming executives demonstrating key competencies:

- Strong problem-solving abilities, teamwork skills, and adaptability to emerging technologies and industry changes.
- A blend of leadership, strategic thinking, financial savvy, and deep industry knowledge.
- Effective communication and collaboration with a range of stakeholders, including employees, shareholders, and government officials.
- Capacity to pivot and grow businesses in markets influenced by geopolitics and technological advancements.
- Experience in risk management, sustainability, and compliance, with the ability to address new demands and articulate these aspects to investors.

✓	Leadership Capabilities - Checklist	Resources
<input type="checkbox"/>	Implement executive assessments for both internal promotions and external hires to measure for necessary emerging skills	<a href="#">Leadership assessment</a>
<input type="checkbox"/>	Ensure your executive development programs include modules on problem solving, teamwork, financial acumen, risk assessment, and communication skills	<a href="#">Leadership development</a>
<input type="checkbox"/>	Attract executives who can anticipate demands and expectations around sustainability (potentially from other industries)	<a href="#">Sustainability</a> <a href="#">Executive recruitment</a>



## Roles are changing to reflect the need for specialized knowledge in advanced technologies

Reliance on advanced technologies is shaping the industry's talent requirements. There is a growing need for:

- Leaders skilled in managing interconnected systems involving AI, software, computer networks, and data.
- Engineers and technicians to design, test, and maintain these sophisticated systems.
- Executives who are well-versed in relevant regulations and the risks associated with these technologies.
- Leaders and board members with advanced tech expertise to secure or enhance competitive advantage.

✓	Knowledge and Skill in Advanced Technologies - Checklist	Resources
□	Assess board composition to ensure multiple board members bring tech expertise	<a href="#">Board effectiveness</a>
□	Attract executives from tech industry to fill board and executive seats	<a href="#">Tech leader recruitment</a>
□	Institute well-designed executive rotation programs to foster increased tech knowledge across business functions	<a href="#">Leadership development</a>



## Today's workforce needs to be managed with more flexibility and creativity

The aerospace and defense (A&D) industry is adapting to changing workforce dynamics and diversity, equity, and inclusion (DEI) imperatives, leading to novel talent management approaches:

- Implementation of technology solutions to support flexible work arrangements and remote collaboration.
- Enhancing soft skills like compassion, empathy, and creativity in leadership.
- Reevaluating traditional career paths and worker classifications to foster greater innovation and inclusion.
- Embracing more flexible and creative management strategies to attract specialized talent, thereby enhancing agility and competitive edge.
- Increasing focus on the level of HR talent and the HR function's expertise in DEI as a key competitive factor.

✓	Flexible and creative talent management - Checklist	Resources
<input type="checkbox"/>	Ensure top-notch HR talent in place, including DEI experience	<a href="#">HR leader recruitment</a> <a href="#">Building an inclusive organization</a>
<input type="checkbox"/>	Develop openness to more flexible career paths and less linear path to promotion	<a href="#">Organization design</a>
<input type="checkbox"/>	Assess your managers (and candidates) for soft leadership skills	<a href="#">Leadership assessment</a>
<input type="checkbox"/>	Promote cross-functional skill development	<a href="#">Leadership development</a>
<input type="checkbox"/>	Be creative in allowing fluidity across work environments. Determine where people are actually needed, and	<a href="#">Competitive advantage through culture</a>
<input type="checkbox"/>	Assess your culture's DEI readiness	<a href="#">Inclusive recruitment diagnostic</a>





## Key, critical roles are emerging and/or significantly evolving

Significant changes are leading to the creation and evolution of key roles in A&D:

- Increasing emphasis on areas like advanced technologies, risk management, sustainability, DEI, cybersecurity, and corporate/board communications necessitates dedicated roles.
- The emergence of new roles and the evolution of existing ones to meet new responsibilities and focus areas.
- Many of these new and evolving roles, especially in critical focus areas, are becoming part of the C-suite.
- Where these roles already exist, they are increasingly reporting directly to the CEO.
- Notable emerging or evolving roles include Chief Digital Officer, Chief Sustainability Officer, Chief Innovation Officer, Chief Supply Chain Officer, Chief Human Resources Officer, Chief Security/Cybersecurity Officer, Chief Growth Officer, and Chief Risk Officer.

✓	Emerging and evolving roles - Checklist	Resources
☐	Assess need for these roles and hire where necessary	<a href="#">A&amp;D Search/Talent Acquisition</a>
☐	If these roles already exist in your organization, consider elevating them or developing the executives filling these roles as more sophisticated and well-rounded leaders	<a href="#">Organizational design</a>
☐	Ensure alignment on KPIs and objectives for these newer roles to optimize success	<a href="#">People strategy</a>
☐	Ensure execs and board members with specialized expertise in areas like tech, sustainability, DEI and risk have access to investor comms as well as strategic planning	<a href="#">Team coaching</a>



## About the Authors



Mercedes LeGrand  
 Partner & Head, Global Aerospace, Defense, & Security Practice

Mercedes LeGrand is a Partner & Head of Odgers Berndtson's Aerospace, Defense & National Security Practice, based out of the Washington office. She draws from her direct industry experience to find game-changing leaders for her F1000 public, private, and PE-backed clients at the Board, CEO, and C-suite level across a variety of functions.

Mercedes has 20 years' experience consulting and recruiting in the Aerospace, Defense, Intelligence, and Security sector. In addition, she has been active in the Digital Transformation and Diversity & Inclusion practices in previous positions. Mercedes has been recognized by ExecutiveBiz as a Top 10 GovCon Recruiter.

Mercedes has an MBA from both Columbia Business School and London Business School. She received a B.A. in Government and International Politics from George Mason University. Mercedes is a Court Appointed Special Advocate for Children in the cities of Alexandria and Arlington, Virginia.



Jon Barney  
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Jon Barney is a Partner & Head, US Industrial Practice. Jon has more than twenty years of executive search, leadership development and management consulting experience. He is based in the firm's Washington DC office.

Before joining Odgers Berndtson, Jon was a Senior Partner at another global executive search firm where he advised Aerospace and Defense clients. Previously, he was a Managing Director at Avascent, a strategy consulting firm that focuses on government markets, where he oversaw strategy, consulting, and M&A engagements for aerospace defense, government services, and technology clients. Jon also served as an Executive Director in the Aerospace and Industrial Practices at another executive search firm and was an Associate at Booz Allen Hamilton. Earlier in his career, Jon served five years as a Surface Warfare Officer in the U.S. Navy.

Jon earned his BS from the United States Naval Academy with Honors and his MBA from Harvard Business School.





## About the Authors Continued



Clarke Havener

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Clarke Havener is a partner with the US Aerospace, Defense & National Security Practice. Clarke is based in Odgers Berndtson's Washington DC office. He was most recently the Global Sector Leader for the world's largest Aerospace, Defense & National Security sector with Korn Ferry, where he spent 11 years. Clarke was previously a partner with Russell Reynolds Associates and led the firm's fastest-growing sector, the Aerospace, Defense & National Security sector for 10 years and was a member of the firm's Board Services Practice. He managed his own firm for 10 years and had previous experience in business and loan restructuring and sales and marketing.

Clarke has amassed a track record for the successful recruitment of many senior executives into both operational leadership as well as board of director roles. During his career he has built leadership teams for some of the largest aerospace and defense companies as well as research and development organizations and private equity held companies operating within the global aerospace and defense market.

Clarke is a graduate of the College of William & Mary and did graduate studies at Johns Hopkins University. Clarke is active as a member or board member of several industry associations including the National Association of Corporate Directors.

