

# HIRING INDEX: GLOBAL AEROSPACE, DEFENSE & INTELLIGENCE AND GOVERNMENT CONTRACTORS

**KEY FINDING: Q2 2018 delivered strong outlooks across the Aerospace, Defense and Intelligence sectors, defying expectations. Total employment was up over last quarter, as was job growth. It's a good news story for the majority of companies, and employees, in the sector.**

## AEROSPACE & DEFENSE

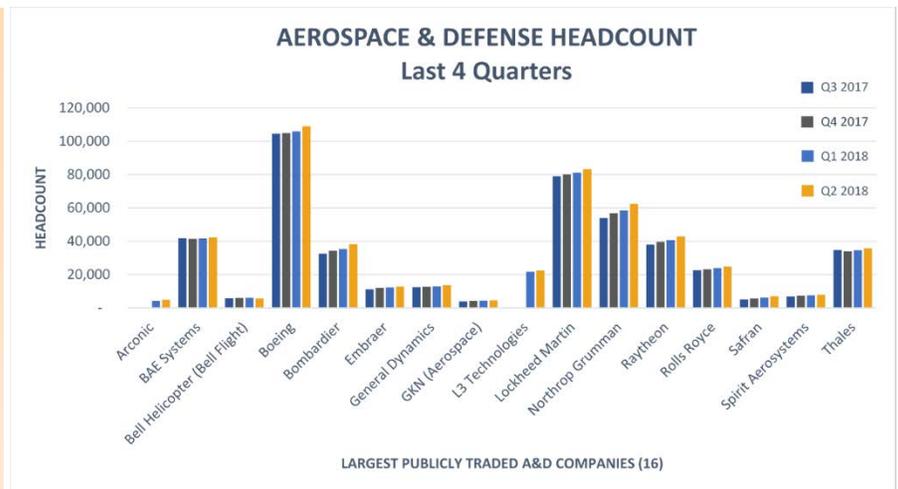
Conversations at the July Farnborough Air Show in the UK reflected market data, with many leaders and hiring managers wondering how to better position themselves to attract key executive talent to support their continued growth.

### Unprecedented Headcount Growth

A continuation of headcount growth in the Aerospace and Defense sector – **now four quarters in a row** – is nearly unanimous among the largest A&D companies.

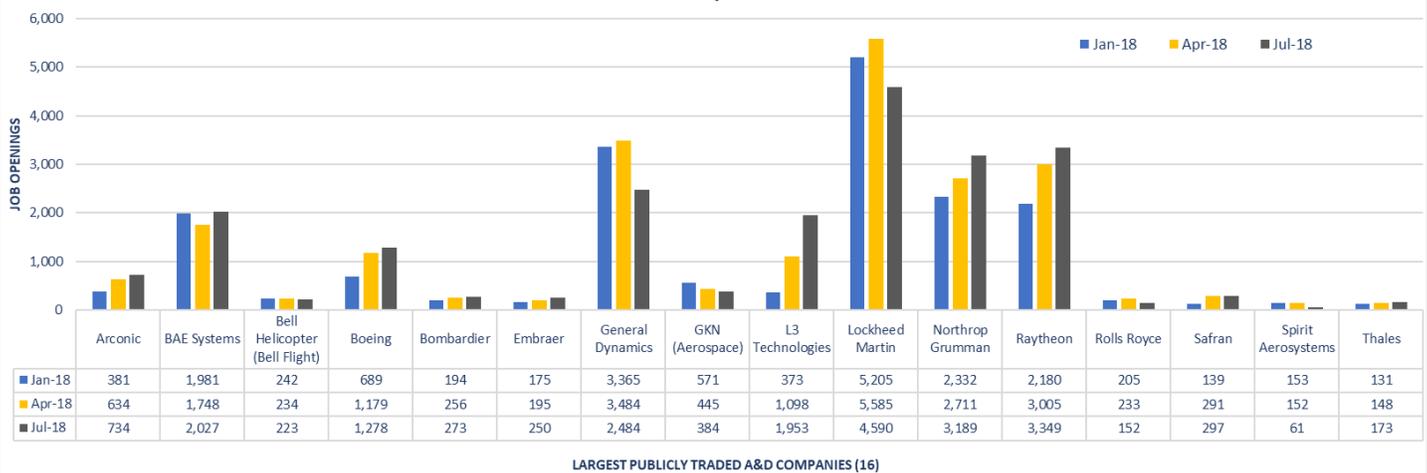
Discussions at the Air Show confirmed concern about supporting an upturn in activity with the correct personnel in this competitive hiring environment. A traditional approach of recruiting talent from within the same sector is limiting the candidate pool.

Anecdotally, some executives mentioned broadening recruitment efforts to other industries, such as automotive and technology. This would require a “train as they go” approach and a team-based environment. Teams would need to accept those individuals, help them catch up on industry knowledge and allow the time to do so. This is no small task.



*NOTE: While Northrop Grumman appears to have the strongest gains, those numbers are likely influenced by the purchase of Orbital ATK, as Orbital employees update their LinkedIn profiles to Northrop Grumman over time.*

## AEROSPACE & DEFENSE OPENINGS Last 3 Quarters



### Strong Job Openings

Among the 16 A&D companies tracked for this Hiring Index, the total number of job openings is up slightly in Q2 2018 (21,417) compared with Q1 (21,398), remaining solidly higher than Q4 2017 openings (18,316). Notably, quarter-over-quarter growth in openings came from 10 companies, nine of which increased their openings two quarters in a row.

## GOVERNMENT CONTRACTING

This quarter was marked by two significant government contracting company changes. CSRA was acquired by General Dynamics Information Technology (GDIT) in April. In June, Perspecta was formed by combining DXC Technology's spinoff of its U.S. public sector business with two other government services contractors. Optimism continues across the sector, with headcount and job openings up across the majority of GovCon companies in this Hiring Index.

### Steady GovCon Headcount

Total headcount for the eight largest government contractors is up slightly (2.6%) in Q2 (195,017) compared to the previous quarter (190,026).

Seven of the eight GovCons experienced some quarter-over-quarter growth, led by newly formed Perspecta (6%) and ManTech (5.1%).

Only CSRA decreased headcount in Q2 (-7.3%), which is likely due to its acquisition by GDIT in April.



## GOVCON OPENINGS vs. HEADCOUNT July 2018



### Four Major Players Expanding Ranks

If we normalize the size of the companies by existing headcount, it appears that four major players are substantially expanding their ranks: CSRA, ManTech, Leidos and CACI. While CSRA shows the percentage of openings at 25%, those positions may or may not get filled now that the company has been acquired.

## ABOUT THE ZRG AEROSPACE, DEFENSE & INTELLIGENCE AND GOVERNMENT CONTRACTORS HIRING INDEX

The Index utilizes a proprietary algorithm that looks at hiring within the largest publicly traded Aerospace, Defense and Government Contracting companies. Only companies that are purely in those sectors are included, so some large but diversified players such as Honeywell, General Electric and UTC are not considered. Changes in companies created by mergers and acquisitions alter the quarter-to-quarter comparisons and, in some cases, result in adding or removing companies over time.

The goal of the Hiring Index is to present general trends in the overall sectors of Aerospace & Defense and in the GovCon sectors by relying on publicly available information. Public sector data is utilized from websites such as LinkedIn and Indeed for the majority of the graphs presented.

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