Leveraging our Best Practices:
Hitting the Parity Jackpot

Shan Carr
Lockheed Martin Corporation
Vice President,
Diversity & Equal Opportunity Programs
The Men and Women of Lockheed Martin

- 132,500 Employees
- 60,000 Scientists and Engineers – 20,000 IT Professionals
- 6 Software Maturity Level-5 Companies
- Recognized as an “Employer of Choice”
- $26.6B in Sales
- $70B in Backlog
- Operations in 45 States and 56 Countries

Partners to Help Customers Meet Their Defining Moments
The US / Defense Industry Challenge

**War on Terrorism**
- Make it Proactive -

**Transformational Forces**
- Make it Relevant -

**New Strategic Posture**
- Make it Flexible -

**Homeland Security**
- Make it Effective -
To Maintain Our Competitive Advantage…

... and Industry Leadership

Lockheed Martin Must Proactively Engage and Partner with the “Education System” to Produce Engineers & Scientists
Total Aerospace Workforce 1990 – 2003

Consolidation in the Industry Has Taken its Toll

- 86 Aerospace Firms in 1985
- Down to the “Big 5” Companies
Workforce Distribution

Late “To Need” In Reconstituting This Group

Graduate School Shortfall

Area of Concern

Average Space Industry S&E Workforce Age Distribution

Talent Pipeline is Uncertain

54% of the S&T Workforce is Over 45 and 33% will be retirement eligible in 5 years.
## Future Workforce Assessment - Progress Towards Parity in Education -

### College Aspirations by Gender & Race (10th Graders)

(Source: National Education Longitudinal Study 1988 & 2002)

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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Boys</td>
<td>56%</td>
<td>75%</td>
<td>70%</td>
<td>58%</td>
<td>47%</td>
<td>61%</td>
</tr>
<tr>
<td>Girls</td>
<td>62%</td>
<td>85%</td>
<td>88%</td>
<td>78%</td>
<td>73%</td>
<td>81%</td>
</tr>
</tbody>
</table>

### Income vs Opportunity Reality

<table>
<thead>
<tr>
<th>Income Level</th>
<th>Percentage</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Above $85,000</td>
<td>51.3%</td>
<td>US 18 to 24 years olds from Higher Income families are more like to earn a bachelors degree but this is not a growing population.</td>
</tr>
<tr>
<td>$61,245 - $85,000</td>
<td>26.8%</td>
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<tr>
<td>$35,377 - $61,245</td>
<td>12.7%</td>
<td></td>
</tr>
<tr>
<td>Below $35,377</td>
<td>6%</td>
<td>(Source: Post Education Opportunity Analysis 2002 Census data)</td>
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Future Workforce Assessment - Engineering Enrollment Trends -

Full-Time BS Engineering Enrollments

Graduate Stats
- 1991 Total 60,798
- 2002 Total 62,377
- US is Ranked 17th Worldwide in Producing Scientists & Engineers

Source: Engineering Workforce Commission
## Engineering Graduates’ Selected Disciplines

*Includes B.S., M.S., Ph.D.*

<table>
<thead>
<tr>
<th>Discipline</th>
<th>1991</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerospace</td>
<td>4,072</td>
<td>2,665</td>
</tr>
<tr>
<td>Electrical</td>
<td>29,024</td>
<td>21,376</td>
</tr>
<tr>
<td>Mechanical</td>
<td>19,443</td>
<td>17,948</td>
</tr>
<tr>
<td>Computer</td>
<td>8,259</td>
<td>20,388</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>60,798</td>
<td>62,377</td>
</tr>
</tbody>
</table>

Source: Engineering Workforce Commission

**Terms of Reference**
- China ~ 300,000 Graduates
- India ~ 150,000 Graduates

- 2002 degrees earned by Foreign Nationals
- B.S. 8.0%
- M.S. 49.5%
- Ph.D. 58.9%

- Percentage of Foreign Students Return Home on the Increase and those who Stay Clearances are Taking an Average of 375 Days
Looking Ahead…

• Given this picture, how will we ensure parity in education and opportunity?

  – *Preparation and opportunity = success*
  – *Partnership with organizations who share the mission*
  – *Recruitment and retention strategy*
  – *Accountability*

“Have I Done Enough Yet?” O. Davis
Building A Diverse Talent Pipeline

K-12 Educational Outreach

Internships

Scholarships

Continuous Career Development

Retention

Engage...
- Parents
- Teachers
- Mentors
- Guidance Counselors

LM Partners with...
- INROADS
- NACME
- HBCUs & HACUs
- UNCF
- Etc.

Ensure...
- Training
- Mentors
- Coaches

Ensure...
- Inclusive culture
- Challenging Work
- Work/life balance

An Integrated Approach
Lockheed Martin Approach to Leveraging Diversity and Inclusiveness

Our Business …

Similar to our approach to doing business

… culture focuses on “process”

- Define the right process
- Measure adherence / progress
- Evolve process maturity

Our People …

Diversity Maturity Model

- Level 1: Foundational
- Level 2: Enlightened
- Level 3: Embraced
- Level 4: Integrated
- Level 5: Institutionalized “Inclusion”

Vision: One Company, one team, all-inclusive, where diversity contributes to mission success
Lockheed Martin must …

- Recruit and acquire a disproportionate share of available talent
- Continue efforts to balance the experience mix of workforce
- Optimize the utilization of our workforce by redefining work methods
- Explore ways to extend our retirement eligible workforce and transfer knowledge to the next generation
- Be an inviting environment to an increasingly diverse labor market
- Create an environment where high performance is enabled and recognized
- Continue focus on leadership identification and development

A Focus on People is Important
HAVE YOU DONE ENOUGH.....TO ENSURE PARITY?

One company, one team, all-inclusive, where diversity contributes to mission success

Lockheed Martin Aeronautics Company