PDMA and NPD Recruiting teamed up once again to explore employment prospects for new product development professionals.

By Kathy Morrissey, NPDP, and Mike Napier, NPD Recruiting
The Second Annual Survey of New Product Development (NPD) Professionals, conducted by NPD Recruiting and sponsored by PDMA, ultimately confirmed last year’s findings: Maintaining visibility in the field and establishing personal connections are critical to a successful job search. Web 2.0 has provided new tools that haven’t so much changed the job seeker’s main strategies as it has created efficiencies and extended the reach of the professional’s network.

In addition, the second annual survey suggests an improvement in employment statuses of NPD professionals compared to last year. This year, 19 percent of respondents reported that they were unemployed or working part time, roughly half of last year’s total of 40 percent. Of those reporting full-time employment, 40 percent indicated they were not interested in making a career move at this time, up from 30 percent last year. This means that of those fully employed, 60 percent were open to taking a new job if the conditions were right, down from 70 percent last year. The top reasons cited for making a move are better compensation, better work environment and better opportunities for learning and growth.

The survey, executed mid-May through mid-June 2011, was intended to further investigate how NPD professionals were faring with the extended unease in the U.S. economy. Job search and candidate recruiting tactics were analyzed to determine their effectiveness and provide guidance to job seekers and employers.

NPD professionals were invited to participate in the survey through announcements via email, LinkedIn, Twitter, blogs and the PDMA and NPD Recruiting websites. While these methods do favor those who utilize the Internet and social media, product development professionals tend to be savvy in such technology.

Another possible source of bias may result from the focus of the survey being most attractive to those NPD professionals who are seeking new jobs. For that reason, it is instructive to compare the employment status data of our sample with the national unemployment picture. The Bureau of Labor Statistics reported a national unemployment rate for management, professional and related occupations of 4.7 percent in June 2011. This is slightly higher than the 4.5 percent reported for April 2010, when the first survey was conducted. Our sample in 2011 reported 19 percent currently unemployed or doing temporary contract/consulting work while looking for a full-time position. (See Exhibit 1: Employment Status.) This is higher than the national average, but down significantly from last year’s 40 percent.

The Bureau of Labor Statistics also reported for June 2011 that of those unemployed, 44 percent had been unemployed for 27 weeks or more. In our sample, 53 percent of those unemployed reported being unemployed for 27 weeks or more. The higher and lengthier unemployment rates in our sample suggest NPD professionals are experiencing higher unemployment rates than the national average – or that we had a disproportionately high representation of unemployed professionals in our sample. Thus, it is interesting to note the potential improvement in NPD professional employment over the last year, but the results are not definitive due to the nature of the sample.

For the purposes of evaluating job search and candidate recruitment tactics, the bias should not be material. Sixty-four percent of respondents said they had conducted job searches in the last 12 months, and 58 percent have made hiring decisions for NPD professionals, giving us some current and relevant information for evaluating prevalence and effectiveness of various tactics.
SURVEY RESULTS
From the United States, 163 people responded to the survey – a 24 percent increase from last year’s effort. A variety of disciplines were represented by the respondents: 20 percent in product management, followed by roughly equal percentages in engineering, R&D, project management and executive management (see Exhibit 2: Job Functions of Respondents, page 47).

We asked how respondents expected their organizations to react to the current economic climate. Sixty-one percent of respondents cited “expecting employees to do more with less.” The next most common answer was “focusing on cost saving initiatives” with 48 percent. The good news is that very few believed that cost cutting would take the form of further reductions in NPD talent or employees from other functions.

Respondents were also asked to identify their organizations’ top three business priorities for 2011. “Increase the number of innovative products” and “aggressively work to gain market share” tied for first place (cited by 46 percent of respondents). “Establish a clear business and product strategy” received 42 percent. This focus on product innovation is good news for NPD professionals and may lead to increased job opportunities.

RETAINING AND ATTRACTING TALENT
What kinds of opportunities are NPD professionals seeking? Sixty percent of employed NPD professionals reported being open to changing positions now, and 63 percent said they had conducted a job search in the past year. Managers are understandably concerned with retaining top NPD talent. Fully employed NPD professionals reported their top four reasons for staying with their current or last employers as follows:
• Work I like to do (48 percent of respondents)
• Location (31 percent)
• Ability to provide input to the organization (29 percent)
• Compensation (26 percent)

This suggests that, for NPD professionals, their work represents more than just a job – they also get some personal fulfillment.

But pose the question another way and focus on those open to a new position: What are the top reasons they would consider leaving their current employers? The most common responses were “lack of learning and growth” cited by 56 percent of respondents, “negative work environment” with 54 percent and “poor compensation” with 42 percent.

What would draw an NPD professional to a particular new position? The most cited attractions were:
• Better compensation package (64 percent of respondents)
• Better culture (53 percent)
• Broaden my skills and experience (48 percent)
• The opportunity to drive change (44 percent)

Notably, stock options, job security, location and travel/commute were seen as significantly less important.

The types of work and having impacts in their organizations are important to NPD professionals, but not at the expense of professional growth, work culture and compensation. This gives direction both to managers hoping to retain talent and managers hoping to recruit talent. But is talent management an issue at this time?

Fifty-three percent of our sample believed job opportunities were increasing, and 27 percent were not sure, leaving 18 percent who disagreed. There is some evidence of improvement: Of those who conducted a job search in the last year, 32 percent reported success – the same success rate as last year. However, 39 percent reported the search had taken more than six months, which is down from 54 percent last year, and 64 percent reported satisfaction with the compensation package, up from 45 percent last year. This suggests opportunities may be increasing.

JOB SEARCH TACTICS
For the 70 percent of respondents not happily employed and intent on staying put, all of this pent up desire to look elsewhere begs the question of how to find job opportunities.

The most productive tactic for finding opportunities identified by respondents was “utilizing my own network (see Exhibit 3, Top 10 Job Search Tactics, page 49).” This item was added to the list based on feedback from the 2010 survey and points out a shortcoming in the wording of that survey. The addition of this item can impact the interpretation of the other items, so the 2011 and 2010 results are not directly comparable.

Other high-ranking tactics included:
• Contacting former colleagues for leads
• Increasing your visibility on social networking sites, such as LinkedIn and Facebook
• Contacting family and friends for leads
• Contacting the manager of the appropriate department in a company for which you would like to work

Respondents said they saw little value in alumni career centers, career fairs, resume distribution services and passive tactics, such as posting in resume banks.

Although respondents seemed to have a clear picture of what works in a job search, many of them still reported a lack of success. Only 32 percent reported that a job search had resulted in a new position. But most successful job searchers said they were happy with their new situations: 75 percent reported their new positions were in the fields or functions that they wanted, and 64 percent were satisfied with their compensation packages.

Those who noted obstacles in their search- es frequently mentioned stiff competition for each opening and employers’ abilities to be very specific regarding their “perfect” candidates. Other frequent comments included being overqualified for positions available, not having updated technical skills to meet requirements and employers’ unwillingness to offer relocation assistance.

CANDIDATE SEARCH TACTICS
What are the most effective tactics identified by employers for finding potential candidates (see Exhibit 4: Top 10 Candidate Search Tactics, page 49)?

The most successful tactics included:
• Utilizing my network
• Recommendations from current employees
• Hiring a retained search firm

These were also the top three tactics cited in the 2010 survey. The other tactics shown in Exhibit 4 are less effective and indistinguishable in performance: free job posting sites, commercial posting sites, social networking sites, professional association job boards, contingency recruiters, professional association networking events and posting on the company’s website.

CONCLUSIONS
The 2011 survey confirmed the advice yielded by the 2010 survey: Traditional approaches, such as maintaining a solid network, keeping up visibility in the field and establishing personal connections are essential in a successful job search. Online tools can make these activities more efficient and allow the NPD professional to extend the reach of his or her network.

We also identified some signs suggestive of improving job opportunities for NPD professionals: shortening job search time frames, higher satisfaction with compensation packages, product innovation included in business priorities and no expectations of looming cuts in NPD personnel. The majority of respondents said they believed their employers were committed to the NPD function, looking to new products to support strategies designed...
to gain more revenue and market share while asking employees to do more with less.

But while the economy and the job market for NPD professionals may have improved somewhat during the past year, evidence still points to uncertainty about job prospects moving forward. More than half of respondents said they had conducted job searches in the past year, largely without success. A significant number said they were considering or actively looking to leave their current employers in the next year. Presumably, most of them will rely on their networks to identify opportunities and will take steps to extend their networks and increase their visibility, as recommended in this report. We will assess the results in next year’s Third Annual Survey of New Product Development Professionals. 

ENDNOTES

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