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Prioritizing R&D Talent in the Quest for Innovation

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R&D is at the core of many organizations' growth initiatives, but attracting and retaining R&D talent amidst burnout requires equal attention from leaders.

Innovation has always been a key catalyst for exponential business growth. The past few years have only emphasized this relationship. The pandemic presented a make-or-break opportunity to pivot and innovate in response to extraordinary circumstances. Similarly, the evolution of consumer expectations and habits due to social and environmental issues as well as inflation and economic uncertainty, has prompted companies to innovate in order to stay relevant and competitive.

At the core of this focus on innovation is, of course, R&D.

The future of R&D, especially in the [CPG industry](#), is optimistic. The majority of food and beverage leaders anticipate robust sales growth throughout the year. With concerns about continued supply chain disruption and inflation, nearly three-quarters of them are looking to product expansion and innovation as their top business strategy.

As a result, R&D leaders recognize the need to focus their efforts on a few specific [priorities](#). Topping the list is attracting and retaining the best talent. However, 81% of leaders expect that filling open R&D roles will be difficult, and only half of surveyed leaders expect to fully achieve this goal in the next 12 months.

Being able to recruit top R&D talent is critical. Research shows that a majority of R&D costs are the people themselves—indicating just how crucial and influential they are in the process. Labor economist Mark Regets [comments](#) that, “without access to the best scientists and engineers, much of this research would not get done or would go elsewhere.” In short, he says, “it is people that matter most.”

CURRENT STATE OF THE R&D TALENT LANDSCAPE

R&D talent is the top priority, but the fact is many employees in this sector feel emotionally drained, overworked, and unheard. In other words, they're burned out. (They're not the only ones, of course; [Slayton's own research](#) suggests that 72% of executive professionals are considering a job change.)

R&D used to be one of those industries where people were often tenured with the same organization for years, if not decades. Now, like many other industries, this is no longer the

case. Many are quitting. The rate at which engineers of [R&D-focused companies](#) have quit has risen over the last three years, and 73% of these companies are reporting talent gaps.

There's also the frank reality that [R&D talent](#) can atrophy over time in the same environment. Traditional linear career paths are part of the problem, reducing the diversity and variety of experiences that are critical for growth and innovation. As a result, companies are either faced with the reality of stagnant R&D talent or challenged by the gaps that are left when that talent moves elsewhere.

BUILDING THE R&D WORKFORCE OF THE FUTURE

Today's world has led to a work environment defined by disruption and, often, uncertainty. R&D leaders are responsible for pioneering a way forward despite that reality, building a foundation of innovation that nurtures growth. But doing so will require a radical approach to R&D career planning.

According to a [Gartner](#) report, R&D talent is looking for a workplace that can provide them with flexibility, personal growth, purpose, well-being, and connection. Creating an engaged career path to achieve these outcomes is critical in the effort to attract and retain top R&D talent and leaders.

An integral part of effective career pathing is skills and career development, especially when it comes to maximizing in-house R&D resources. [Some organizations](#) achieve this through implementing project rotations to keep skills fresh or by fostering greater collaboration between existing and fresh talent. Other companies, focused on preventing siloed and insulated R&D teams, look to idea-sharing ecosystems, shared partnerships, and joint research projects to push the boundaries of an individual organization's capabilities.

These [strategies](#) serve up a more diverse array of experiences for R&D talent to build their career portfolio. This approach can also help achieve an integration of organizational purpose with individual career purpose. In a world where separating work from life is almost impossible, many leaders and professionals are recognizing the importance of shared purpose and values in order to inspire greater engagement and performance.

MOVING FORWARD: NEW R&D INVESTMENTS

When an organization can effectively support their R&D talent and align their business objectives accordingly, they are able to pivot faster and rebound more easily in times of

turmoil. [Many executives](#) have noted that 2023 has so far been a year of returning to normal, especially after the significant supply chain disruptions that have plagued many industries. As a result, 64% report greater investment in new product development this year.

[Mondelēz](#) is one of those making significant investments. They are launching a new global R&D innovation center in New Jersey, an investment of \$50 million to help elevate their brand, expand their presence, and innovate for the future. They are looking to pioneer the next generation of consumer-favorite snack products.

CPG leader [Kraft Heinz](#) is another organization focused on innovation to lead the way forward. They have built their R&D initiatives around three core pillars, including authenticity, convenience, and holistic wellness. They have also prioritized a [faster R&D process](#), refusing to let products get stuck in limbo, as is often the case in the food industry.

Large multinationals aren't the only ones investing in R&D. [Empirical](#), a high-end spirits startup, has built an impressive R&D facility that is core to their mission.

These examples are encouraging. [Conagra](#) recognizes that when gross margins are thin—which is often the case when an industry is faced with skyrocketing inflation—it's harder to justify greater investments in R&D. But doing exactly that, despite economic uncertainty and widespread disruption, allows a company to position itself for improved growth and customer loyalty.

Organizations across the CPG space, as well as many others, are prioritizing R&D right now. Besides achieving an expanded customer base, these investments will also help attract top R&D talent. But nurturing a work environment and career path that retains those professionals is equally critical. It's a delicate balance that requires equal measures of empathy and strategic vision.

What is your perception of the current R&D landscape?