

DIGIDAY⁺

**Agency culture
and employment
report**

Spring 2019

Introduction

While most agencies attempt to cultivate reputations as fun, dynamic and innovative places to work, beneath the surface many are grappling with various cultural and personnel issues including employee burnout, overworked staffers, high turnover, harassment and more.

As agencies are placed under growing pressure by squeezed margins, the in-house movement, increased competition from consultancies and increasingly demanding clients, agency staffers are bearing the brunt. Employees often find themselves subjugated to long hours and swelling demands for constant availability that threaten a healthy work-life balance. Meanwhile, the #MeToo movement has helped unmask sexual harassment within advertising and sparked important conversations surrounding toxic workplace cultures.

This report examines four key themes affecting agency culture and employment in 2019; employee happiness and burnout, workplace harassment, discrimination, and what influences employment decisions.



Methodology

The data showcased in this report were collected in January 2019 from a sample of 446 agency professionals. Survey respondents were selected from Digiday Research's proprietary panel, made up of thousands of executives and decision makers from across the media and marketing industries.

Survey respondents were asked key identifying questions based on their gender, income, seniority and employer type.



Gender



Income



Seniority



Type of Employer

Part 1: Happiness and burnout within agencies

At their best, marketing and advertising agencies are dynamic and exciting environments, providing employees with work that is both varied and fulfilling. With unique challenges to overcome, the opportunity to work with large, respected brands and appealing cultural elements, it's no surprise people are drawn to the agency lifestyle.

But after a while, the sheen and glamour of working at a marketing or advertising

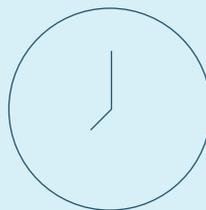
agency appears to wear thin for many. Clients no longer become exciting to work with, but rather nightmares that are all too real. After-work parties and industry events morph from fun new adventures into burdensome responsibilities filled with rooms full of people you'd rather avoid. Before long, the hours rack up and even time spent away from the office is filled by answering emails and Slack messages.

Agency staffers grapple with mental health issues

Key takeaways:



Thirty-two percent of agency workers are worried about their mental health.



People with a longer work week were more likely to be worried about their mental health than those who worked standard 9am - 5pm days



Respondents earning less than \$50,000 per year were more concerned with their mental health than higher-earning agency employees

Thirty-two percent of agency respondents surveyed by Digiday reported being concerned with their mental health. That figure is about in line with national statistics: Mental Health America found that about 35% of employees in the U.S. have workplace stress that they say affects their lives.

Two key factors correlate with the mental strain agency staffers are under: money and the number of hours worked. Survey respondents who were most likely to be worried about their mental health were either at the bottom of the pay scale or working longer days.

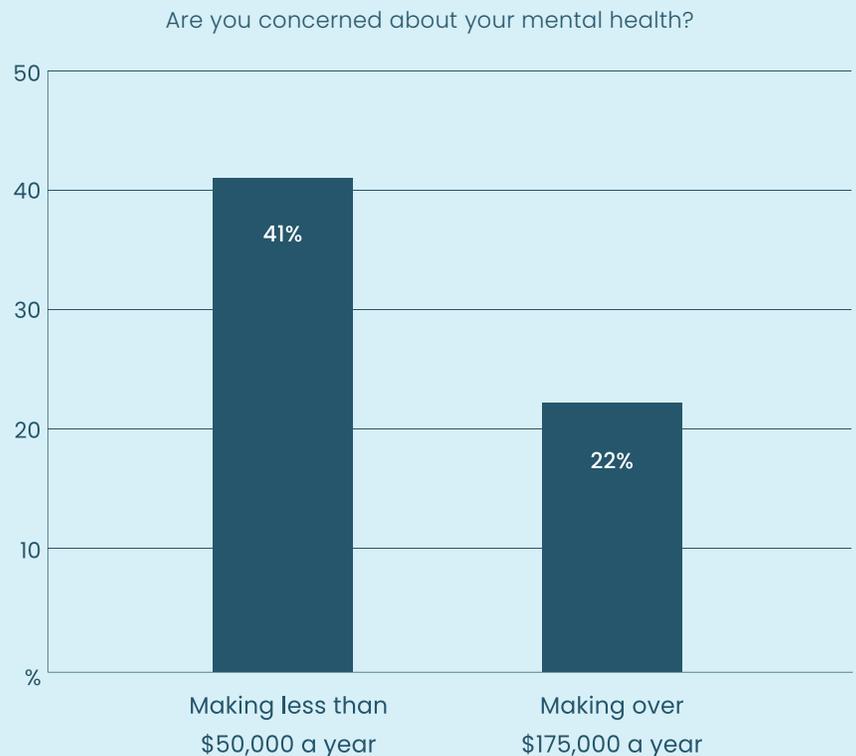
Roughly a quarter of people who work normal 9-to-5 hours said they were worried about the state of their mental health. But once workers' hours jump to between 50 and 59 hours a week, the number of respondents worried about their mental health jumps to 41%.



Source: 446 agency professionals surveyed by Digiday, January 2019

Meanwhile, 41% of respondents making less than \$50,000 per year reported being worried about the state of their mental health compared to 22% who make over \$175,000.

Unfortunately, meager pay and extended shifts often go hand-in-hand for entry-level agency employees. It's not uncommon for those making \$30,000 per year to be working 12-hour days, which averages out at just \$10 per hour when spread over 12 months. The New York City hourly minimum wage is \$13.50.



Employee burnout

Workplace stress, low pay, lack of job security, arduous working hours and unreasonable workloads are all contributing factors to the challenges agencies face with employee burnout. Unable to bear the strain of workplace pressures, people at marketing and advertising agencies often decide they've had enough. Some staffers bounce around agencies in search of better work-life balance, while many simply leave the industry altogether.

One agency professional told Digiday their burnout was a direct result of agencies keeping employees stuck to freelance contracts. "I was on contract, for about a year-and-a-half. There are no benefits. No job security. The longest contract I could get was six months so, from a stress level of entering the workforce and knowing you don't have enough and you can't make any commitments in your life because you don't know what's going on, that got tough", they said.

But for others, freelancing is an escape from the daily grind of agency work. Stephanie Nadi Olson, the founder of

Atlanta-based freelance organization We Are Rosie, said that around 900 members of the organization's 1,100 freelancers left the agency world because they were overworked, underpaid or physically exhausted.

Due to a culmination of factors, people at agencies tend to burn out pretty quickly before looking for less stressful career environments. "People in their 20s go agency side, and people in their 30s go client side because they just can't do it anymore," one agency executive observed. While in-house client roles may provide less varied work than agencies, they are typically less stressful environments.

For agencies, part of the challenge in limiting employee burnout is that it can be difficult to spot. The pervasive idea of "Hustle culture" with agencies has driven workers to feel inadequate unless they are driving themselves to the breaking point, or at least perceived to be.

"It's this underlying tone at work that hustle is good and struggle is good,"

said Olly Rzyzsko, a consultant who recently quit the industry after 13 years, most recently heading digital at Primark.

"Everyone's always stressed and overloaded," said an anonymous 30-year-old staffer. "I felt like I was drowning, but said I was looking around and said, "OK, but everyone's drowning."

Marketing and advertising agencies fetishize over hustle culture due to the fact they derive value from time spent working rather than results. "You're valued at agencies by how many hours you bill, and you work more hours than you actually work anyway." So you have to show it off and make sure people know you're working hard and working constantly," said Nat Eliason, the founder of an SEO, branding and content agency called Growth Machine.

In a system where everyone is suffering together and is conditioned to expect it as the norm, it's hard for agencies to gauge where their staffers' burnout-points may lie.

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“It's this underlying tone at work that hustle is good and struggle is good”

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Happiness and job satisfaction

Key takeaways:



People at independent agencies happier than those working at agencies owned by holding companies (agencies).



Staffers at independent agencies are more likely to say their office is a positive place to work than those at holding company-owned agencies

While it's unlikely that marketing and advertising agencies will collectively solve the problems of low pay, long workdays and "struggle-porn" anytime soon, agency workers aren't powerless. Changing jobs or changing company type -- such as shifting from a holding-company owned agency to an independent shop -- can go a long way to making a person happier and less concerned about their mental health, Digiday research found.

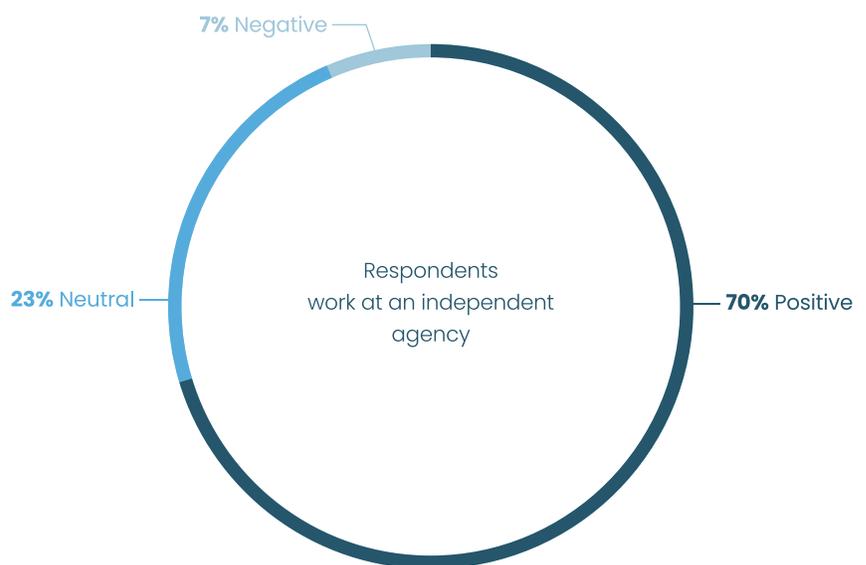
Not all agencies are the same, but employee satisfaction levels vary based on ownership structures. Agency respondents who worked at agencies owned by holding companies were significantly less likely to say they were happy or worked in a positive environment than respondents at independent agencies.

Seventy percent of people at independent agencies said they are happy in their jobs, while just 53% of those at agencies owned by holding companies said the same.

Meanwhile, respondents' attitudes towards their workplace environments closely mirrored their happiness levels according to the Digiday survey. Seventy-percent of staffers at independent agencies described their workplace environment as positive, but just 49% of staffers at holding-company owned agencies said the same.

While independent agencies might have the edge over holding-company owned agencies as positive places to work, the type of agency a person works at does little to impact how they rate their work environment. Media agencies, creative agencies, and multi-service agencies were all rated within a few percentage points of each other.

How would you describe your current work environment?



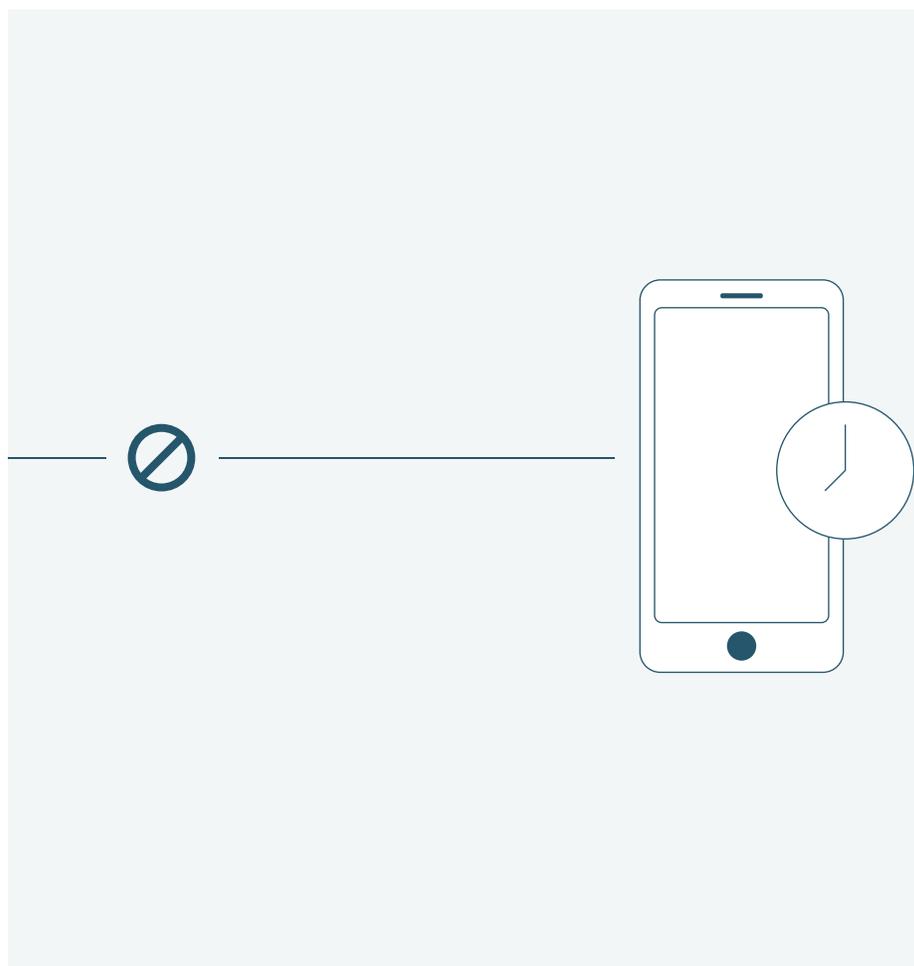
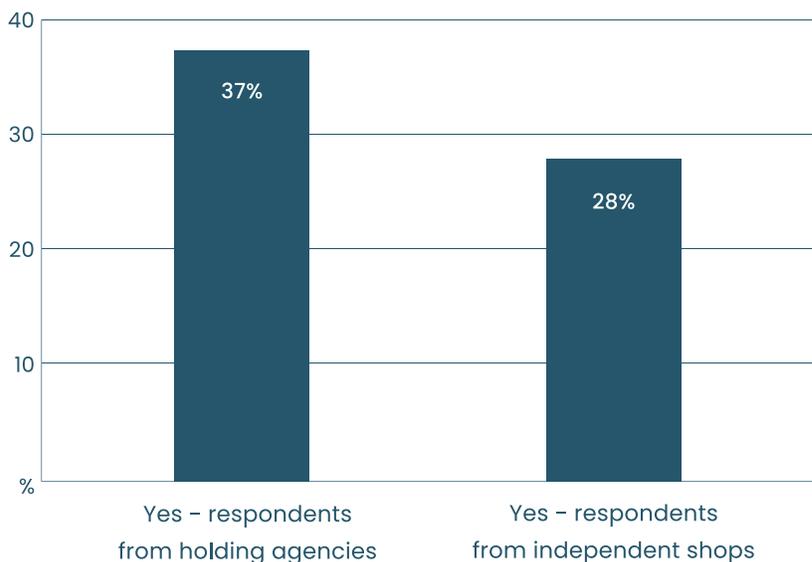
Working at independent agencies might also be able to move the needle when it comes to safeguarding employees' mental health. Thirty-seven percent of respondents from holding agencies were concerned with their mental health compared to 28% of survey takers at independent shops.

There's no clear reason why those who work at agencies owned by holding companies have greater levels of unhappiness and dissatisfaction. Among the many possibilities is that independent agencies are freer to enact more flexible workplace policies than their larger peers. Fewer levels of bureaucracy and more stringent work demands at large companies may also play a role.

Adam Cahill, the founder, and CEO of agency Anagram, instituted six-hour work days for his employees and a ban on after-hours communication to preempt some of these issues, for example. "This idea that everyone has to be on all the time and can't leave is counterproductive. People feel pressured to be at work. That's silly to me," said Cahill."

Cahill is not alone. Troy Wade, the founder at design agency Brown & Co, made his company work entirely remotely and limited the amount people have to interact with those in widely dispersed time-zones.

Are you concerned about your mental health?



However, at least some of the large holding agencies are cognizant of employees mental health and burnout rates. Kathy Delaney, global CCO at Publicis Health and Saatchi Wellness said that her agency encourages employees to leave the office and work from home.

Another reason for why holding-company owned agencies make for less-appealing places to work could be larger market forces. The concept of an agency-of-record -- which is often awarded to holding-company agencies -- is under threat. Companies like Clorox, Nationwide and Bayer along with many others are building in-house teams do to a variety of work previously handled by holding-company agencies, including content creation and media buying. One young agency staffer commented, "In-housing is a threat we are feeling as a whole. It's also competition in general. Clients are looking for who can do it the cheapest."

At the same time, advertisers are preferring to work with specialized shops for specific campaigns than sign on with an agency-of-record. But for any agency, the loss of a single client can spell the end for an entire team. And beyond damaging employee morale, the risk of layoffs can directly impact mental health and burnout rates.

One agency employee who experienced this fate said, "there were 80 of us, and they only transferred a few people to other clients. They didn't have enough work for the rest of us. They couldn't take care of their own. I am so angry." Ultimately, because of the uncertainty, the agency employee said she, "got a stomach ulcer from all the stress. It was the first one I ever got. I didn't eat for a week. I started crying in my boss's office."

The agency landscape is changing while the workload required of agency employees only increases. The resulting pressures and damaging workplace dynamics lead employees to the breaking point. As a consequence, working at agencies is becoming unsustainable and unhealthy for many. If agency executives, specifically ones owned by holding companies, fail to take steps that recognize and rectify how workplace stress is impacting their employees' mental health, the gradual exodus of employees might come back to bite them.



Part 2: Harassment within agencies

Key takeaways:



One-third of agency workers say they have been harassed



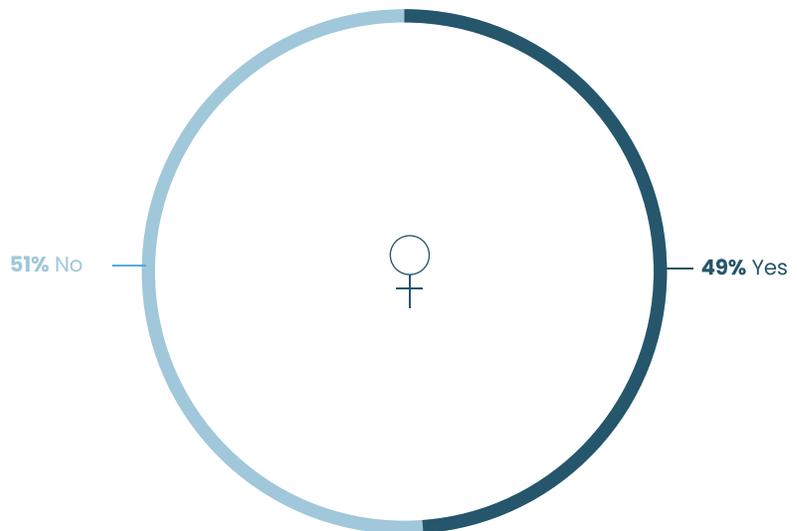
Women were more likely to say they have been harassed than men and were twice as likely as men to be sexually harassed

Beyond the oppressive hours and high rates of employee burnout, marketing and advertising agencies face an equal if not greater challenge. Marketing and advertising agencies have become corrosive hotbeds for ubiquitous harassment and discrimination. The #MeToo movement shed light on the abuses of power by many and reignited conversations about acceptable workplace behavior. But there is still much work to be done.

Over one-third of the 446 agency professionals surveyed by Digiday said they have been harassed during their career. Unfortunately, that percentage is far higher for women. "Forty-nine percent of women surveyed said they have been the victim of workplace harassment.

The study conducted by Digiday also found that men and women experience harassment differently. Women are nearly twice as likely to say they've experienced harassment according to the Digiday survey, while it is more common for men to report verbal harassment than women. Fifty-three percent of women who have been harassed said they experienced sexual harassment, compared to one-quarter of men who said the same.

Have you experienced harassment in any form in your career?



Source: 446 agency professionals surveyed by Digiday, January 2019

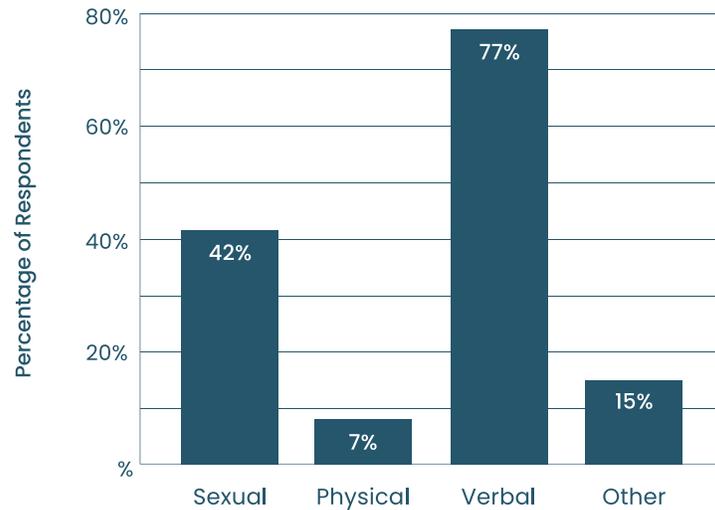
2018 Hiscox Workplace Harassment Study



Digiday's findings on harassment rates closely resembled the national average according to one report. Research in The 2018 Hiscox Workplace Harassment Study, which surveyed 500 full-time U.S. workers, found that 35 percent said they experienced workplace harassment.

For all respondents, verbal harassment was the most common form of harassment reported. Eighty-two percent of men say they have been on the receiving end of verbal harassment compared to 74% of women.

What types of harassment have you experienced?



Source: 154 agency professionals surveyed by Digday, January 2019

Part 3: Discrimination in the agency workplace

Key takeaways:



Thirty-nine percent of respondents said they have been discriminated against and women were more likely to be discriminated against than men.

If harassment, at its core, is a culture problem permeated by the upper echelon of agency leadership, then the same can be said about discrimination. Despite agencies being seemingly liberal bastions of equality, issues surrounding racism, ageism and

sexism are common experiences for many. Four-in-ten survey respondents said they had at one point been the victims of discrimination. And like with harassment, women were more likely than men to say they have been discriminated against in the workplace.

Racism

Key takeaway:

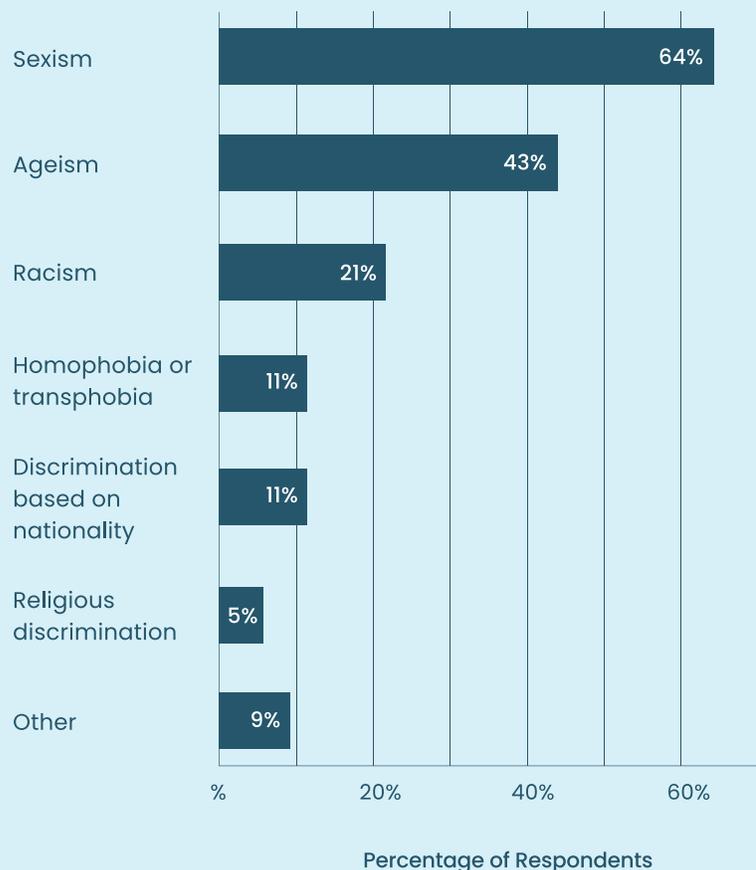


Twenty-one percent of respondents who said they experienced discrimination indicated it was because of their race.

For people of color at agencies, racism -- while not necessarily overt or even intentional -- is often expressed through tokenism. One black agency worker said they were "regularly pulled into meetings and onto projects that called for greater diversity because higher-ups thought 'what better way to show we're diverse than by having a black person in the room' -- nobody said that openly, but that's how it felt."

Ollie Olanipekun, who is black, also said he was constantly on the receiving end of racist behaviors like tokenism at a large agency. He noticed that when clients came to the office, "the same creative director would ask him to "say hello" so that the agency appeared more diverse than it actually was."

What types of discrimination have you experienced?



Twenty-one percent of Digiday's respondents who said they were discriminated against said they experienced racism. Digiday's survey did not ask people to identify themselves based on race or ethnic identity.

But representation for minorities at higher job titles remains a problem within agencies. While people who are Caucasian or white make-up 74% of the membership of the Association of National Advertisers, they are nearly 90% of chief marketing officers, according to the ANA's own November 2018 report on diversity and inclusion within marketing and advertising agencies.

Ageism

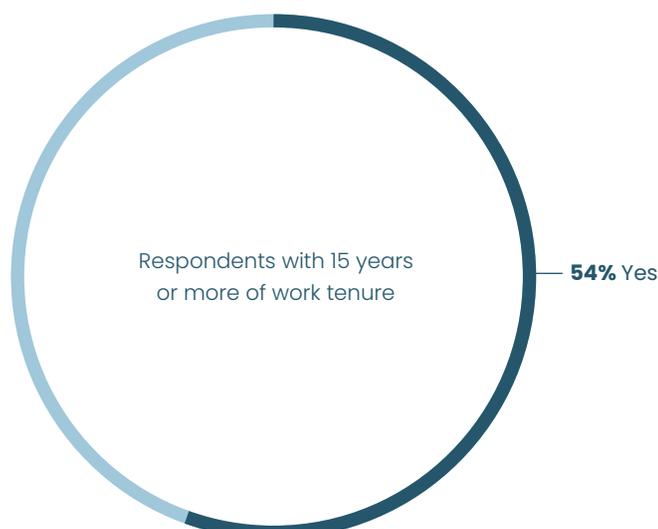
Key takeaway:



People’s work experience -- either too much of it or too little -- can also play against them. Fifty-four percent of respondents with 15 years or more of work tenure said they have been discriminated against based on their age. Advertising agencies often prize younger, cheaper talent. And a cultural shift means that older workers who do not buy into the “fraternity” culture often feel invisible.

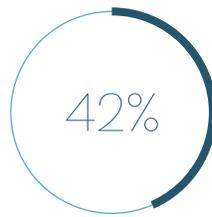
Marketing’s growing emphasis on digital channels has also caused some hiring managers to trust younger employees while doubting the ability of older workers. John Greiner-Ferris, 53, who worked at a Boston-based agency populated by staffers predominately younger than 27, constantly found himself being question about his understanding of digital and social media in interviews. “It was as if someone was asking me ‘where did you learn brain surgery?’” he said.

Have you experienced discrimination based on age in your career?

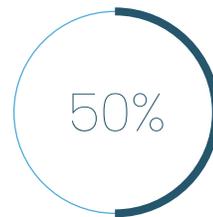


Ironically, ageism can also affect people on the other end of the spectrum as people's youth can lead to questions about their credibility. Forty-two percent of respondents with less than five years of experience said they were discriminated against because of their age.

Have you experienced discrimination based on age in your career?



Respondents with less than five years of experience



Half of women were discriminated because of their experience level



Half of women were discriminated because of their experience level

Ideology

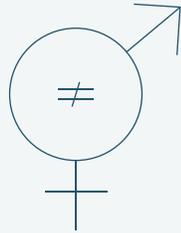
Unfortunately, discrimination can come in many forms, one of which is political thought. Agencies tout themselves by progressive values, and with a stereotypically young coastal workforce, many openly espouse liberal policy decisions.

While companies are free to do so, the cost is that employees with alternative or conservative views feel alienated and ostracized. A supporter of President Trump voiced frustration that when people discover his viewpoints, "you're framed as a xenophobe, against women's rights and all these other things like being super pro-guns and a white supremacist. Two years into his presidency, people think that if you still support Donald Trump, even after all these things that people have vehemently and very passionately speak out against, then you must be some sort of sociopath who doesn't understand human emotion or what's right and what's wrong."

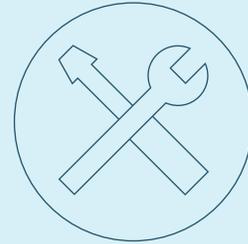


Sexism

Key takeaways



Almost all women who experienced discrimination said it came as sexism



People who experienced discrimination were less likely to think the issue is being resolved than those who had not been discriminated against

Lastly and perhaps most crucially, nearly two-thirds of respondents who experienced discrimination said they were discriminated on the basis of sex. When the results are broken down on the basis of gender, 91% of women who faced discrimination at work said they have been sexually discriminated against. Only 23% of men said the same.

“Despite the attention paid to the #MeToo movement, diversity in the workplace and equal pay efforts, only 39% of agency professionals surveyed by Digiday said they believe the agency industry has improved when it comes to solving discrimination problems.

Unlike previous cases where gender played a role in how respondents’ answered, men and women shared similar attitudes about whether or not the industry was making progress against discrimination.

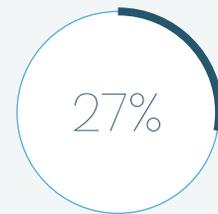




Survey takers who were discriminated against said the issue was improving



Survey takers who were not discriminated against said the issue was improving



Agency professionals with 15 years or more experience thought the issue was improving



People who experienced discrimination firsthand were less likely than their peers to believe the fight against such practices was improving. Thirty-two percent of survey takers who said they were discriminated against said the issue was improving, compared to 44% of people who had not personally faced discrimination.

Age was one other factor that did seem to influence respondents attitudes. People who had spent more time working in the advertising agency held a more negative view of potential progress being made. Just 27% of agency professionals with 15 or more years of experience thought that discrimination and harassment issues were improving.”

Part 4: Job hunting and employment

Job hunting and job-hopping have become synonymous with agency life. Those who work at a company for just a year are lauded by their employers and hiring managers for their “loyalty”. In a job market with near record low employment rates, job seekers have their pick of the litter when it comes to opportunities from rival agencies.

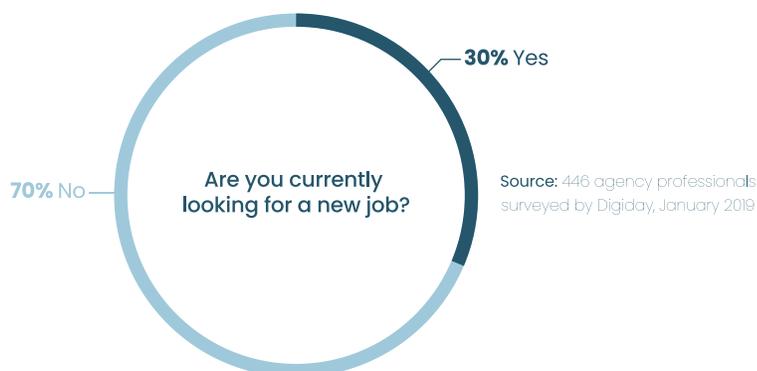
Even if people at marketing and advertising agencies are laid off due to client losses, in the current market,

finding a new job can be a pretty fast process. A recently laid-off staffer said she quickly found work and added that “a lot of other people found jobs immediately after [they were laid off], so it thinned out quick. And because the industry knows layoffs happen so much, hiring managers are sympathetic to it.” Kristen Herberg, vp for Robert Half-owned The Creative Group observed that “those seeking employment often receive multiple offers in a matter of days.”

With talent wars fierce between agencies, companies risk losing employees if they can’t replace other departures quick enough. Gradually the work that people leave behind piles up on remaining employees. Because production must be kept constant to meet client demands, those who stay behind have no choice but to work harder and longer. As a healthy work-life balance evaporates, more people leave in search of greener pastures.

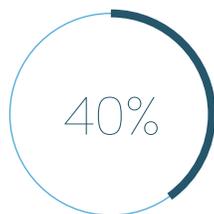
Staffers on the move

Key takeaways:



Of the pool that Digiday surveyed, 30% of survey takers said they were looking to leave their current jobs.

Among agency types, holding companies could be at the greatest risk of losing their talent. Roughly 40% of respondents to the Digiday survey who currently work at holding-company owned agencies said they predict, in the next year, they will work for an independent agency, a consultancy or in-house at an advertiser instead. Meanwhile, 30% of those at independent agencies said they do not expect to be working at independent agencies next year.



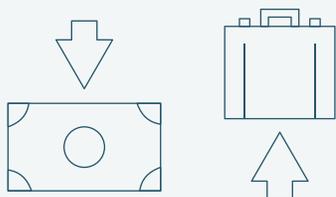
Forty percent of respondents working at holding-company owned agencies said they predict to move to independent agencies in the next year



Thirty percent of respondents at independent agencies said they do not expect to be working at independent agencies next year

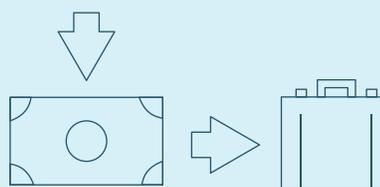
How compensation impacts job hunting

Key takeaways:



Agency staffers who felt they are not paid fairly were much more likely to search for a new job than those who are satisfied with their pay

\$50,000



Respondents earning under \$50,000 annually were looking for new jobs at higher rates than better-paid agency workers

Agencies are not powerless to stop their employees from running towards the exit doors. Digiday's survey uncovered three variables that are most likely to cause employees to seek out new opportunities; having opportunities to advance their career, being adequately compensated, and overall happiness levels.

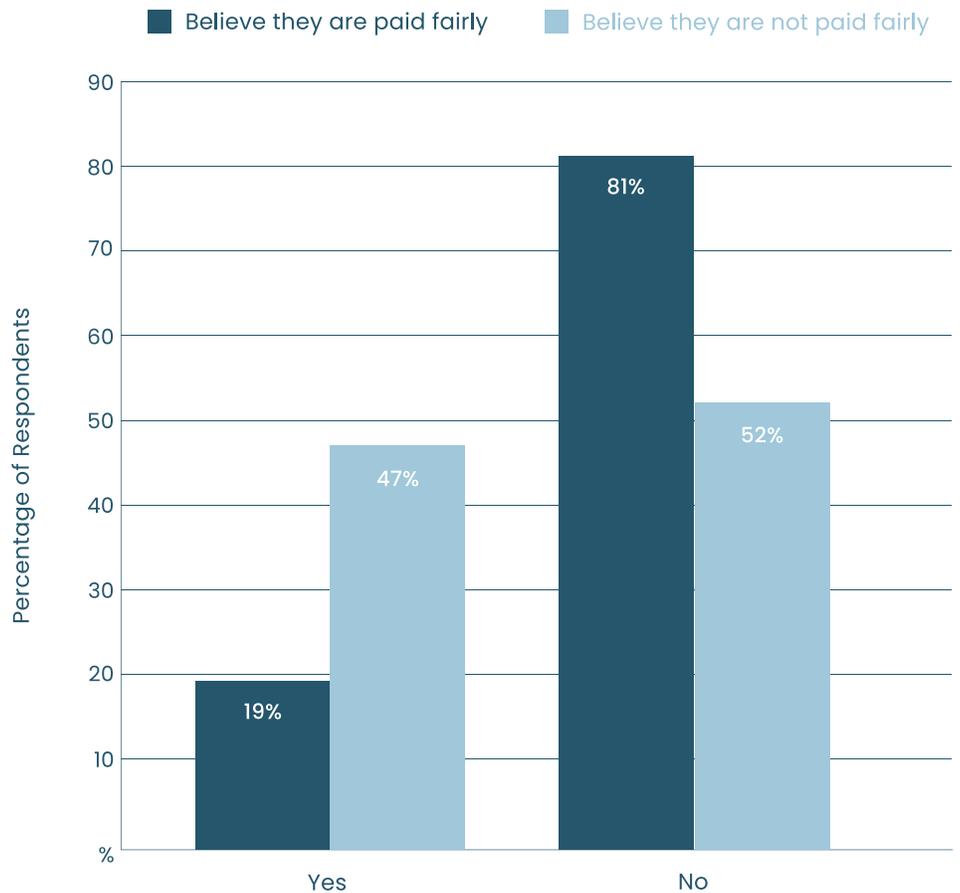
Regardless of the amount, people need to believe they are paid fairly for the work they do. Sixty-two percent of respondents in the Digiday survey said they do believe they are fairly compensated. Forty-seven percent of people dissatisfied with their salaries are searching for a new job, whereas only 19% of people who said they are justly compensated for their work are looking.

How much a person makes also matters. Forty-one percent of people who earn less than \$50,000 per year are looking. The rising cost of living in many major cities has made them unfeasible for some entry-level agency staffers. It's why some low-paid workers moonlight as drivers for on-demand ride-hailing apps. As respondents earned more money in every salary range, they were decreasingly likely to look for new work.



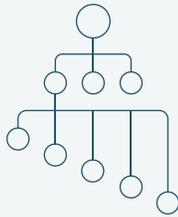
Source: 446 agency professionals surveyed by Digiday, January 2019

Are you currently looking for a new job?

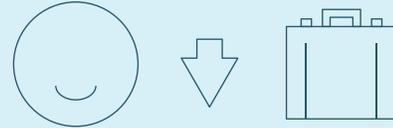


Other factors that may influence job hunting

Key takeaways:



Agency employees that lacked opportunities to advance looked for jobs at higher rates than people who felt they had opportunities to advance

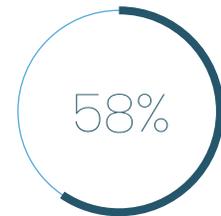


Respondents happy with their jobs are very unlikely to be job hunting

Additionally, people need opportunities for advancement. Fifty-eight percent of people who thought they did not have an opportunity to progress their career were looking for jobs. People that said such opportunities existed for them were less likely to be looking, just 19% of them have started their job search.

One of the biggest indicators of whether a person is looking to move jobs is their happiness. Only 10% of respondents who identified themselves as 'happy' in their jobs stated that they were looking for new ones. Comparatively, 65% of survey takers who were either unhappy or indifferent said they were looking for new opportunities.

As employees hunt for jobs, what they prioritize in their search is sensibly what caused them to look in the first place. Factors like compensation, advancement opportunities, and a beneficial work-life balance played the most significant role when people had to decide on career opportunities. Meanwhile, glamorous social events and on-draft kombucha may appeal on social media, but work perks and after-hour events mattered little to respondents when picking new jobs.

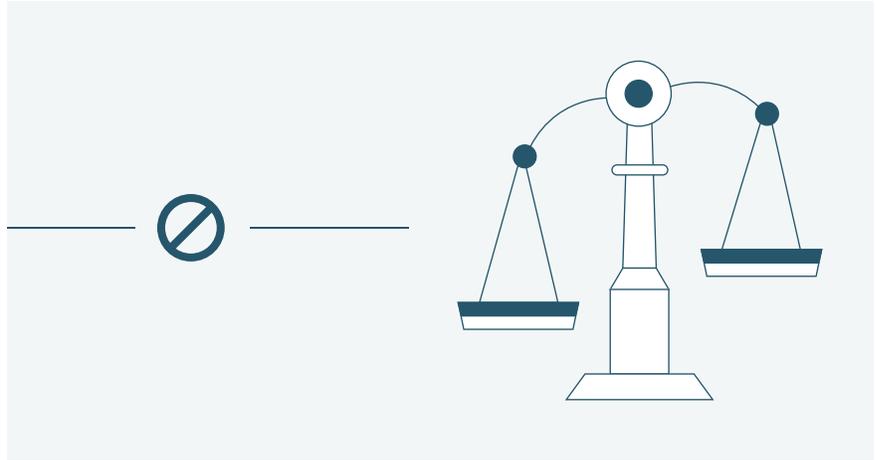


Fifty-eight percent of people who thought they had no opportunity to progress their career were looking for jobs



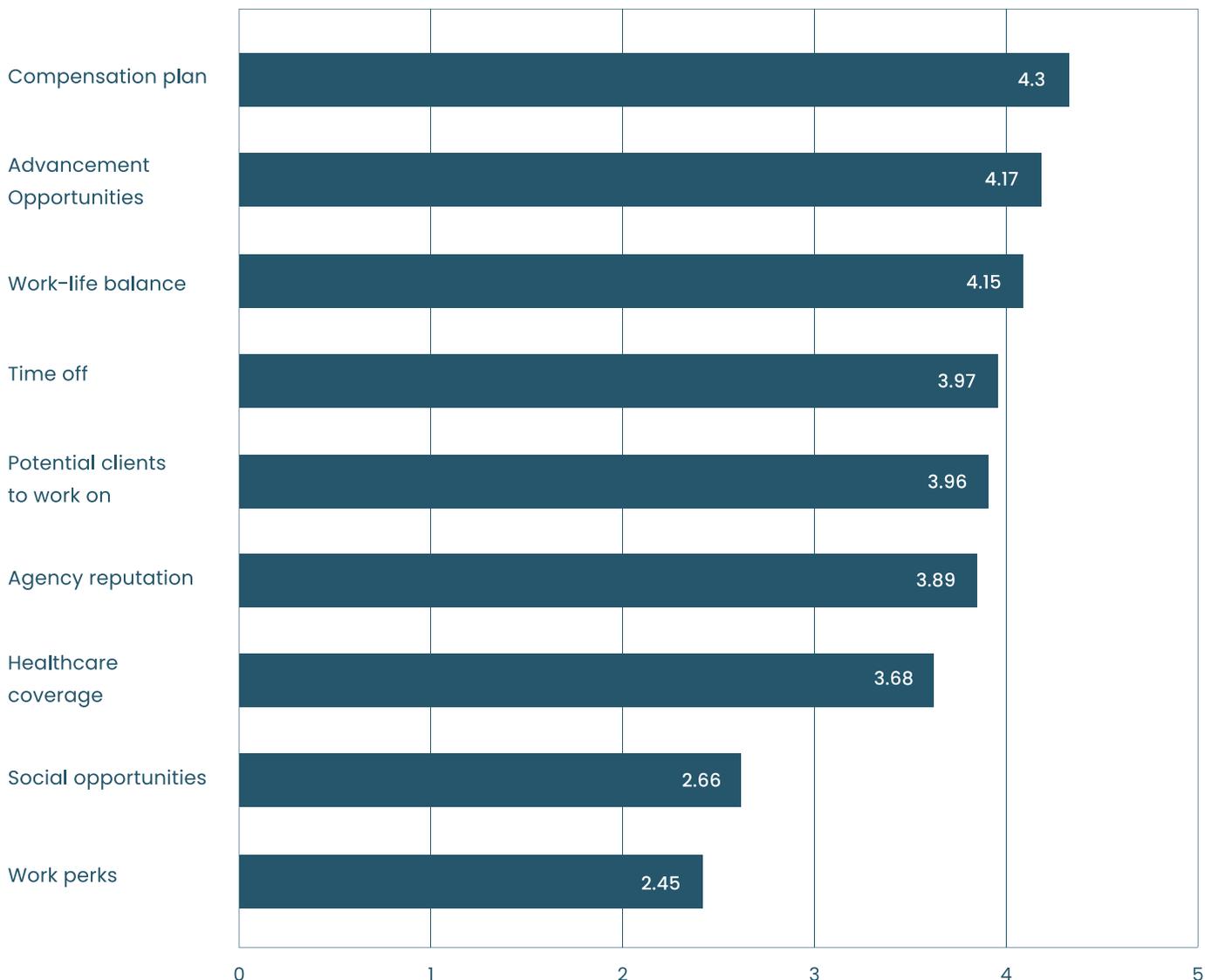
Nineteen percent who thought they had further opportunities started their job search

As employees hunt for jobs, what they prioritize in their search is sensibly what caused them to look in the first place. Factors like compensation, advancement opportunities, and a beneficial work-life balance played the most significant role when people had to decide on career opportunities. Meanwhile, glamorous social events and on-draft kombucha may appeal on social media, but work perks and after-hour events mattered little to respondents when picking new jobs.



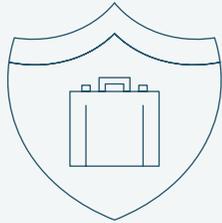
How important are the following when considering employment options?

1 = Least important 5 = Most important

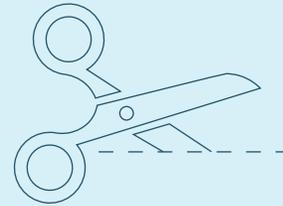


Job security, layoffs and ghosting

Key takeaways:



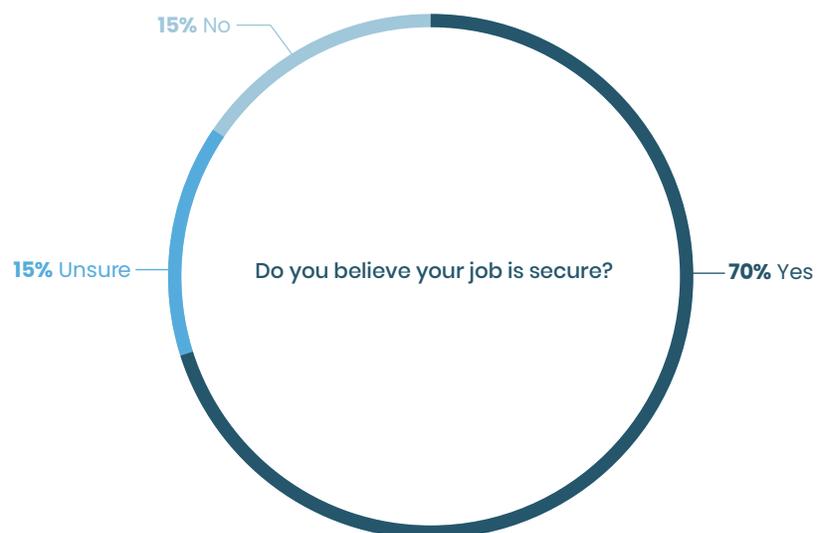
The majority of agency workers do not think they are at risk of being laid off



Employees at creative agencies thought their jobs were at higher risk than people at media or integrated agencies

Due to low employment rates and fierce talent competitions between agencies, job candidates are increasingly likely to “ghost” on potential opportunities, especially if their most important considerations are not met.

Ghosting is a product of a stronger job market for agency employees, but it is also reflective of the fact that agency employees are not worried about the safety of their current jobs. Because agency staffers don't believe their jobs are at risk, they see less harm in going silent on potential new opportunities. Despite being an industry notorious for quick layoffs and rapid firing, 70% of agency workers surveyed by Digiday believe their job is safe. Fifteen percent of respondents said they were unsure and 15% thought they were on the chopping block.



Source: 446 agency professionals surveyed by Digiday, January 2019

At the moment, compared to the average American worker, agency staffers' concerns over their job security are on level terms. Research from the Gallup Poll Social Series in 2018 found that 18% of Americans are worried about losing their jobs.



The Gallup Poll Social Series in 2018 found that 18 percent of Americans are worried about losing their jobs

One variable that could impact respondents' views on their own job security what their place of employment. Those at creative agencies were less confident in the longevity of their jobs than those at media or integrated agencies. Sixty-five percent of respondents at



Sixty-five percent of respondents at creative agencies said they thought their jobs are secure

creative agencies said they thought their jobs are secure compared to 75% of those at media agencies or integrated agencies.



Seventy-five percent of those at media agencies or integrated agencies thought their jobs are secure

Where agency staffers want to work

Key takeaways:

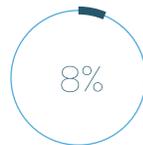


Respondents, regardless of where they work, think in-house roles are least likely to be at risk of layoffs

If agency staffers are looking to insulate themselves from the risk of being laid off, then deciding to work at a brand in an in-house role could be one solution. Nearly half of agencies professionals surveyed by Digiday said in-house roles offer the best job security. After all, it is the advertisers that choose which agencies to work with and which to cut.

Though agency workers think their roles are safe, advertising agencies are still undergoing a period of consolidation and disruption. Should unemployment rise among advertising professionals and key marketing functions continue to be brought in-house, then brands will likely be the major talent winners.

What type of company offers the best job security?



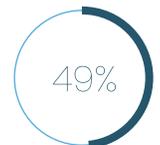
A consultancy



A holding company-owned agency



An independent agency



In-house at a brand