THE GLOBAL ADVERTISING WORKFORCE:
WHO IS EXCLUDED & WHY IT MATTERS

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Workforce Inclusion Matters in the Ad Industry

Jobs & Opportunity

Societal influence

Absence of diversity:
Stereotypes
Social divisions
Anti-social behavior

Outgroups disrupt “groupthink”

Need INCLUSION not just diversity

Outgroups not influential if:

Lack critical mass
Isolated into ethnically or gender-based roles
Precluded from creative/client contact positions
US Ad Industry’s Culture of Exclusion

US Data 2018

<table>
<thead>
<tr>
<th>Category</th>
<th>% of Benchmark Employment</th>
<th>% Penalty in Annual Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>African Americans</td>
<td>56%</td>
<td>- 22%</td>
</tr>
<tr>
<td>Hispanics</td>
<td>85%</td>
<td>- 9%</td>
</tr>
<tr>
<td>Women</td>
<td>95%</td>
<td>- 18%</td>
</tr>
<tr>
<td>&gt; 50</td>
<td>66%</td>
<td>- 20%</td>
</tr>
<tr>
<td>Disability</td>
<td>70%</td>
<td>- 10%</td>
</tr>
</tbody>
</table>
Source of Exclusion is INGROUP Behavior – NOT Outgroup Behavior

- Ingroup’s exclusion affects multiple outgroups
- “Pipeline” argument invalid
- Post-hiring glass ceilings, glass walls & pay inequity
- Patterns largely unchanged since 2009 & earlier
Globally, Industry Follows Similar Patterns -- with Adaptations to Local Outgroups

Gender “pervasive & systemic horizontal and vertical gender segregation within advertising creative departments worldwide.” Deng & Grow (2018)

Ethnic diversity Whites gain ground as move up leadership ladder, ethnic employees lose ground (creative & media depts). IPA (2018).

Ageism Ageist work cultures in Australia Brodmerkel and Barker (2019). UK average age of employee in advertising industry is 34, and 40% 30 years old or younger IPA (2018).

Pay discrepancies for outgroups women & ethnic minorities.
No Change in Sight Among Agencies

• Ad industry culture resists change, despite potential benefits

• US government regulation often absent or weakly enforced

• EU-wide & individual countries regulatory solutions focus on output not agency internal operations

• Agencies good at PR to maintain status quo
Change Strategy: Information Regulation (IR)

- IR applicable globally
- Firms operate within network of stakeholders
- Stakeholders empowered by information to pressure agencies to change behavior
IR Applied to Advertising Agencies

01
Cients of agencies are key stakeholders

02
Motivating & empowering clients to pressure agencies

03
Clients move their accounts to “good” agencies
Clients DO Move Accounts -- BUT Not Necessarily to Demand Inclusion

<table>
<thead>
<tr>
<th>Yearly Ad Spending</th>
<th>Policy on Suppliers’ Inclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>None</td>
</tr>
<tr>
<td>Ford</td>
<td>$3.0B</td>
</tr>
<tr>
<td>GlaxoSmithKline</td>
<td>$1.6B</td>
</tr>
<tr>
<td>Mars</td>
<td>$1.4B</td>
</tr>
<tr>
<td>HSBC</td>
<td>$.5B</td>
</tr>
<tr>
<td>Quicken Loans</td>
<td>$.4B</td>
</tr>
<tr>
<td>Intel</td>
<td>$.4B</td>
</tr>
<tr>
<td>Puma</td>
<td>$.3B</td>
</tr>
<tr>
<td>Pizza Hut</td>
<td>$.2B</td>
</tr>
</tbody>
</table>

28 Large Advertisers

54%  39%  7%
Cautions about Diversity & Inclusion in the Workplace

Diversity is more than a single characteristic: Avoid tokenism and stereotyping

Diversity alone does not automatically lead to inclusion & its benefits

Without inclusion there will be no culture change, only high turnover of outgroups
For more information…


Bendick & Egan, Research Perspectives on Race and Employment in the Advertising Industry. (2009).*

Bendick & Egan, “Using Information Regulation to Enhance Workplace Diversity, Inclusion, & Fairness.” Argumenta Oeconomica Cracoviensis (2015).*


Egan & Bendick, “Combining Multicultural Management and Diversity into One Course in Cultural Competence.” Academy of Management Learning and Education (2008).*


*Full text is available at www.bendickegan.com/publications.