

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

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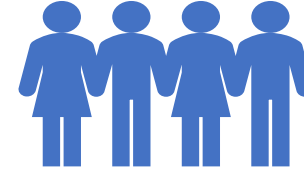
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Workforce Inclusion Matters in the Ad Industry



Jobs & Opportunity

Need INCLUSION not just diversity

Societal influence

Outgroups not influential if:

Absence of diversity:

Stereotypes

Social divisions

Anti-social behavior

Lack critical mass

Isolated into ethnically or gender-based roles

Outgroups disrupt “groupthink”

Precluded from creative/client contact positions

US Ad Industry's Culture of Exclusion

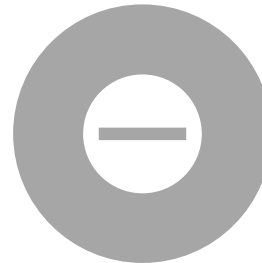
US Data 2018

	<u>% of Benchmark Employment</u>	<u>% Penalty in Annual Pay</u>
African Americans	56%	- 22%
Hispanics	85%	- 9%
Women	95%	- 18%
> 50	66%	- 20%
Disability	70%	- 10%

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

Clients 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

(Clients) Moved or Added One P.S.A.

	Yearly Ad Spending	<u>Policy on Suppliers' Inclusion</u>		
		None	Diversity	Non-Discrim.
Ford	\$3.0B		X	
GlaxoSmithKline	\$1.6B		X	
Mars	\$1.4B		X	
HSBC	\$.5B			X
Quicken Loans	\$.4B	X		
Intel	\$.4B		X	
Puma	\$.3B	X		
<u>Pizza Hut</u>	\$.2B		X	
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...

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

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