



THE BLUEPRINT

THE
THE
TRUTH
ABOUT
TALENT

INTRODUCTION

Four years ago, The Blueprint launched *The Truth About Talent* against a backdrop of change for the agency world. We outlined a range of insights focused on the risks associated with not being equipped to embrace the future.

In many ways, this new edition is not so different, maintaining a focus on the momentum of change. But it's difficult not to look back on that report with a degree of irony - because no one could have been prepared for what was to come.

Four years on, things have changed more fundamentally than anyone could have imagined. A global pandemic has forced immeasurable shifts upon the industry – the impact of which, some would say, has accelerated positive change. Others would say that it has wrought huge problems. To add to this, we've seen major shifts in the UK and US political landscapes and war impacting the world's economy and supply chains. Talent has been impacted – issues such as the 'Great Resignation', 'quiet quitting' and 'career cushioning' have all hit employers.

Technological advancements have most recently been felt with the impact of the metaverse and then the meteoric rise of AI – and the balance of response varies from the ecstatic to the catastrophic.

All of this has resulted in significant changes to ad-land. This volatility has led to many agencies seemingly stuck in a vicious circle of redundancy processes and hiring sprees, while others have merged, consolidated, shed their offices and fundamentally changed their ways of working. New agencies are continuing to be launched with new skills and capabilities. There are no longer any rules to what an agency looks like.

Within this environment of change, we set out to launch The Truth About Talent 2023. The Truth About Talent represents a deep dive with transformational leaders from both sides of the pond, to discover the challenges facing agencies, to address agency leaders and to set out provocations to help shape an actionable strategy for development.

The agency leaders we interviewed for this report cover creative, business, strategy and operations; they work at both networked and independent agencies; they are leaders from the whole pie of creative, innovation, PR, design and media; and importantly, they rise from a range of diverse backgrounds.

We have ensured their anonymity so we can get to the heart of how they truly feel. And we have combined this insight with a survey of hundreds of the US and UK's top senior talent, allowing us to gain deep and far-reaching insights into where they stand on the issues that matter right now.

The Truth About Talent also aims to highlight the change required to help attract and retain the best and brightest. That's why we have provided practical provocations to enable them to respond to each of the truths we have highlighted.

We've considered the growing importance of cohesion in the workplace, of shared values and shared attitudes towards work/life balance. This is where The Blueprint's expertise lies – we use emotional intelligence and talent mapping to help agencies to build teams that gel, because agency hiring is never simply about one person.

We would love to talk to agencies about the truths of their talent and if they're asking the right questions to achieve their mission.

Grab yourself a cold drink and jump in ☀️

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EXECUTIVE SUMMARY

The Truth About Talent 2023 captures and analyses the expectations and apprehensions of creative industry leaders in a rapidly changing post-pandemic world. Based on comprehensive qualitative and quantitative research, it goes beneath the surface to discover what they really feel about the state of the industry, what energises them, and what gives them sleepless nights.

The report is based on a sample survey of 1,349 US and UK senior agency talent to a 10-question Pulse survey. Questions were designed to build a granular picture of sentiment towards the most dynamic and challenging aspects of the industry:

- **How to manage generational dynamics and divides in agency culture**
- **The importance of a good work/life balance**
- **The role of social impact and purpose in talent and client attraction and retention**
- **Diversity, equality and inclusion implementation**
- **The tensions of talent retention**
- **The profit/creativity balance**
- **The impact of AI and emerging technology on creativity**
- **The greatest risks to innovation in the creative industry**
- **Whether agency-land is happy**

This quantitative research was contextualised by in-depth interviews with 26 of the agency world's most experienced and dynamic leaders. Considered against the backdrop of the Pulse survey results, the depth and richness of their insights and expert opinions take a deep dive into a compelling and often startling picture of the industry in 2023 and expose the pain points it must address if it is to continue to be creative talent's destination of choice in an increasingly competitive field.

EXECUTIVE SUMMARY - KEY FINDINGS

#1 MILLENNIALS ARE THE BRIDGE AS OLD EXPECTATIONS CRUMBLE

This is a difficult moment for inter-generational dynamics within both US and UK agencies.

Only 14% of agency leaders in the US and UK believe their business is 'really good' at embracing the different needs and attitudes of each generation. For 38%, it's a work in progress - which is encouraging - but 11% worry that they are simply not doing it well.

The challenge is rooted in several factors including unequal expectations, attitudes and work ethics across the generations, while social impact and purpose are increasingly complex levers when it comes to retaining younger talent. Inter-agency harmony is being disrupted. But it is not all bad - there is also a strong sense that millennials are increasingly the generational bridge, bringing everyone together, including Gen Z disruptors.

#2 WORK/LIFE IS NOT YET BALANCED

Both US and UK agencies could be approaching a critical crossroads in their talent retention strategies.

Indeed, two thirds of participants believe that a hybrid working environment is now non-negotiable and 84% feel that a good work/life balance has a positive influence on staff productivity and satisfaction.

One of the key areas of contention is pitching. While pitching is logically the core focus of the business, it is no longer the main attraction for younger generations. These days, they see it as a side hustle to the main event - the fulfilment of their own creative and work expectations. Some agencies are starting to rethink how this informs the structure of their practice and their use of talent.

#3 THERE'S PRIDE IN PURPOSE BUT FEAR IN ACTION

Having a clear social impact and purpose is a no-brainer for most US agency leaders.

The majority – 83% – say it has either enormous or some impact in retaining and attracting both talent and clients at their agency. But an underlying concern about how to make agency decisions in an increasingly polarised world where every action is under scrutiny, where one misstep can generate an immediate and damaging backlash, is also apparent. Against this backdrop, purpose beyond profit is more important than ever for talent at all levels – but it is crucial for Gen Z, which appears to be a driving force for agencies launching social purpose initiatives.

As one US leader put it, the biggest risk to agencies is **“fear and conservatism”**. They added: **“As this country becomes more dogmatic and separate from the world - will clients continue to push the envelope because they don't want to offend? The loudest voices are sometimes the hardest to silence.”**

#4 DIVERSITY DELUSION REVEALS AN INDUSTRY FALLING SHORT OF ITS EQUALITY AMBITION

There is a serious split in opinion about how good US and UK agencies are at enabling and supporting a more diverse, equal and inclusive working culture.

23% feel they are 'really good' at this, while 18% admit they are poor at it and should be doing a lot more. Dig deeper into this apparent divide and it soon becomes clear that the 'really good' camp is deluded in its confidence.

A range of diversity-centred anxieties and frustrations emerge which paint a troubling and painful picture of the industry: the lack of senior role models to attract talent from different backgrounds; risk averse behaviour and too much weight given to traditional qualifications; tokenism; fear of getting diversity wrong – and the potential public backlash; and a sense that the industry is lagging behind other sectors, particularly at a senior level.

While clients push for more diverse agency teams, an obsession with winning awards and recruiting award winners restricts diversity at the top and leads to the annual horrors of 'Cannesxiety' as recently featured in AdWeek. This lack of senior role models makes it even harder to attract talent from different backgrounds.

EXECUTIVE SUMMARY - KEY FINDINGS

#5 AI AND NEW TECHNOLOGY ARE AGENTS OF CHANGE - AND UNCERTAINTY

There is an anomaly at the heart of agency leaders' attitudes to the effect AI is having on the industry - and particularly the standard bearer of the moment, ChatGPT.

Agreement is unanimous that these emerging technologies will have either an enormous or some impact on the way we work in the future. But while 100% take an overwhelmingly positive view, the fact that 0% in the US (and just 1% in the UK) are concerned about AI is surprising.

This could simply be an indicator that they don't anticipate an impact on their own roles. Significantly, non-leadership talent who took part in the qualitative research were much more nuanced in their view, expressing several degrees of unease about the tech-influenced changes that are coming down the track fast.

#6 TRUE HAPPINESS ELUDES SENIOR INDUSTRY LEADERS

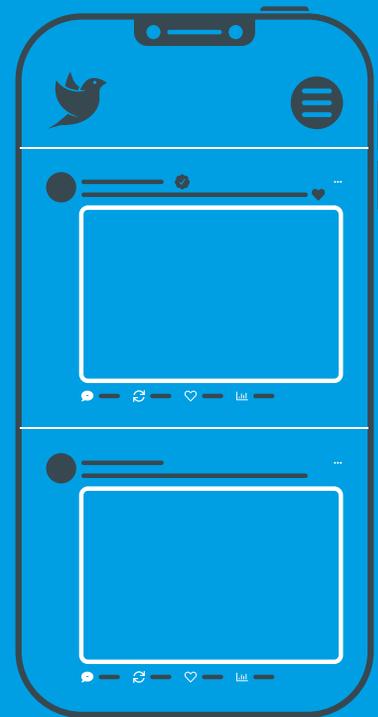
80% of agency leaders admitted that they are not 'really happy' in their current roles.

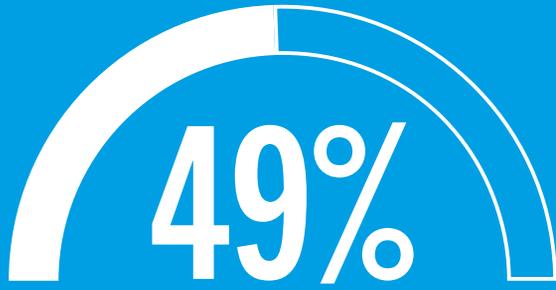
Their landscape of concerns is populated by many demons, ranging from debt and career development prospects through to anxieties around creativity in an increasingly tech-enabled environment. But it doesn't stop there - there is diversity as well as work/life balance challenges to think about too.

"Diversity keeps me awake!" said one chief strategy officer of a major UK agency. **"I want to leave a team behind me that looks radically different."**

These issues are tied inextricably to the areas covered by this report - and collectively, they hold up a compelling mirror to an industry in the throes of disruption that is at once exhilarating and daunting.

THE GENERATION GAP





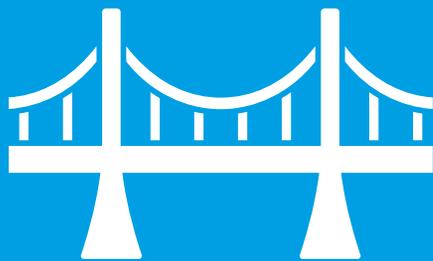
SAY THAT IT IS
EITHER A WORK IN
PROGRESS OR THAT
THEY ARE SIMPLY
NOT DOING IT WELL

KEY TAKE-AWAY #1



GEN Z -
THE DISRUPTORS ARE
**HERE
TO STAY**

KEY TAKE-AWAY #2



MILLENNIALS ARE
INCREASINGLY ACTING AS A
**GENERATIONAL
BRIDGE**

KEY TAKE-AWAY #3



**UNDERLYING
TENSIONS**
WHILE OTHERS WELCOME GEN Z
AS GAME-CHANGERS



In a creative environment, there is one thing at the centre of every business: curiosity. You want to explore, challenge each other and be driven by imagination. That is the antidote for conflicts between generations. You'd be stupid not to listen to everyone's point of view. It's how you learn.



Inter-generational gulfs in attitude and work ethics lie at the heart of every tension in agency culture.

Some agency leaders have identified millennials as the voice of reason, capable of bridging these divides with their capacity to see things from different perspectives. And there is evidence that they might be the ultimate 'glue', capable of bringing disparate expectations and values together in harmony. As one US executive creative director stated:



Geriatric millennials are the key to the bridge. This group understands Gen Z, they understand the work life balance Gen Z wants. Millennials also value the sacrifices made by Gen X.



Benefits that connect with the needs of employees at different life stages suggest that millennial sensibilities are a powerful influence on how to manage the unequal expectations and attitudes of different generations. AMV BBDO's 'Life changes' benefits, for example, were recently referenced by a Campaign article which explored the ways in which adland is helping staff on their fertility journey.

Whether or not such benefits have all the answers to satisfy the needs of Gen Z, however, is another matter - and the issue is felt particularly strongly by our US panel.

There's no doubt that Gen Z are increasingly calling the shots - and it's fair to say that leaders are not unanimous in finding this shift easy to accommodate or work with. For some, the influence of younger generations is a welcome challenge. For others, this perceived intransigence is actually part of the problem. Keeping everybody happy is very much a work in progress.

The fallout from the pandemic is a continuing factor in inter-generational management. It created chaos with a generation of talent just entering the industry, while at the same time causing more experienced and senior employees to re-evaluate how they want to manage their working lives. Neither of these trends is conducive to a smooth ride - and everyone is at a different point on the new learning curve.



It should be an approach of one size fits one and it is essential to onboard people differently, so we understand their specific needs. Age needs to be talked about more as it is an impediment. The creative industry has a huge problem with its youth obsession.



According to the Office for National Statistics, UK productivity was 0.6% lower in Q1 2023, compared with a year ago - and declined by 1.4% compared with the previous quarter. Meanwhile, US worker productivity plunged by 2.7% in the first quarter of 2023 compared to the same period last year, according to a report from EY-Parthenon citing data from the federal Bureau of Labor Statistics. This is also the fifth consecutive quarter that US worker productivity has dropped. In this context, Gen Z is seen as a major challenge. They arrive with expectations honed by their pandemic experience. Remote working is a way of life for them - and this is up-ending agency cultures rooted in intensely creative teamwork and immediate collaboration.

“We have a whole generation of unskilled workers,” said a chief creative officer from a global network agency, referencing the impact of ‘working from home’. **“You can only learn so much about this job remotely. You have to be present during conversations to see how people behave. Ultimately, we’re an apprenticeship business, we learn from the people around us - both the good and the bad. You learn what good taste looks like, how to hold yourself in meetings. If you don’t come into the office, you won’t get the same depth of knowledge - it’s not a one-way street.”**

At the same time, the arrival of Gen Z as the new game-changers is welcomed by many leaders, for their openness and willingness to talk about wellbeing and agency culture - particularly when it comes to issues such as mental health.

“It would be bloody madness if we were just white, ageing people making the decisions,” says the UK-based chief creative officer of a global agency.



As far as Gen Z is concerned, I didn’t go through a pandemic, nor did I need to pay for higher education or have any debts. I have so much to learn from Gen Z. I am very lucky that I work with people whose values I fundamentally respect. Our culture is born through celebrating difference. That’s the buzz of what we do and we do it by talking to different audiences - externally and internally.





Some days it feels like we're chasing after the impossible. We're trying to make a certain generation happy when it's built into their DNA to challenge, but the more you pander, the worse it becomes.

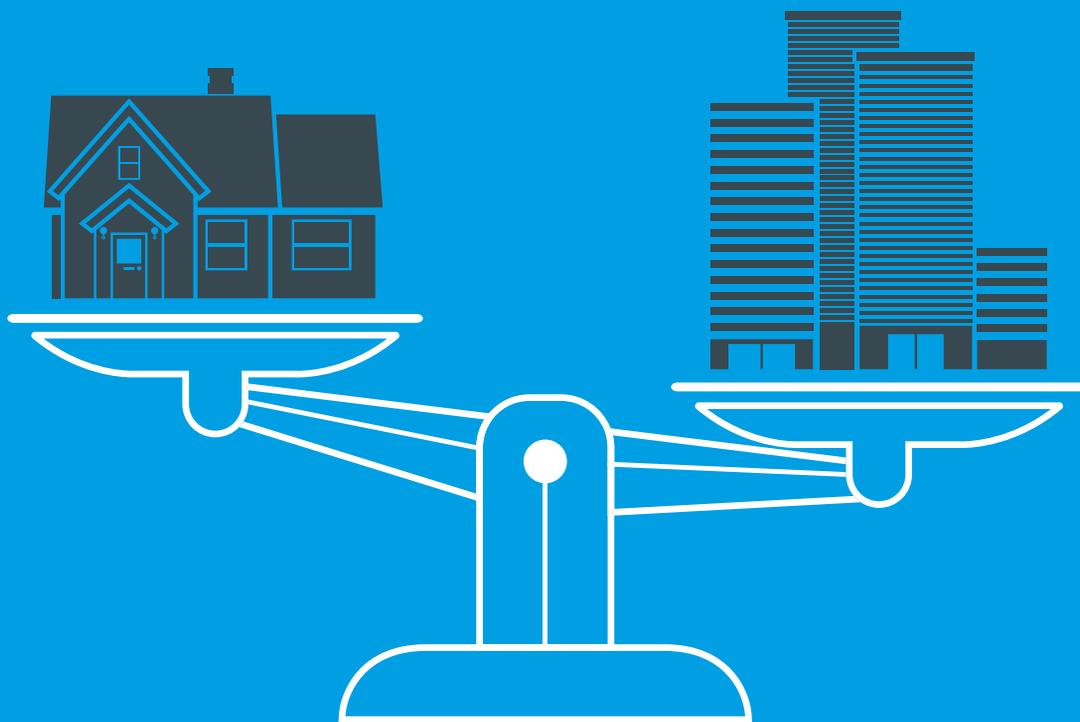


I have to couch my opinions with my generation. As a DEI woman of colour, what I have let pass, endured and shaken off in this generation is not the same for younger generations who hold us to a higher standard.



We didn't realise when we were building our company that we were predicting the great resignation in 2019. At that time the best talent in the world was choosing to go freelance and how they wanted to manage their time. For us, it's not a generational gap, it's managing two groups of people who have re-thought the way of working.

WORK/LIFE IS NOT YET BALANCED





**HAVE ACCEPTED
THAT HYBRID
WORK IS NOW
NON-NEGOTIABLE**

KEY TAKE-AWAY #1



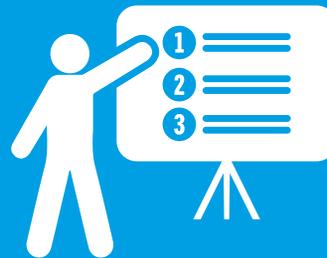
**A HOLISTIC APPROACH TO
EMPLOYEE WELLBEING IS
NO LONGER
OPTIONAL**

KEY TAKE-AWAY #2



**THE PACE OF AGENCY LIFE
MUST ALLOW
TIME AND SPACE
FOR DECOMPRESSION**

KEY TAKE-AWAY #3



**PITCHING IS A MAJOR
PAIN POINT
IN MEETING WORK/LIFE
EXPECTATIONS**



We're still committed to a hybrid workspace in the US. There are moments of what we call intentional attendance because it's great that you can all come together to interrogate a project, it's valuable.



The transition to flexible working is fraught with challenges.

As a recent AdAge story on the patchy adoption of four-day work weeks suggested, US agencies are struggling to match the dynamics of client relationships with employee expectations.

Flexible work structures aren't generally the closest fit with the peak-energy points of relationships which demand full-team presence. Even so, many of the agency leaders we spoke to offered examples of their own agencies' commitment to rolling out four-day weeks with some success.

The devil is in the detail, however, and yet again points to the varying expectations of different generations - especially Gen Z.

Take pitching, for example. A Forrester Research report tells us that the entire agency pitching model is broken, while a recent study from MediaSense called for a change in the pitch process for the sake of employee mental health and agency profitability.

And one of the reasons, reinforced by many of the leaders we spoke to, is that Gen Z employees just don't feel the same compulsion to be hands-on with pitching at all hours of the day and on top of their already full schedule of current client work. Pitching is now seen as a side hustle to their core purpose.

As one US agency leader said:



We need to change how agencies pitch, how agencies deal with clients (and sometimes create an unhealthy working environment). We need to show that you do not have to do the same as some agencies to be the best.



Panning out to the bigger picture, it's clear that from parental leave policies to wellbeing days and sleep advice, there is hardly an area of life that remains under-served by agency leaders in their quest to maximise the creativity and productivity of their people.



I had a big moment of professional pride with the parental leave policy. This was huge for me. A policy like this is a game changer and a life changer. I see it as inclusivity in motion.



And that's as it should be in 2023, when our Pulse survey results show that two thirds of participants believe that a hybrid working environment is now non-negotiable and 84% feel that a good work/life balance has a positive influence on staff productivity and satisfaction.

Where there has been resistance - largely in the boardroom - this has been overcome, perhaps partly because the pandemic revealed that despite associated challenges, remote and flexible working can also bring considerable benefits to agency culture. For younger agencies, these considerations are already part of the DNA.

An agency leader inside a large, independent US agency said a work/life balance is essentially about putting meaning into the culture of the agency. It takes flexibility and communication on both sides to make it work. Covid, they said, broke down the conventional barriers between being at work or 'off' duty.

“We can't do extremes anymore,” they said. **“Trust is huge. So many of Gen Z started during Covid so the boundaries aren't real to them. How do we protect them? You do need to have time for yourself. Learn to work hard and protect yourself from burnout.”**

In the UK, the agency leader of an independent agency outlined a range of wellbeing benefits so comprehensive that they are practically tailorable to individual needs - which is the idea. The company has also built an internal platform to support its initiatives. **“Wellbeing is crucial and difficult because people have such a vast range of needs and desires,”** they said.



Some will want to be on every pitch. Other people just can't take the stress, so wellbeing needs to be bespoke.



Several leaders acknowledge that the pace of agency life - always a rollercoaster with peaks of intensity - is both part of its attraction for new talent, with its promise of endless variety and creative opportunity and the very thing that drives the need for nuanced support.

“Anyone who is creative knows you work in intense spurts - it's not necessarily a numbers game,” said a global agency leader. **“The more experienced you get, the better you are at cutting to the chase - you might solve it in the first two hours. Nothing worse than a blank sheet of paper - my favourite phrase is - let's get loose with ideas and tight with execution.”**

“Pitching is like a stage show,” agreed the founder of an independent UK agency. **“We're under time pressure and there's an immediacy with the way the messaging and feedback goes back, both the volume and speed of it. Sometimes that makes everything concertina and while there is a thrill to it, it can be quite intoxicating for people.”**



In 2018, we implemented core working hours from 10am - 4pm. This was quite a polarising conversation in the boardroom. It has had a huge impact on engagement. When you're here, the agency is packed. That's rewarding in itself - you can mix with a broader range of people - and the fact the core hours are in place takes away all the stress and decisions you need to make to get to work. You just structure your life around it.



You don't have to be in the office just to burn hours.



We've noticed that the latest wave of creatives, their maturity is off the charts. Consequently, they have progressed way quicker and come on leaps and bounds. Ultimately, we're an apprenticeship business, we learn from the people around us - both the good and the bad. You learn what good taste looks like, how to hold yourself in meetings. If you don't come into the office, you won't get the same depth of knowledge - it's not a one-way street.

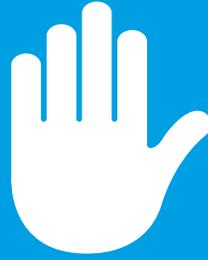
PURPOSE ISN'T OPTIONAL





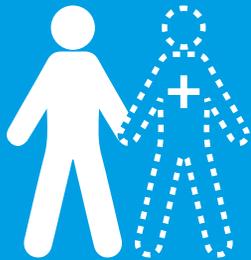
OF UK AND US AGENCY
LEADERS SAY **SOCIAL
IMPACT/STATUS DRIVES**
TALENT AND CLIENT
ATTRACTION AND RETENTION

KEY TAKE-AWAY #1



YOUR TALENT ARE
**HOLDING YOU
TO ACCOUNT**
AT EVERY STAGE

KEY TAKE-AWAY #2



B CORP STATUS IS A LEVER FOR
**TALENT
ATTRACTION**
AND RETENTION

KEY TAKE-AWAY #3



CAUTIOUS BRANDS
**WON'T
ATTRACT**
PROGRESSIVE TALENT



A critical thing for us is to appeal to talent. We know for ourselves that feeling better about the industry we work in and pointing at something of worth in the world is important. You can look at this simply and see it is a means to an end but for us, it's everything for attracting talent and new business and clients.



When Bud Light's collaboration with transgender influencer Dylan Mulvaney kicked off a social media storm, it encapsulated the tinder box in which agencies and their clients now exist.

If polarised social views can affect brand loyalty and appeal, what are the consequences likely to be for an agency's own ethos when it comes to social impact and purpose?

We could reach a point where an agency that works with risk-averse clients, nervous about upsetting their more conservative consumers, will struggle to attract employees who expect to see their own progressive views reflected in the company. When that anxiety spreads to the agency itself, eroding its social impact commitments and purpose, frustrated employees will start to walk.

Furthermore, the overturning of the Roe v. Wade decision affecting an individual's right to have a safe and legal abortion has forced US agencies to think about their socio-political views and also about the very practical care they are expected to provide to their employees.

Gen Z talent – and it surely isn't alone – is looking for agencies to make a stand in a world that is increasingly divisive.

For agency leaders, the challenge is finding a way to win the struggle between external trends and an internal sense of a strong agency purpose.

What comes through loud and clear from our panel of leaders is that social impact and purpose is hard-wired into agency ethos. Having a demonstrably humane core is not a luxury that can be trimmed back in challenging times. As a leader inside one global agency put it:



Social impact and purpose should not be performative but be part of your values.



What this means on an individual basis might vary, but when it comes to talent attraction and retention, there is an overwhelming sense that expectations are not negotiable, whether they are centred on DEI, wellbeing, sustainability, or flexible working structures: if people can't see their own values reflected in the face of a potential employer, they will look elsewhere. And if they sense values drifting once they are in-role, they will hold the agency to account or simply leave.



Having B Corp status can be a differentiator for both talent retention and attraction. Increasingly, people feel able to raise their hand if they think we're not operating according to our values. We don't use our people to provide our values. Our values are focused on what talent is looking for.



If social impact and purpose tend to be more of a ticked box for clients at the beginning of a relationship, they are also woven into the fabric of the way that account is nurtured ethically and creatively.

There is also a sense that social impact and purpose help to maintain the delicate balance between an agency's profitability and creative currency. If there's an openness and honesty about the way creativity feeds financial success, people know where they stand. In this respect, they are an agency's super glue, bringing everything together and holding it in place.

For some agencies, the rigorous requirements of achieving B Corp status have defined their social impact and purpose. The group CEO of one agency which has jumped through these considerable hoops says it is a key factor in talent recruitment and retention.

“We tend to attract this kind of person by being a B Corp,” they said. **“People join for that reason. It might put a bias on the recruitment process because we have a good reputation, and this promotes a desire to want to work for us at all levels - from most junior through to most senior roles we hire for.”**

They were unequivocal about not separating their client work from social impact: **“We use our position in the industry in a responsible way. The two things are intrinsically linked.”**

This view was echoed at another UK agency, whose leader suggested that purpose is simply part of the decision-making process in the workplace for millennials and Gen Z employees. **“It is the general view now, the value chain you have - and it should be driving growth as part of your core business strategy,”** they said. **“People question it if you don't have it and ultimately question if you are viable as a business.”**

Similar views prevail in the US, to the extent that social impact and purpose are, if not quite assumed or taken for granted, simply present in every aspect of the agency's business. A close alignment with their own ethics and beliefs is a prerequisite for potential employees.

“Our staff like engaging with pro bono projects - not just pushing products for the sake of it,” said one executive creative director.

“

People are attracted to a personal cause that's close to them and by allowing them to do this, they are more fulfilled as a result.

”



We don't need to adhere to existing rules of doing things. It's fundamental to understand and employ people from a diverse range of backgrounds because this impacts service delivery and the relevance behind your creativity.



In the four years I have worked [here], I've always been encouraged to 'be yourself, everyone else is taken'. We ask people to be themselves and we ask the same of a brand. In the last couple of years, some of the team has done a lot of work around our purpose, value and mission. Our mantra is, be brave, be tenacious and be yourself.



For clients that social impact and purpose is about DEI. It is the future composition of talent because the more diverse our consumer targets become, the more diverse our talent pool should be.

THE DIVERSITY DELUSION



ONLY



OF AGENCY LEADERS
THINK THEIR AGENCIES
ARE 'REALLY GOOD' AT DEI
STRATEGY IMPLEMENTATION

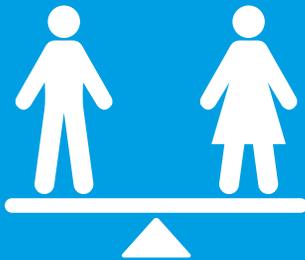
KEY TAKE-AWAY #1



**BOARDROOM
DIVERSITY**

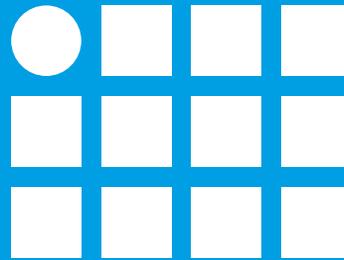
IS STILL A
STICKING POINT

KEY TAKE-AWAY #2



THE DESIRE TO SEE THE
**BACK OF THE
'PATRIARCHY'**
IS STRONG

KEY TAKE-AWAY #3



TOKENISM
IS THE BIGGEST OBSTACLE TO
**AUTHENTIC
DIVERSITY**



Our agency is diverse, but the face of our leadership team isn't. We're very open about this. But it's a journey where we have to set goals, keep communicating and get the agency behind it.



Anybody who thinks their agency is really good at implementing an effective DEI strategy is deluded.

That's the analysis conveyed repeatedly by industry media coverage – and reinforced by the considered opinions of many on our expert panel. From PProvoke Media's 2022 Creativity in Media study to Campaign's School Reports 2023, the theme is one of progress which might be described kindly as 'stately'.

In other words, the industry is consistently failing to create radical solutions for issues that remain stuck in familiar ruts: a lack of senior role models and representation, risk averse behaviour, fear of getting it wrong (and the backlash that could bring) and over-reliance on familiar recruitment models.

As one US leader said, **“there is the backdrop where black employees aren't getting the same level of feedback because white people are scared to give it. We've had to figure out how to help people speak to one another.”**

The biggest betrayal of the promise of DEI is tokenism. That's the stark observation of a US global lead creative, who says that as an industry, advertising is just not very good at it. **“It's infuriating because there are so many talented people out there but businesses don't see their talent – they see the colour of their skin.”**

According to a UK-based global chief creative officer, the UK advertising industry is 12 years behind the television business. **“DEI is not at the top of enough people's lists,”** they said.



It's time we stuck our fingers in the scabs and poked around.



Time and again, the lack of role models at the top, and leadership teams dominated by white male faces, were raised by leaders as barriers to the implementation of effective DEI strategies.

As widely reported in the trade media, the industry is regularly failing to meet its targets for ethnically diverse representation in senior leadership. Some commentators also made jaded reference to the continuing prevalence of the 'patriarchy'.



White men should be scared. As an industry we should encourage a creative talent pool of colour. The trouble is we're all vying for the same people. You tend to see higher diverse numbers in Operations, Finance and HR. We have not nurtured diverse creativity enough.



While the industry has made significant improvement in gender representation at a senior level, the lack of diversity at the top is an obvious source of frustration – a difficulty that is magnified by the scarcity of diverse candidates with the relevant experience to fill these roles.

“We are committed to hiring at entry levels from less traditional backgrounds,” says the founder of an independent UK agency. **“We go to considerable efforts to hire people who don’t have those backgrounds – non-white backgrounds essentially – and our numbers are quite strong. However, there are very few people in the middle or upper echelons of the industry who represent diversity properly. And you end up getting into a scrap with other agencies who are trying to hire the same tiny handful of people.”**

On both sides of the Atlantic, mentoring programmes focusing on differentiated development, hiring policies that are DEI focused to ensure that all groups are represented and working with more diverse partners who want to see greater diversity in their suppliers are all offered as evidence of how agencies are implementing their DEI strategies.

The leader of an independent UK agency claimed it’s vital to have enough resilience in the business to keep these strategies going when times get tough, bearing in mind that DEI is not paid work. They have built a collective which represents every part of the company. **“It’s part of everyone’s job. We measure ourselves against IPA targets and check the constitution of the agency,”** they said.



DEI fails when the management team is not invested and there is no funding for it, or when it falls on the marginalised groups to run the initiatives. A DEI collective is much easier and pulls in the talents of many different people.



One group CEO advocated the ‘press pause’ policy they have introduced for the casting process – giving people the opportunity to raise an alert which can then be discussed openly without anyone rushing to a quick judgement about the situation.

“We wrote down a set of principles and created a process that enables people to flag in the moment how to deal with the situations that present a DEI issue,” they explained. **“It means people can take a step back, press pause and make the right decision. This policy can deal with any kind of incident from racism to harassment. It’s a symbolic decision in a good way and says a lot about our agency.”**



The pool of talent needs to be bigger generally - we need to open it up to middle Britain and go into the communities who receive the end product.

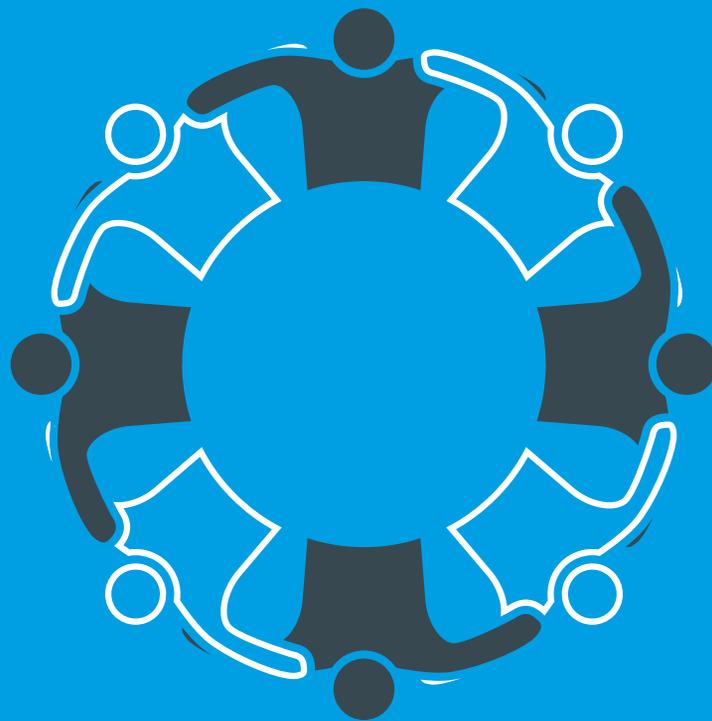


Class and ageism have been the most recurring issues. You need to look in your own garden first. It's quite easy to skip over the class issue, it's harder to define, how do you declare and quantify class? It's a problem because people discover our industry through connections, an interest in the arts etc. This is not an 'en masse' industry like healthcare or finance.



If I could wave a magic wand, there would be more diversity in senior management roles. (...) It's antagonising that other industries are doing better than us - we're not doing very well, only perhaps with gender balance alone.

THE NEW INCLUSIVITY ORDER



SURPRISINGLY, ONLY



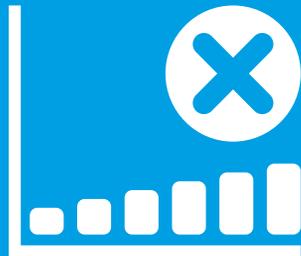
OF LEADERS ADMIT THEY ARE POOR AT ENABLING A MORE DIVERSE WORKPLACE, AND NEED TO DO MORE

KEY TAKE-AWAY #1



AN INCLUSIVE TALENT POOL ISN'T LOOKING FOR YOU - YOU NEED TO BE LOOKING FOR THEM

KEY TAKE-AWAY #2



JUST AIMING TO 'DO BETTER' ISN'T GOOD ENOUGH

KEY TAKE-AWAY #3



TAKING OUR TIME TO CHANGE DEI STRATEGIES IS A LUXURY THE INDUSTRY CAN'T AFFORD



It is at the front and centre of every decision we make but we are woefully bad at this as an industry. It's not an overnight fix and will take 5-10 years. Every agency has to put it at the front of what it does.



Among the many calls to action taking hold across the industry, the need to shake up talent recruitment by ditching conventional educational requirements or CV expectations and speculating beyond the comfort of the familiar pool is increasingly urgent.

A recent article in Campaign saw Ally Owen, founder of Brixton Finishing School, call on agencies to ditch CVs and scrap questions about previous salaries if they wish to attract diverse talent. Speaking at Campaign Media360, Owen said: **“Can we look at dumping CVs and being a bit more task-oriented?”**

Some pioneers are doing exactly that - in the US and the UK - but they are few and far between. And even they lament the challenges they face in pursuit of their diversity goals. The truth is that for all its bold talk, creativity is beset by complacency when it should be steeped in its creative approach to DEI.

For some leaders, this means seeking talent from beyond conventional creative hubs. One independent UK agency has established its own academy far from London in one of the country's most socially deprived cities and is now looking to replicate the model in the US, helping it to reach out into unexpected environments.

In the US, due to radical legislation in more politically conservative states, agencies are struggling to attract diverse talent, including members of the LGBTQIA community, people of colour and even women of childbearing age.

As one US global executive creative director said, **“There is a difference between New York diversity and the rest of the US. How can we put our staff profile on parity?”**

“It’s a fantastic process to go through but you need to put your money where your mouth is,” said a senior leader from an independent UK agency.



It’s fundamental to understand and employ people from a diverse range of backgrounds because this impacts service delivery and the relevance behind your creativity.





The constant balancing act is how to ensure we don't convert the original person we've hired. We need to keep looking outside the industry - beyond race and gender and ensure these people retain their diverse qualities and are not homogenised.



Another UK agency has opened an office in Glasgow, tapping into the talent pool generated by the city's School of Art and Design for which the agency also provides funding support. **“A lot of candidates don't want to move to London and prefer to be in the region,”** said the company's founder. In other words, don't expect a diverse workforce to come to you - you're going to have to go out into the field and find it.

By kicking against convention in this way, agencies can break down the limitations imposed by invisible barriers. As the global executive of a US agency put it: **“Diversity is a fact, inclusion is an act.”**

The global chief creative officer at another agency was more forthright about these barriers. **“The concept that diversity only has to come in at junior levels is not representative - people of all levels represent our society,”** they said.



The fact we still live in a patriarchy is something I do not accept. We will never be done with DEI. We still exist in a society that is inherently racist and sexist. We have to keep pushing against society and the way it's organised.



Time is another key challenge for leaders. In practical terms, impatient clients exert a constant pressure on DEI strategies which don't have a direct apparent impact on project delivery. **“While some clients will appreciate the steps we're taking - they still want their campaign yesterday,”** observed the global executive creative director of a large agency in the US.

Then there is the time it will take for even the most concerted efforts to effect change. **“To make change happen - it's a one to two generational commitment,”** said the founder of an independent UK agency.



It will take 20 years to effect change. And anyone who says they have done it are Charlatans because they are trying to do it in a shallow way.



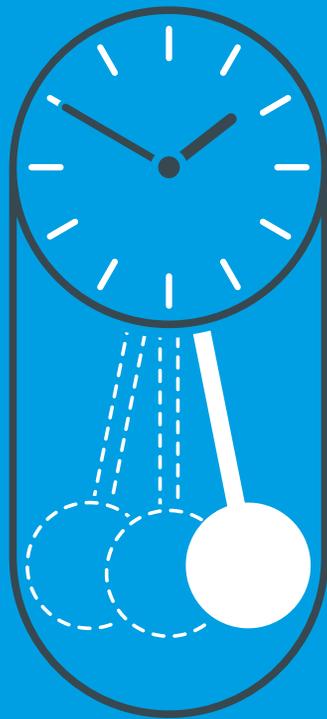


Today there is too much of a premium on qualifications, university background. Some industries still need it. I was raised by wolves and to keep trusting in the learning institutions to get you talent, you are cutting down on your chances drastically for diversity. We need to re-establish that democracy of opportunity. For a lot of people in our agency, they hail from the intellectual deserts that are business schools.



As an industry, we tend to be drawn to white male directors (to shoot our ads) because they have to have won awards, so we have to mindfully tackle this bias.

THE TALENT PENDULUM WON'T STOP SWINGING



72%

SAY THAT NURTURING A WORKING CULTURE WHERE EVERYONE IS RESPECTED AND HAS THE CHANCE TO PROGRESS IS FUNDAMENTAL TO RETAINING TOP TALENT

KEY TAKE-AWAY #1



AN EXTREMELY VOLATILE APPROACH TO TALENT SUGGESTS A **LACK OF PLANNING**

KEY TAKE-AWAY #2



HIGH-END TALENT CAN **AFFORD TO BE DEMANDING**

KEY TAKE-AWAY #3



IT ISN'T ALL ABOUT **THE PRICE TAG** – CREATIVE RECRUITMENT IS HOLISTIC



It's the structural difficulties that get in the way for creatives and strategists. The freelance market is just so much better. There is no politics, just freedom to think of ideas. The risk is that these people don't make great managers.



While 72% of respondents agree that the nurturing of a working culture where everyone has a chance to progress is really important for retaining top talent, the reality paints a more complex picture.

Because the 2020s has seen a pendulum of rapid step changes and extreme volatility swinging a damaging path through the talent market. Since 2021 the pendulum has swung towards headcount reduction, back to '22's rapid recruitment drives amidst the 'Great Resignation'. Now in 2023, it's swinging back to an employer-led market and headcount cuts in light of the challenging economic environment. Many agencies have also seen wild mindset shifts around requirements for permanent offices. Some, such as R/GA have closed down offices in favour of flexible working hubs. Indeed, some holding groups are using this as a reason to condense their real estate and bring all their agencies together in one place. Meanwhile, others are now swinging back towards maintaining offices with an eye to building a sense of agency culture.

This volatility points to a short-termist approach across the industry and a lack of sustainable talent models. Talent planning needs to be seen as a requirement at all times, not just at times of profitability. As one UK CEO put it, **“Talent needs certainty so the clearer you are on where their path is going, they will be incentivised to stay.”**

While there has been volatility, some claim that they are getting on the front foot with their talent planning. **“The wave when it was incredibly difficult was post-pandemic,”** recalled the managing director of one large US agency. **“There was a lot of inflation in salary**

compensation and, briefly, it became very difficult to manage this.” Things have settled down after this sharp and steep learning curve, they suggested. **“We're all a bit more emotionally invested - taking a more long-term view and not short-term. We want to know what's the plan for the next year, three and five years.”**

Financial and emotional rewards were the golden duo of retention incentives referenced by many of our leaders. If people are well taken care of, they are more likely to stay. Low staff churn rates are seen as a measure of success, the sign of a contented and productive workforce. But there is no room for complacency. As one creative director put it,



Talent is always on loan. As soon as you realise that and get comfortable with it, the happier you will be. And recognising this helps the talent retention and acquisition process.





They care about the direct value they are creating for the business and want to build their own individual contract based on what they are getting back...



Competitive sectors – particularly the tech industry – are constantly flexing their muscles when it comes to talent attraction. A US agency president commented: **“It is challenging because of the financial packages, because of big tech companies and consultancies. Sometimes you are competing with the stock options - but a lot of it has to do with the employee experience inside an agency.”**

People looking for potential opportunities want to know what the experience is like at the agency, outside the day-to-day work, they added. **“There are other aspects within the agency that people really lean into: career development, DEI, and growth opportunities. The bottom line is that people now take a holistic look at the whole employee experience.”**

A global agency leader described their agency’s approach as not growing the company without missing the chance to grow personal opportunity. **“That may be obvious,”** they said, **“but as a consequence, retention gets a lot easier and a lot healthier. If you are a company which has done some acquisitions - your revenue growth can over index and can become a weapon as it relates to retention.”**

Operating outside the traditional tropes of talent attraction and taking a chance on unexplored territory is easier for a nimble young agency than it might be for a global corporation with its embedded processes. Without a legacy to protect, the business can take its own route to acquiring new talent organically.

“We have high levels of autonomy because we know our top talent will always have choices,” said one leader of a fast-growing independent agency in the UK.



Creatively minded and commercially savvy individuals are very much in demand. They have more options than they used to have, and the working environment is very important. They want to be away from the politics, have space to do their thing. You have to make sure you match the working experience at the interview when they come into the agency - the opportunity has to replicate what we promised.





They care about the direct value they are creating for the business and want to build their own individual contract based on what they are getting back ...



We are specific about timelines and project management and careful about how we craft their project - we can arbitrage the whole cost of the project by mixing and matching the whole workforce.

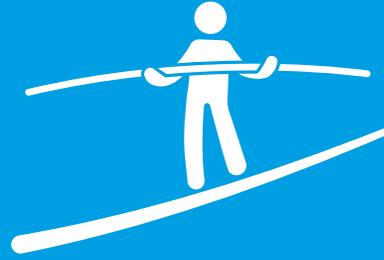
THE PROFIT/ CREATIVITY BALANCE





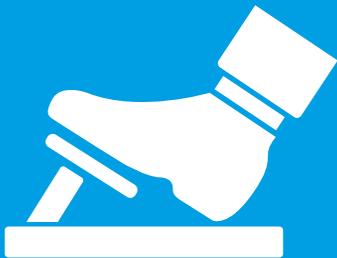
**STRUGGLE TO
BALANCE PROFIT
MARGIN WITH THE
CREATIVE PROCESS**

KEY TAKE-AWAY #1



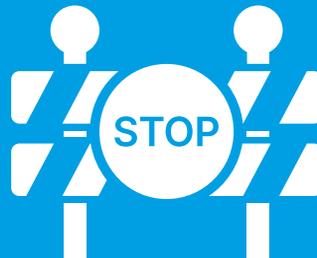
**PROFIT VS CREATIVITY
IS AN INCREASINGLY
TOUGH
BALANCING ACT**

KEY TAKE-AWAY #2



**INCREASED ROLE OF
PROCUREMENT IS A
BRAKE ON
CREATIVITY**

KEY TAKE-AWAY #3



**SHORT TERM
BUDGETING IS A
BLOCK TO
INNOVATION**



I think as an industry we have moved away from the margin obsession. Talent is part of the financial model, which it has not been previously. People are very important - it comes down to a combination of talent, creativity, and profit.



At what point do you sacrifice profit to give creativity room to breathe? This is the question exercising many agency leaders – and it’s a point that they are battling to manage as clients bear down on procurement. Relationships can become fraught with risk as agencies stop pushing the creative envelope in order to protect the bottom line.

“There are a lot of instances where procurement will not be as open with us and are more risk averse,” said the president of one US agency. **“It’s a very black and white approach and masks our capability as a creative strategic partner.”**

Client budgetary conservatism was also a lament, with the CEO of another US agency suggesting that procurement sometimes tries to force projects into old models, even if there are better options.

“The industry acts on fear,” they said. **“In a client services-based industry, it’s really easy to fall into a trap of fear of loss – that you react based on a fear of loss rather than competence and excellence. Where a lot of agencies struggle is where they are afraid to tell clients the truth.”**

Add to the mix the traditional tension between creative and media, exacerbated by the advent of new technologies with the potential to streamline – and reduce costs – in key creative areas and the challenge becomes head-spinning.

As an example of this, the soft start to the year by WPP’s creative agencies was noted by chief executive Mark Read in a recent interview. He told Campaign that clients are looking to simplify and streamline their relationships with their agency partners in a world being reshaped by technology.

This trend is only going to increase the kind of tension identified by one of our leaders. **“Human creativity is routinely undervalued, and the increasing mechanisation of our trade pushes our value down even further,”** they said.



But when we are given the chance to tell the best stories possible, it makes me very happy.



The need to shore up productivity at a time when it is under constant pressure is another threat to agency equilibrium.

The influx of Gen Z employees, primed to work remotely rather than in the cut and thrust of agency life presents a major challenge for agencies who depend on presence to fulfil client demands.



Overall, we operate in the framework of capitalism and we're creative businesses and when you are part of a holding company, financial imperative supersedes all else. Creativity is our primary weapon - it's a means to an end and the end is growth.



For some agencies, the pressure from the holding companies to give short term shareholder value quarter by quarter rather than through long term investment can eat into business optimism. For independents, they often have more freedom to be entrepreneurial and invest in the longer term.

Sometimes the process of making money feels **“fundamentally exploitative”** and for one US agency leader, makes it difficult to find **“a way to do our job and be truly ethical”**. **“It’s harder and harder to be profitable as an agency. You have to show revenue growth so you do need people who want to work long hours. Everything breaks down if you can’t make money. It’s harder to convince clients that they need to pay more. Digital media has made it look easier than it is, e-commerce has disrupted the race, and we haven’t quite figured out what brand building looks like in 2023,”** they lamented.

For global agencies, the move to a globally distributed workforce to meet the needs of the profit line incurs the risk of a race to the bottom, according to this US agency leader. **“The tendency for companies is to say, what is the cheapest way to get stuff done,”** they said. **“We have to find a way to build a globally distributed workforce that is an equitable workforce. This is where we talk about equity - everyone gets the same salary regardless of location.”**

For some agencies, the balancing act comes down to reminding creative talent that their ideas must make money for the business, and reminding

the business that without investment in creativity, there is no money to be made. Tip the scales even slightly in the wrong direction and equilibrium is scuppered.

As the US managing director of a large, East Coast based agency put it succinctly:



If we compromise on the creative outcome, our revenue is going to decrease.



The CEO of a UK agency agreed: **“If it’s only about profit, you will lose the best people you have,”** they said. For a UK group CEO, achieving balance is an ongoing board-level discussion. **“We like making money but we won’t make money at the expense of all other things,”** they said.

A chief strategy officer at a large UK agency highlighted the sensitivity of the topic for creative talent. **“We’re very commercial, trans-creative and we’re quite mindful and talk about both things in tandem,”** they said. **“We try not to have any conversations about margin in the presence of creativity because we only sell one thing - creativity.”**



Budgets are tight, and we see a massive reduction in graduate schemes and apprenticeships. We'll just be recycling people when in fact we thrive on new blood. We will become boring, old and irrelevant if we don't sort this.



A US agency leader put it more bluntly. **“Some creatives think their work is art, it is saving lives, but that’s not our business,”** they said.



We need to be honest about what the work is. We are here to provide professional services to clients - they need our creativity - it’s a hierarchy of needs.



Also in the US, a global lead creative cited R/GA founder Bob Greenberg’s philosophy as the ideal balance.

“Once you sever the relationship between profit margin and creative, you’re unlikely to produce great work,” they said.

“What he understood is that you’re not making a choice between creativity and profit margin. The more creative you are, the more profitable you are.”

Ultimately, profitably brings the freedom to experiment - a word which might trigger a ripple of unease around the conventional boardroom, but which independent agencies see as their lifeblood, bringing together commercial viability and diverse talent.

“Profitability is key because it gives you choices as a business,” said the agency leader of a free-spirited independent UK agency.



It’s not our reason for being - we don’t exist purely for this but it is a key metric. Running a profitable business means you can afford to do new things, trials and alleviate pressure. You can find new ways to be profitable. Clients who buy the best work are brave or desperate or a bit of both.





Fear and conservatism is the risk I fear. As this country becomes more dogmatic and separate from the world - will clients continue to push the envelope because they don't want to offend? The loudest voices are sometimes the hardest to silence.

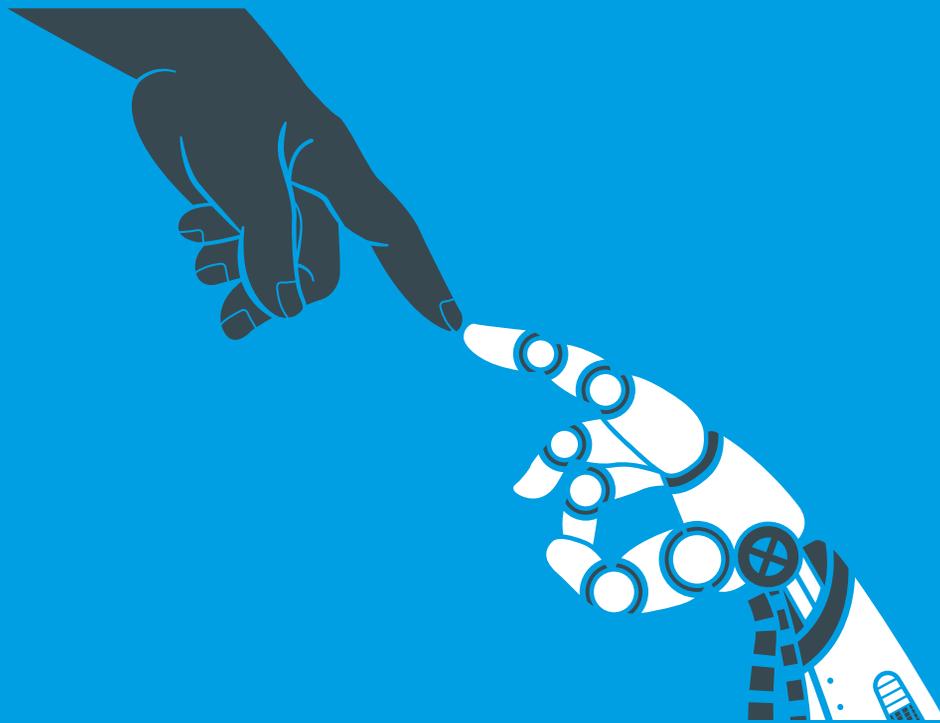


We work with a more holistic sense of momentum. We are able to hire people and do good work. Our people are proud of the brands and sectors they work in but there's a positive momentum to all this, and financial health is just one of part of this. It doesn't need to be growth at all costs.



We tend to be a leftist organisation. DEI for us is getting a couple of Republicans on board. We mustn't become too skewed. We have the opposite problem - we have to remind people we are entirely about making money.

AI HAS ARRIVED AT SPEED





ARE CONVINCED THAT **CHATGPT** AND OTHER EMERGING TECHNOLOGIES WILL HAVE AN **IMPACT** ON THE WAY THEY WORK IN THE FUTURE. **ONLY 1% EXPRESSED WORRY** ABOUT THE IMPACT OF AI ON THE ADVERTISING INDUSTRY

KEY TAKE-AWAY #1



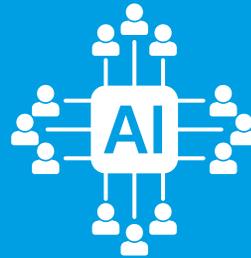
IF YOU'RE STILL IN THE **HOLDING BAY,** YOU'RE ALREADY **LATE**

KEY TAKE-AWAY #2



AGENCIES ARE **STRUGGLING** TO SEE WHERE AI CONNECTS WITH **CREATIVITY**

KEY TAKE-AWAY #3



AI IS GOING TO CHANGE THE **SEARCH** FOR **TALENT**



It's a moment of disruption for all of us. Figuring out how it signs to a change in our workflow - this is human collaboration. The question is, how can we drive this to make us better, to get rid of the mundane tasks?



The lack of concern about the impact of new technology on the industry expressed by our Pulse survey participants is startling.

Overall, just 1% - and nobody from the US - said they were worried about it.

Why aren't they worried? Perhaps because ChatGPT isn't coming for them, at least not yet. Meanwhile, copywriters and other creative staff in the junior and middle levels are looking anxiously at the horizon as it bears down on them and threatens major disruption to their career prospects.

The relaxed attitude among senior executives certainly seems surprising when you consider how the CEO of OpenAI, the company responsible for creating ChatGPT and image generator Dall-E 2, said **“regulation of AI is essential”** when he recently testified in his first appearance in front of the US Senate.

The activity around AI is increasingly feverish. Clients are demanding it, agencies are making major investments in their own labs, and big tech companies including Google are unleashing a wave of tools to help advertisers ride the AI wave in their quest to get closer to customers. So, AI might indeed not be coming for the top jobs just yet - but keep watching this space.

Meanwhile, when Sir Martin Sorrell, founder of S4 and WPP says that the advertising sector requires major investment in technology development if it's to take advantage of the new industrial revolution, you might expect agency leaders to already be stealing a march on their competition. Some of them certainly are. But there is also a worrying amount of wait-and-see caution.

Speaking to the BBC in April, Sir Martin referred to a recent Goldman Sachs report, which estimated that AI would automate 25% of the global labour market and indirectly affect the remaining 75%. He was unequivocal that the creative sector must use AI as a **“superpower”** to be even more effective - not just in automating manual processes but also increasing productivity in advertising production and copywriting.

The use of ChatGPT - currently the standard reference point for emerging AI tools (along with Dall-E and Midjourney) - is already embedded in many agencies, mostly at an operational level and having an impact on the bottom line. It has yet to penetrate the heart of creative processes to the same degree but things are moving so quickly that it will only be a matter of time before that happens pervasively.

“ChatGPT can write a reasonably creative brief but it's not at the right level yet,” said the chief strategy officer at a large UK agency. **“It's a good base - it takes away the blank page in the creative process. Our people use it a lot to get the concepting right but you always need your ideas to be better and AI can't do that.”**

“These tools are having an excellent impact. We are all users already - it can really help with basic tasks. Our creatives are using ChatGPT to help with the germination of ideas,” said a global creative network lead.



The role of AI has fundamentally changed the way the creative process works. We're not using ChatGPT for copy - but it's a tremendous time saver - work that used to take hours now takes minutes.



Not surprisingly, however, there is a considerable sense of anxiety, even among those leaders whose agencies have embraced ChatGPT for automation. And there is certainly a feeling that the stakes are high for getting it wrong – with the risk of being left behind or laying waste to talent.

Talent attrition could be exacerbated by AI said the chief operating officer at a networked UK agency. **“What does that mean for the make-up of agencies?”** they asked. **“Do we want things to be more cerebral and high order and will we attract talent if AI takes over and it’s all automation?”**

And yet, the slow adoption of new technologies and the cultural shifts they bring – not least in the skill sets required by agencies of the not-so-distant future – is also fraught with risk. **“Both are changing faster than ever before so we have to adapt on a daily basis or we will be outpaced by other agencies that can,”** said the US-based managing director of a global agency.

“If everything is done through AI, it will feel like AI,” says the chief creative officer at a networked UK agency. **“You need humanity to give it an extra edge and a craft. Without human intervention, there is no competitive edge. Everything will feel homogenised and the same. And it’s not in AI’s interest to be novel or unique. It’s not designed for this - it’s designed to answer questions.”**

Another chief creative officer at a UK-based global agency went even further, suggesting that the ongoing evolution of technology is a fact. But its impact is far less certain – and how that goes could depend on major cultural realignment.

“What doesn’t shift are human needs,” they said.



AI can’t give me a hug. There is less chance of AI taking over the world if we didn’t have such a patriarchy. We need great levels of empathy and compassion – which is what women are good at – because we know what it is to have to worry and feel frightened.



While we deliberate, the technology is coming at us faster than we can think. The consequences for the workforce and how it will change the skill sets agencies need – not to mention their search for talent – is a discussion that cannot wait.

Such a discussion is simply not happening enough, said one UK chief operating officer. **“The conversation that isn’t happening should be, is it going to affect the workforce? What is the impact on skills sets, what do we need, what do we no longer need? These conversations need to be accelerated a lot more.”**



Mainstream advertising agencies aren't yet scaling this through the business and asking, where do we actively want to use this in our business as an input to human creativity.





I don't think this is about artificial imagination. We need human beings to explore this, to spark imagination or change perception.



AI is a giant risk because I think it will displace some pieces of the industry. The greatest risk today is not recognising this and not changing with the world that's changing.



ChatGPT makes mediocre work free - but then the value is in the human part and how does that scale?



Now the gap between the idea and execution is so tight that I can develop thousands of iterations in seconds. And so the value of the creative process changes.

THE AGENCY STATE OF MIND





**ARE “NOT
REALLY HAPPY
RIGHT NOW”**

KEY TAKE-AWAY #1



**REAL
HAPPINESS IS
AT A PREMIUM
ACROSS THE INDUSTRY**

KEY TAKE-AWAY #2



DIVERSITY, TALENT RETENTION
AND NEW TECHNOLOGY ARE
**THE MAIN
SLEEP DISRUPTORS**

KEY TAKE-AWAY #3



GROWTH AND PROFITABILITY
CONCERNS ALSO
**SUCK THE AIR
OUT OF THE HAPPINESS BALLOON**



We need more CMOs with taste - that can make companies more interesting. Sadly, marketing mathematicians have completely surrendered to platforms and empty promises.



80% of agency leaders admitted that they are not ‘really happy’ in their current roles. Of course, happiness comes in various degrees but that’s still a startlingly low level of peak fulfilment.

US leaders are slightly happier than their UK counterparts, only 18% of whom are serenely content. But overall, if 39% are stuck in the rut of being OK – albeit lacking support – or downright unhappy, it’s hard not to conclude that there’s something very much amiss in the state of advertising.

When we tap into the hive mind of our expert panel, it soon becomes clear that it isn’t just something – it’s many things. And not only are they keeping leaders awake at night but they build a picture of an industry under fire from the relentless agents of disruption. Anxieties around diversity, talent and client retention, growth, the advance of new technology and the quest for a work/life balance that meets the granular needs of a multi-generational workplace circle them like hawks.

We have already heard how underlying complacency is holding back DEI implementation and captured a sense of mounting frustration at the slow pace of change – particularly in the face of so many white, male-dominated boardrooms. Nobody put this as eloquently as a US female ethnically diverse leader, recalling her experience of the privileged patriarchy.

“When I was working at a larger agency, one of the senior male leaders in reaction to George Floyd and the

request for this leader to talk to the wider team about it said: ‘This is not a community, this is a workplace’,” they recalled.

Giving talent the space to develop is another cause of disturbed nights. A US-based global executive creative director says that making sure people have enough time and capacity to be mentored, to grow and to do great work, is a major preoccupation. **“Time and capacity freaks me out,”** they admitted.



We’re trying to be very efficient with clients. Sometimes it works but others like more work. You never know. Some of our talent have got too many clients.



There is also the fear that talent is impatient, that it will move on – perhaps even into a competitive industry – if it isn't gratified instantly by its present workplace. As a UK chief executive officer put it, the career mindset of 'no company owns me' is a threat. Developing talent takes time. **“I don't own talent, I get to rent them for a bit and hope they grow,”** they said. **“People don't think like this about jobs, you have responsibility to enhance and grow people and to eke this out over time.”**

Talent retention doesn't only depend on agency culture or generational buy-in – it is also increasingly under threat from technology. For example, what will tomorrow's skills portfolio look like? Even if AI doesn't replace talent, agencies will need talent with AI skills to keep the business both profitable and creative. As one UK operations leader put it:



AI is both exciting and terrifying – I don't think we really understand it. There's not enough direct engagement to really understand the information.



And it isn't only talent retention that drives anxiety. Client retention is another cause of unease, again in the context of the prevalence of AI. The challenges stacked up for another global network agency leader, as they explored the need to stay relevant to clients. **“We need to be relevant in terms of our capability: always staying current on influencer marketing, generative AI and asking ourselves questions - are we placing the right bets on what clients will need in the future? Are we making the right choices about how we build our agency's capability?”**

Which brings us to the nagging ability of growth and profitability to drain the air from the happiness bubble. **“We feel [the pressure to grow] every day,”** said a US-based managing director of a global agency.



We react to our client's businesses, it's a very reactive model. The growth targets are perpetually more and more ambitious to make up the variants. It's a big area.





**Less white men running these agencies.
It's hard to name which female mentors
have impacted me.**



**Gender equality [needs fixing].
Invisible privilege gets in the way of
incredible work.**



**I'd like to see better pitching behaviour
- the quickest way to get better
relationships with clients is to look at
how relationships begin.**

SEVEN TALENT TRUTHS

This section pulls together distilled insights from across The Truth About Talent, and provides provocations around which agencies can focus, with the aim of enabling sustainable growth.

SEVEN TALENT TRUTHS

TRUTH #1

PRAISE BE TO GEN Z!

Gen Z has been at the forefront of so many issues that have challenged agency life in the 2020s.

They have been the first generation to make a stand on many of the key issues and ultimately the output has led to a more respectful, inclusive and flexible working environment. They have caused a lot of additional work upstream, particularly for business leaders - but to resent their contribution would be churlish. Ultimately, the output has been a more respectful, inclusive and flexible working environment. Gen Z were the first generation to stand up and make a stand for many issues that matter.

One of the key learnings is that talent retention is not just about remuneration - agency hiring is a holistic challenge. Top talent can afford to be fussy, and it won't be attracted to an agency that does not reflect its values and ambitions. Gen Z make up a significant percentage of the agency workforce and are our future leaders - so agencies need to accelerate changing their ways of working and creating a truly diverse and inclusive value and belief system.

PROVOCATIONS

Do you have a plan or process to bring Gen Z's innate understanding of new technologies, channels and culture into mainstream agency thinking?

Are you proud of your policies and benefits package - is it fit for purpose?

Would you say that Gen Z thrives in your culture? If not, why not?

Do you have enough visibility to spot and reward high performing Gen Zs?

How could you use the geriatric millennials in your agency to be the 'glue' to bridge Gen X with Gen Z?

SEVEN TALENT TRUTHS

TRUTH #2

THE FUTURE OF HOW WE WORK IS A WORK IN PROGRESS

The pandemic has brought lasting shifts in working attitudes and patterns, with some changes here to stay.

Senior staff view newfound flexibility as hard-earned, while Gen Z sees it as a basic right. However, resistance remains in adopting new ways of working, including increased mentorship and flexible working patterns. Hybrid working has proven beneficial for parents and non-negotiable for Gen Z's mental health, wellbeing and lifestyle balance. Not only should we consider the needs of Gen Z, but also of experienced talent who may face obstacles that prevent them from

committing to a traditional nine to five office setup. Ageing parents, family illness, or forced location changes are just a few factors that can impact their availability.

The best talent seeks flexibility and support at the core of their agency choice. As an industry striving to stay ahead, it's time to let go of outdated approaches and embrace serious workplace innovation.

PROVOCATIONS

**How can you best fuel productivity through workforce flexibility?
Keep experimenting.**

By pitching more selectively, could you increase your conversion rate and avoid spreading your people too thinly, ensuring focus on growing existing client business and protecting the wellbeing of your people?

One size doesn't fit all - could bespoke benefits to individual needs be more attractive and effective?

Could a globally distributed workforce help spread costs and enable your agency to tap into new thinking?

SEVEN TALENT TRUTHS

TRUTH #3

DIVERSITY IS A FACT, INCLUSION IS AN ACT

Shifting the dial on diversity in the creative sector requires a lot more internal investment from agencies than many are currently giving.

Simply calling for more ethnic and gender diversity on their candidate lists is never going to be enough. If the sector is to move forward, agencies need to work a lot harder at investing in people from diverse backgrounds that show promise. They need to step in, mentor, nurture and develop the next generation of

diverse agency leaders. But more than that, agencies need to build symbiotic relationships with their talent, and workplaces need to be adapted to the people that work in it, or they risk the 'organ rejection' of people simply not being integrated. The one size fits all approach is dead.

PROVOCATIONS

Are you clear on your strategy for achieving workplace equality and critically have you got the resources and budget to implement it?

'Organ rejection' and the following churn is a big blocker for diversity. How can your structure and culture adapt to allow diverse talent to thrive?

Due to the scarcity of diverse talent in our industry, could you be more open to finding people from different markets and adjacent industries, in a more skills-based approach?

An equal and diverse talent set does not exist ready-made, are you prepared to mentor and invest time in training if they are not yet qualified for the exact roles you need?

SEVEN TALENT TRUTHS

TRUTH #4

AI IS HERE - HOW WE RESPOND TO IT IS THE QUESTION

AI has already arrived, and it represents a huge opportunity. But the agency world needs to catch up and embrace it - or be on the losing side.

While there will doubtless be many issues to negotiate, in the end it will be another tool that will enhance creativity, improving and galvanising the work and taking it to new places. It's going to start changing the talent marketplace in the

types of roles we will see, but it is not a tool that should replace anyone. After all, the last bastion of humanity is creativity - those that unite AI with creativity will rise to the top.

PROVOCATIONS

How is your agency up-skilling and reskilling to harness the rich opportunities that AI creates?

Could focusing on talent with AI skills be an opportunity for you to hire diverse talent from beyond the agency echo chamber?

How will the structure of agencies change, given the sudden impact of AI tools that are already reshaping strategy, creative and execution? How can AI enhance how your agency operates?

Which roles will AI impact the most, and how? And what is your plan to develop, retrain and redeploy those in roles that will be affected?

SEVEN TALENT TRUTHS

TRUTH #5

AGENCIES NEED A PURPOSE

What does your agency stand for?

It is important that people can see that their workplace has a purpose. People want to join a place not just for the money or for the people but because they have shared values and beliefs. Agency leaders can't ignore this any longer - they need to listen to the

advice that they give to their clients and consider how they frame what they stand for and what their purpose is.

Ultimately, it will make the difference between winning great talent or losing it to the competition.

PROVOCATIONS

What is your purpose and what values and beliefs fuel it?

How do you best articulate it and critically how do you effectively communicate it to all levels of your agency and your clients?

B Corp status is already proven as a great lever for talent attraction and retention - have you considered it and if not, why not?

SEVEN TALENT TRUTHS

TRUTH #6

BUILD A SUSTAINABLE TALENT STRATEGY

The swinging talent pendulum of the 2020s must change. We need a new approach across the industry, one that pushes instability aside in favour of sustainable talent models based on strategic planning.

Rather than being reactive, agencies should proactively map hiring in line with the agency's vision for business growth. The challenge of translating the CEO's vision for the business over the next five to ten years into a talent strategy can be

difficult, but agencies need to find ways to make that connection.

Ultimately, it will make the difference between winning great talent or losing it to the competition.

PROVOCATIONS

How can you flip from a reactive 'hiring and firing' to a more proactive talent strategy which includes a strong 'bench' of talent across all disciplines?

Have you got the bandwidth to explore talent from adjacent industries and to develop a more skills based approach to recruitment?

Have you developed a modern and fit for purpose interview process?

What is your 'always on' freelance model that allows you to tap into new and different thinking?

SEVEN TALENT TRUTHS

TRUTH #7

A BROKEN BUSINESS MODEL IS BREAKING TALENT

Paying for creativity by the hour - antiquated even back in 2019 when we published the first Truth About Talent - is no longer fit for purpose.

But it remains prevalent in an industry dominated by procurement which is driving agencies in a race to the bottom, fighting over the lowest price per hour. Add other issues such as outmoded approaches to pitching alongside the post-pitch shifting of scope and budgets, and we have a decisively broken process. And the destabilising effect of AI on our idea of creative talent could lead that race to even further depths. The value of the creative process needs to be reimaged.

By charging for outcomes instead of hours we can elevate the true value of what agencies offer and have more space to invest in diverse talent of all backgrounds and capabilities. Attempts have been made in this direction - Mothers' 'pitch it forward' and the IPA's 'Good Pitch' process - to highlight the wasteful exercise these processes can be. Is it time to come together to force procurement out and refocus client ambition?

PROVOCATIONS

How can your agency shift from an hours-based approach to an outcomes-based approach?

How can AI enhance the value of your services rather than reduce its price?

Could you build a case study of a new pricing model with one client that can then be used to showcase to others?

Can a long term investment budget be created to ensure that short term financial pressures don't block your growth strategy?

Could a pitch charter actually be brought to fruition, to align agencies on price - focusing a client on creative merit and not a budget choice?

THE TRUTH ABOUT TALENT 2023

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THE BLUEPRINT

We hope you've found **The Truth About Talent enlightening and actionable.**

If you would like to discuss these learnings or how to bring the right senior talent into your agency, we would love to hear from you.

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