

The future of work is not a new topic. It has been talked and written about copiously. We can learn from what has been written and use it as a frame of reference.

However, to date, nothing has been produced from the perspective of a creative business. That's why the IPA has chosen to take the lead.



THE FUTURE OF WORK

An IPA member agency perspective in association with Working Families



Promoting the value of agencies

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FOREWORD



The latest IPA Agency Census reports that 45% of the membership's employees are under 30 years of age. We also know the competition for the best new recruits continues to intensify: the recession has only created a temporary lull in the enormous gravitational pull of the salaries and bonuses on offer in the City, law, accounting, banking and consulting firms.

In the past we've always been able to counter the 'City shilling' with the lifestyle appeal of Adland, but these days with the 24/7 culture, a lot of the fun has gone out of the business. The younger generations coming through also have a very different attitude to work and careers.

The IPA Agency Census tells us that only 18% of our employees are aged over 41. We lose experienced talent annually, and have done so for decades. This is a serious loss of value to our clients but agencies have been unable to demonstrate the opportunity cost to their clients convincingly enough. Nor have agencies found cost-effective ways to retain their senior talent in the face of relentless negotiation by procurement.

I believe that the answer to these issues at the two ends of the age spectrum could be the same, namely more flexible working. For new recruits we need to present working in an agency as significantly more exciting and empowering than working elsewhere. For people in their middle years of family formation we need to re-organise our businesses to enable their retention and continuing job satisfaction.

From everything we know about both Generations Y and X in general, and specifically from our recent research amongst those in Adland, it's very clear they would respond really well to new working practices.

The opportunity for change is in the hands of the 5% over 50, the Baby Boomers who largely control the agency business. This isn't going to be easy for them. Their attitude to work and career is very different and by definition they've won the 'economic tournament' that is the agency business.

But if they want to leave a legacy that will enhance significantly the talent pool in Adland and enable UK agencies to continue to deliver outstanding work for clients both at home and abroad, then now is their chance to consider the options. We welcome their response to this challenge, and your point of view. (#ipafuture)

Liz Nottingham

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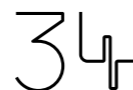
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The latest recession has taken its toll on people working in agencies. The most recent IPA Agency Census (2009) reports that the industry lost 7.4% of its workforce between September 2008 and September 2009. The commercial reality is that existing clients want more for less; a significant proportion of the business is up for pitch at any one time; and there has been a freeze on salaries and promotions.

The economic signs are confusing. The 2010 Bellwether Report, which tracks client spending intentions, suggested an end to the recession with the first signs of modest growth for ten quarters in marketing investment in the first quarter; however, in the second quarter, budgets had slipped back slightly, raising fears of a double-dip recession. In March 2010, the new Government also announced it planned to cut its media budgets managed through the Central Office of Information (COI) by 50%.

The industry has put effort into becoming leaner and fitter in its use of resources. It has overcome media budget deficiencies with some stunning examples of creative thinking. Through the IPA Behavioural Economics initiative we have also identified how making small changes in the interface between brands and consumers can deliver big results for advertisers. (www.ipa.co.uk/be)

Nevertheless, there are many at the top of IPA agencies who wonder whether their business model is sustainable; and in particular, whether they can continue to attract and retain the right talent.

Most agencies have little time to stand back from their day-to-day business and think about job design, career design and organisation design. This is why the IPA People Management Group has made it an area for exploration and debate.

This study seeks to offer up-to-date guidance on career, work and organisation design to:

- Motivate and engage our people, and our clients, to give of their best, and deliver results.
- Understand better the generational and life-stage needs of our people.
- Reshape agency businesses to attract and retain the best talent for the future well-being of the business.

THE LEGACY

of the Women in Advertising (1990, 2000) and
Employment Flexibility in the UK Ad Industry reports (2003)

The Future of Work is the fourth in a series of IPA reports on workplace issues, produced over three decades.

The first report, from Marilyn Baxter, then Vice-Chairman of Saatchi and Saatchi, and published in 1990, focused on the lack of female representation in senior positions in agencies.

The second report, from Debbie Klein, then CEO of WCRS, and published in the year 2000, sought to update the 1990 report statistics but found new issues relating to work/life balance and female representation in creative departments.

The third report, from Niall Hadden of WCRS was published in 2003 as part of research undertaken on flexible working for the IPA HR conference that year. In this review, Hadden was highly critical of agency employment practices and their failure to use more flexible approaches and calculated that the agency 'hire and fire' resourcing model had on average cost a large agency £2.5 million over a two-year period (2001-2002). Hadden also found very little outsourcing at that time in either the core, or support, functions; a ratio of over 3.5:1 of large agencies had considered the use of non-permanent employment to be a reactive solution to unanticipated workload rather than a strategic approach to managing human resources (this is 2:1 in small-to-medium-sized agencies). He also found in large agencies 92.5% of people were employed on full-time permanent contracts, 2.5% on part-time contracts, 1% on outsourced contracts and 4% on non-permanent working arrangements which suggested little strategic interest in developing 'atypical' types of employment.

In this study for 2010, we have chosen to build on Hadden's work and to see whether in seven years there has been a greater adoption of more flexible working practices, especially as a result of the severe recession and changes brought about by changes in the media landscape. This is not to say that the needs of women in the workforce are no longer relevant; indeed, they have never been more important in terms of talent investment and the demographic shifts ahead. In 2010 female participation in the US workforce will cross the 50% threshold, in what *The Economist* notes as "arguably the biggest social change of our times." However, the facts suggest that men and women are becoming more united on workplace issues. *Time* magazine has pointed out the difficulties in getting modern life to fit together: "Something inevitably has to bend." (Gibbs, 2009). The same article observes: "It's no longer a man's world but it isn't a woman's nation...it's a co-operative."

Looking ahead to the future of work, we think it realistic to aim for a reduction in the drop-out rates both of successful women and successful men, by creating more options for working families. We investigate the opportunities created by demographic changes and technology shifts for more flexible and fulfilling working conditions to attract and retain the best talent from both genders, taking into account the needs of different generations and life-stages.



THE RESEARCH

To guide our thinking on the future of work, we have spent the past year analysing existing data on the topic and conducting our own research among the agency, client and related professional services community. This has involved desk research to provide us with data on the key drivers and issues; as well as workshops, group discussions and roundtables to explore how these might be addressed. A summary of our activities is given below.

Context

January 2010

Benchmarking

Trend analysis of the IPA Agency Census data and an online survey of HR directors to benchmark existing work policies by Roger Ingham, Data Alive.

October 2009 to February 2010

Desk research

An extensive literature review of academic and journalistic reports by Paul Hancock, Strategy Director, Starcom MediaVest.

Consultation

February 2010

New recruits (Generation Y)

Six interactive workshops with 50 volunteers from the IPA's 44 Club community, led by Paul Hancock, Strategy Director, Starcom MediaVest and recorded by IPA staff.

April/May 2010

Middle managers (Generation X)

Eight group discussions (some mixed, some single agency) with 50 volunteers from a representative sample of IPA agencies, facilitated by Lucy Daniels, Working Families.

June/July 2010

Senior Directors (Generation X and Baby Boomers)

Two round tables with 15 HR, Finance, Managing Directors/CEOs and Partners of a spectrum of member agencies, chaired jointly by Liz Nottingham, HR Director, Starcom MediaVest and Sarah Jackson OBE, CEO, Working Families

Clients and other professional services

One roundtable with 8 representatives from the client, NED, legal and investment banking community, chaired jointly by Liz Nottingham, HR Director of Starcom MediaVest and Sarah Jackson OBE, CEO, Working Families

MANAGEMENT SUMMARY

A perspective from Working Families

How can agencies better deliver to their clients, be profitable and assure themselves a viable future of new work and good organisational health? Or, to put it another way, how can they adapt to a changing world of work and ensure their own success and survival? The process of workplace and working culture change is accelerating, propelled by demographic change (an ageing workforce), new attitudes (Gen-Y), digital and communications advances, work intensification and globalisation. This combination presents a real challenge to those leading agencies, as the certainties and structures about how we work and who falls by the wayside. From the IPA Agency Census it is obvious that Adland continues to lose its talent who are under-30. Is this a sensible and sustainable way to run a business? Virtually nothing else in the world of work is the same as ten years ago, yet the IPA Agency Census shows that the churn patterns of Adland employees have hardly changed.

In other sectors like the City and Law, partners and senior managers have asked themselves about the 'cannon fodder' approach. Is it really in an organisation's best interests to recruit young people in, spend money on training them, let them develop client relationships, then see them go when they wish to have a different work/life balance? Their conclusion is that it isn't, long-term. So what can be done in Adland to retune work to fit with its people, while still delivering for the agency and the client? After all, it's the people that comprise the main asset – their ideas, creativity and expertise are what differentiate the good agencies from the less good.

Key objections usually follow one of two paths: different ways of working would be nice, but it can't work in our business; or, if we let some people do it, everyone will want to and that's unsustainable. It is to the credit of the ad industry that in this report the second objection doesn't materialise. That's a positive thing. But the primary objection is very much there – that it won't work in Adland because of the client/agency relationship.

It is true that this is difficult; other sectors have this issue too and have tackled the problem from various angles. One thing is clear – it's no use expecting a client to care about an agency's internal work/life balance problems. Why should they? What they want is excellent service, delivered when they want it. How an agency decides it's going to do this is its own business. Rather than being an insurmountable block, this actually presents an opportunity for agencies to think about how they deliver work, from scratch. The key issue and starting point must be: how do we deliver for the client, meet our own business goals and meet the desire from within for better work/life integration in a way that enhances our business?

It is clear from this report that agencies are struggling in this aspect. In some ways it mirrors the struggle that law firms are going through in their attempts to provide better balance within a billable hours, fee-earning structure. What is necessary is an understanding of the business case for reorganising work; anecdotal claims of successes and failures are not evidence. In response to this need for evidence, a business case has developed that flexible working 'works'. These are the issues that leaders need to understand if they are going to buy into the idea of flexible working as anything more than a troublesome accommodation for a small minority of employees.

Interestingly, the benefits of flexible working have recently been shown in the recession, where flexible working practices were deployed by employers to help them ride out uncertain economic conditions. This has helped to boost flexibility so that it is viewed as a serious strategic tool. But understanding the other benefits requires recognising the performance and productivity advantages which it brings. Joint research between Cranfield University and Working Families has demonstrated that there is a clear positive link between performance and work/life balance. Other research has identified the link between being able to get a balance between work and life and performance, motivation, commitment and loyalty.



Sarah Jackson OBE

Discretionary effort, which is key when it's your people who are your main asset, is given more freely when people feel they are able to integrate all the spheres of their life.

Agencies also need to think about the sustainability of their workforces. Taking a more proactive HR approach is one way to reboot the system. Having the 'balance conversation' between employee and employer regularly, trying to operate outside of crisis mode, where flex is offered only when someone hits a bump, by rolling out useable policies more generally and demonstrating, through promotion and appraisal, that flex isn't a barrier to career advancement, are some of the successful approaches implemented in other sectors. Agencies, in this respect, could do more. Finding out from staff what they think and want would be a sound first step to take.

The benchmark results from this report in tandem with the IPA Agency Census figures reveals the pattern of recruiting young people and losing older ones has hardly changed. It is probably fair to say that younger people are relatively unencumbered by family or caring responsibilities compared with their older colleagues, and considering the benchmark scores it appears this is the work-around strategy used: to deliver for clients, rather than having internal agency conversations about different ways of working. But is it sustainable? Increasingly, other sectors and businesses are finding that it's not. Can Adland remain immune?

What should agencies do next? A move beyond assumption and sporadic examples of good practice to some quantifiable evidence of benefit, from within the industry, is required. Some action research which looks at the costs and opportunities of deploying flexibility in a meaningful way, and which also considers the client aspect is a much-needed next step. The hearts and minds of the senior people must be won. If they aren't, then they will be increasingly out of kilter with those of the new blood coming into agencies whose hearts and minds already run on very different lines around the place of work in their lives.

Sarah Jackson OBE, CEO, Working Families

No of agencies	Average size of agency in number of employees	Freelancers/temps used % of total employees	Freelancers/temps as Department	Employees in Creative	Employees in London	Agencies in London	Agencies outside M25	Employees outside M25	Employees aged Under 30	Employees aged 31-40	Employees aged 41-50	Male employees	Female employees	Female Chair/CEO/MD as % of total Chair/CEO/MD	Female Board Directors (as % of board)	Employees Chair/CEO/MD (inc. Creative Services and Production)	Employees in Creative Handling	Employees in Account Planning	Employees in Media	Employees in Account	White employees	Non-white employees	First-year Trainees as % of total employees				
2009	263	18,635	70.9	886	4.75%	41%	84%	16%	70%	30%	45%	37%	13%	5%	52%	48%	18%	18%	2%	26%	23%	22%	7%	20%	91%	9%	1.30%
2004	234	15,190	64.9	750	4.94%	41%	74%	26%	58%	42%	48%	33%	14%	6%	50%	50%	14%	21%	2%	25%	23%	17%	7%	28%	95%	5%	n/a
2001	210	14,000	66.7	500	3.57%	40%	78%	22%	58%	42%	49%	32%	12%	6%	51%	49%	10%	23%	3%	26%	23%	17%	6%	26%	n/a	n/a	n/a

MAIN FINDINGS

The facts of the matter: IPA Agency Census

The communications world has changed dramatically in the last 10 years.

Channels to market are more complex and clients of IPA members are both local and global. Digital has changed how we work and consume media.

However, looking at the IPA Agency Census data for the last 10 years:

- The average size of IPA agencies has remained fairly static at between 65 and 70 employees;
- The age bias of the industry has stayed remarkably young with 45% of people under 30 and only 5% over 50;
- The split between men and women has remained almost constant (50:50);
- Although there has been an increase in the percentage of women at the very top of agencies (Chair, CEO, MD) from 10% up to 18%, the percentage of women in the boardroom overall has declined slightly from 23% to 18%.

There are, however, some noticeable shifts over the decade:

- There has been growth in the size of the media function relative to other disciplines – now 22% of all employees;
- The IPA membership has become more London-centric with 70% of member agencies, and 84% of member agency employees, now in the capital;
- There has been a 77% increase in the usage of freelancers and temps up from 500 to 886;

- Freelancers and temps now represent 4.75% of the workforce, up from 3.5% in 2001 with the growth coming from departments other than creative which accounts for 41% of their usage;
- There has been a significant growth in non-white employees from 5% to 9% in five years, but this still lags behind the population at large in the major conurbations where most IPA agencies are located;
- First-year trainees represent 1.3% of the workforce – just 242 in 2009 (first year data).

The three main issues for the industry which the project team took from this analysis, as a backdrop to further investigation, all involve talent:

1. Is it productive long-term for agencies to continue to lose their 30 and 40-year olds to other sectors? How might the agencies of the future retain this talent pool?
2. Is the industry failing to keep its young graduate talent? How can agencies attract the right calibre of young talent going forward?
3. Recently there has been an increase in the numbers of freelancers and temps beyond the creative department; though still small in absolute terms, could this point a way forward?

We have also seen a reduction in under 24s as represented by Generation Y.

People in their 30s identified as Generation X are continuing to leave agency life.

SECTION

“Generation X and Y do have a very strong work ethic, but they want more balance – a satisfying work and personal life...and it’s not just the women.”

K Christensen, Kay & Shipman 2009

“...rather than trying to get them to conform to rules and guidelines from the 1950’s, we should listen to them, and let them lead the way for what the future of work will look like.”

C Ressler, Kay & Shipman 2009



The economic and social context

Stimulus from academic literature

SECTION

Overview

Even without the current economic crisis, we are entering an era of slow growth with declining public spending in the UK, relatively inflexible labour markets in Europe, and increasing competition from a rising global middle and professional class in the BRIC nations (Brazil, Russia, India and China).

The twin long-term trends of longer life expectancy and a decline in the fertility rate in the developed world has created a ‘slow burning fuse’ in terms of the cost of funding an ageing workforce. It is predicted that the EU workforce will shrink 15% between 2004 and 2050 and that many in their middle years will spend time acting as carers for their elderly parents.

The International Monetary Fund estimates that the long-term costs of pensions, health services and long-term care for the G20 countries will dwarf the cost of the current financial crisis on a ratio of 9:1 by 2050. The rapid decline in asset values over the last two years has prompted the Baby Boomer generation, born after the Second World War, to reassess expectations of retirement: a recurring topic of reform.

Drivers of change

It is difficult to predict the effect this will have on the workplace. However, it is clear that demographic change and behavioural differences between generations have the potential to be disruptive.

Specifically:

Baby Boomers (46-67 year-olds born between 1943 and 1964) are likely to have to work longer and harder than planned, with a gentle descent into a later retirement than expected rather than a sudden halt at 60 or 65.

Generation X (31-45 year-olds born between 1965 and 1979) are moving into leadership positions with different assumptions about success and family life for both genders.

Generation Y (15-30 year-olds born between 1980 and 1995) are establishing themselves in the workforce with different assumptions about work.

Generation X (Gen-X) is the cohort currently occupying the majority of management positions in the agency world, and Generation Y (Gen-Y) will inherit an industry going through unprecedented change.

Increasing knowledge and social connectivity is already changing the economics of innovation, and, in a knowledge-based economy, we might expect to see more conflict and co-existence between hierarchies and networks. This will provide opportunities for Generations X and Y to challenge the rules and guidelines from the 1950s in a more de-centralised and distributed world.

Generation X Changes in attitudes to work

Research shows that rigid work practices inherited and normalised by the Baby Boomers are having a decidedly different effect on the next generation.

“Gen-X ... do have a very strong work ethic, but they want more balance – a satisfying work and personal life...and it’s not just the women.”
(Christensen, K, [Kay & Shipman, 2009])

“...rather than trying to get them to conform to rules and guidelines from the 1950s, we should listen to them, and let them lead the way for what the future of work will look like.”
(Ressler, C, [Kay & Shipman, 2009])

“People often burn out 10 to 15 years into a career. It is just that now it is more acceptable to be vocal and honest about this.”

respondent in Erickson, 2010

“The largest decline in job satisfaction over the last ten years occurred among workers between the ages of 35 and 44.” (Erickson, 2010)

People often burn out 10 to 15 years into a career. It is just that now it is more acceptable to be vocal and honest about this.” (respondent in Erickson, 2010)

Authors Hewlett & Luce (2005) point to the importance of removing the stigma of non-standard work arrangements to provide flexibility in the career arc. They have come up with the concept of ‘ramps’ to facilitate transitions into different phases of a career and work arrangement, particularly for women, and herald it as becoming increasingly important. For example, Ernst & Young have equipped all of their people for telework and made it a company policy that flexible work schedules should not affect anyone’s opportunity for advancement.

Generation Y: Idealists first

As far as Generation Y (Gen-Y) is concerned, research suggests a fundamental difference in mindset, as a result of formative generational experiences, which are challenging assumptions not only about career design, but work and organisation design too.

Gen-Y’s have been the subject of such excitement that they go by many descriptors: ‘Net-Genners’ (Tapscott), ‘Gen-C’s (Ahonen). The list goes on. It should be noted that a lot of the opinions formed about this generation’s potential impact on the workforce came before unemployment returned as an economic issue; the pendulum in the labour markets has taken a particularly harsh swing in the last two years. Consequently, the more idealised thinking around their likely impact: ‘the freedom to work when and where you want’; ‘the freedom to try new jobs’; ‘my job, my life’; ‘work should be fun’ (Tapscott, 2009); begins to look positively naive in the short-term.

A balanced view of parenthood

Nevertheless, Gen-Y is said to have a greater ‘choice orientation’ with regards to working women than any other generation before (Erickson, 2008). They feel unconstrained by the feminist idealism fundamental to their mothers and those before. Coupled with a ‘pro-child culture’ (Erickson, 2008), where they have experienced a greater bond with

“The largest decline in job satisfaction over the past ten years occurred among workers between the ages of 35 and 44.”

Erickson, 2010

parents determined to spend more time with their children, an aggressive orientation towards a ‘career-at-all-costs’ is not expected to be as prevalent as in previous generations. Whether recent economic developments will affect this is yet to be seen, but there are early indications that this generation will choose to have children earlier in their career, rather than risk failing to procreate because they have left it too late.

Jill Kirby, Director of Thinktank the Centre for Policy Studies, describes this new take on the work/life balance as ‘maternal feminism’. *“Feminism shouldn’t be defined purely in terms of the workplace. I think a very important part of choice for women is the ability to devote time to children and motherhood, too. Women who are choosing motherhood early and saving their careers for later are becoming mothers at a time of peak fertility and also at a time when they have the energy and enthusiasm to enjoy their children.”*

Digital natives

The underlying behaviours and perspectives of Gen-Y are likely to be highly influential in a more connected, knowledge-based working world. They have a less centralised mindset (Hamel, 2009), and a less cognitive structure (Piaget, Erickson, 2008), and these two factors could have a decidedly positive influence on how company teams think about work, careers and their organisations in the long-term. Gen-X have become consciously competent while Gen-Y are unconsciously competent in organising their lives in synchrony with technology.

In addition, many of this generation have been brought up in a gaming culture and have natural skills to collaborate through the dynamics of gameplay in shared environments. For example, ‘World Of Warcraft’, ‘Lineage’, and ‘EVE Online’ create communities where participation is a negotiation between competition and collaboration in a structured society (Reeves & Read, 2009). This form of gaming is described as providing different but relevant experiences in shaping identity, status and power (Fraser & Dutta, 2008).

The EU workforce will shrink 15% between 2004 and 2050.

Peer-to-peer connectivity

Gen-Y’s have grown up with different relationship structures; networks with larger, denser structures and more ‘weak ties’; what Mary Chayko calls ‘portfolios of connections through portfolios of devices, through which they manoeuvre competently’. This peer-to-peer approach to sharing knowledge is at odds with hierarchical control and a legacy of management by position. Heckscher (2006) sees a transition from an established ‘bureaucratic character’ to an ‘interactive character’ within organisations as a natural consequence of greater connectivity. The evidence does suggest a generation with a more ‘interactive character’ has moved into the workplace. Their influence will unfold as they become established.

Can Gen-Y be the catalyst for change?

There are conflicting views about the impact the current recession will have on Gen-Y. A majority think they will change the workplace forever, but a vocal minority, including the Work Foundation and some of our roundtable participants, are more sceptical;

“I’m pessimistic. Children going into the playground adopt the prevailing culture. With recessionary pressures, people will accept things. That’s the way it is. It’s difficult, but there are still enough of them prepared to conform for very understandable reasons. There are 70 graduates for every position. Graduate positions these days are like school-leaver positions years ago.” (IPA roundtable participant)

Different career strategies

Research into Gen-X tends to show an interesting divergence in career strategies.

On the one hand, some have replicated the tendencies of the Baby Boomers in specialising in a skill and moving up the ladder, but with the risk of running out of options. For example, Booz Allen Hamilton, a leading consultancy firm, found that management consulting was losing twice as many women as men in the middle reaches of the career ladder, and the zero-sum ‘up or out’ approach was a major part of the mindset which prevented employees and employers from changing their perspective on career design.

On the other hand, others have adopted an alternative path and have maintained a broad base of skills with ‘multiple options always in mind’ to accommodate peaks and troughs in job availability. In some organisations, there is evidence of greater flexibility in terms of career design. For example, professional services firm Deloitte has introduced ‘Mass Career Customisation’ to acknowledge a kind of flexibility which...

“...allows all employees to easily adjust the pace and flexibility of their careers over time...we saw that the general trend line was more sideways than straight up, even for men.” (Benko Weisberg, Deloitte, 2009)

Coping with middleage

Middleage is a term used to describe a physical and mental state engendered by years of continuous hard work. Where the costs of hiring aren’t getting any lower (Capelli, 2008), academic research advocates new models of career design to accommodate middleage.

SECTION

What can Gen-Y teach us about the future of work in agencies?

To find out what Gen-Y can teach us about the future of work in agencies we conducted a series of workshops with 50 young people from our industry to represent Gen-Y (see Appendix).

Main highlights

Overleaf: Five broad observations about the mindset of Gen-Y were identified.

People seem to stay for the sake of it because everyone else is staying, not necessarily because they need to.

People above you don't have respect for your free time.

Working hours are unpredictable, it's hard to make social plans.

Gen-Y is unfamiliar with authority. They need instant reward for their investment, or freedom to be elsewhere.

You can feel powerless. It's about shareholders and clients. Until somebody finds a different way, we're stuffed.

'Client' and 'Group' make conflicting demands. Where does the leadership come from?

What management 'likes' is pushed down, as a rule, for how things should work.

Big characters take charge.

Everything takes a lot longer than it should.

It's hard to see the overall picture of the industry as the company is focused on the day-to-day.

They want someone over their shoulder but freedom within it.

Agencies are behind the curve when it comes to the use of IT systems.

Use of technology is intuitive and integral to their lives.

There's not enough integration within the agency, it's better to have one team across all functions.

Full service is a 'no-brainer'. They just want it to get sorted.

1

Gen-Y has grown up in a more democratic, open environment and is unfamiliar with authority.

They describe themselves as wanting someone over their shoulder to help keep them on track, but wanting freedom to think for themselves and do things their own way. They express a frustration with the autocratic style of management they experience in many of the agencies they work in, and the meddling tendencies of senior management which tend to confuse the issue and waste time. They expect senior management to be focused on the big picture, not worrying about the minutiae.

"What management 'likes' is pushed down, as a rule, for how things should work."

"Big characters take charge."

"Everything takes a lot longer than it should."

"It's hard to see the overall picture of the industry as the company is focused on the day-to-day"

Gen-Y are confident in their ability and their opinions. They advocate a work environment of idea exchange, where everyone contributes and is equal.

"Throw people into the deep-end and enable them to experience things live/first hand."

2

The long-hours culture and the need to be omnipresent is alien to their cultural code.

They need instant reward for their investment, or freedom to be elsewhere. Gen-Y see no value in 'presenteeism' for its own sake. They are not averse to working hard, but their natural preference is to work to objectives and targets, then have time for themselves once these have been met. They want a balance between work and life, and don't feel they get paid enough to be expected to stay on after hours as a matter of course. They favour rounded packages which offer choices about working hours.

"People seem to stay for the sake of it because everyone else is staying, not necessarily because they need to."

"People above you don't have respect for your free time."

"Working hours are unpredictable, it's hard to make social plans."

3

Use of technology is intuitive and integral to their lives.

They connect through social media even with their closest friends. They are not fazed by spreadsheets and online project and contact management systems.

They don't have to be studio or technical wizards to create dynamic PowerPoint presentations, update and upgrade websites, create online content or publish quality reports. Given the permission, they feel they could teach senior management a thing or two about the application of technology to the day-to-day running of the business. They want IT systems to make work more efficient, to facilitate a more collective understanding and better communication. They are environmentally aware, and keen to use technology to reduce their agency's carbon footprint.

Above all, they see a role for better sharing of data between different agencies, different markets, to help inter-disciplinary and global integration. They envisage that everything will be open-sourced.

"Agencies are behind the curve when it comes to the use of IT systems."

"With media and technology there will be less need to travel."

4

Full service is a 'no-brainer'. They just want it to get sorted.

Gen-Y expects digital media to merge with other areas of the business and sees the need for cross-agency integration.

"There's not enough integration within the agency. It's better to have one team across all functions."

They want financial training, more communications and training that integrate the whole agency, and broader partnerships with networks outside of advertising, media and marketing communications agencies such as programming, editorial and consultancy.

5

'Client' and 'Group' make conflicting demands. Where does the leadership come from?

Gen-Y believe that the emphasis of the business should be on creative ways of working rather than becoming too corporate. They recommend that big companies be broken down into smaller units. They talk about the difficulty of working for people you might never have met.

They feel that clients need to change to allow the agencies to deliver of their best; client organisations can be badly structured too, and may prevent good ideas getting through.

"We want to do everything but can't always because senior management steps in. There's a problem with ownership and getting a look-in. Ideas get pushed back."

"You can feel powerless. It's about shareholders and clients. Until somebody finds a different way, we're stuffed."

Clients need to change to allow agencies to deliver of their best...

Having more switch-off time to escape work.

**“The workplace as a drop-in – rather than desks.
We just have meeting rooms.”**

**“Less need for office space; rather, a ‘Base Camp’
as a form of Facebook for ad agencies.”**

Gen-Y’s vision of the future

Participants were asked to share their views on what they liked and disliked about working in agencies; how it matched their expectations, and how they thought it needed to change, if at all, in terms of how work is done; how their careers are managed; how the organisation is run.

1 Work design. Flexible working

In academic writings there is no formal definition of ‘flexible working’. Indeed it is defined more by what it is not, rather than by what it is; it is not work carried out continuously in a fixed place, at a fixed time. Our Gen-Y participants, however, have a very clear view of what flexible working should mean for the future of work in agencies, and why it is important to them in order to make the long-hours culture bearable:

“The workplace as a drop-in – rather than desks. We just have meeting rooms.”

“Less need for office space; rather, a ‘Base Camp’ as a form of Facebook for ad agencies.”

“Individualised working – no set desk, own hours, network of consultants whose skill base can be drawn upon.”

“Having more switch-off time. To escape work.”

“If we have to work 12-hour days, surely all those hours don’t have to be in the office?”

Flexible hours

With knowledge-based work, there is an argument that tasks are less bound by time, particularly where insight and creativity are concerned, so flexible hours are achievable.

For some, time-flexibility enables flexible scheduling of work and life; for others, it can lead to increased stress levels as work drifts into other areas of life.

Our Gen-Y role models, however, were keen to encourage flexi-time as the norm in agencies of the future:

“I see work as an extension of home-life.”

“Agencies will understand home-life more.”

“Introduce flexi-time: three-day weekends.”

I see work as an extension of home-life.

Agency/client interdependence

As a service business, the rhythm of work, degree of interdependence, response and service levels in agencies varies from client to client, and provides one of the key challenges to increased flexibility.

Gen-Y are unnerved by these constraints, because they see a much greater fluidity in client/agency relationships in the future.

“There will be a blurring of client/agency relationships. A disappearing line between the two.”

“There will be more integration with clients, including internships.”

Agency/agency interdependence

For a knowledge-intensive, creative business, interdependencies between agencies is another crucial factor. The degree of collaboration between agencies and intergroup leadership from clients is key in determining the challenges around flexible work in our sector.

Our Gen-Y representatives have no problem with the concept of collaborative working. They envisage a future based on:

“Greater and closer collaboration between different agencies.”

“Finding a balance between competition and teamwork.”

“Working with internal agencies – dealing with another ad agency rather than clients.”



**throw people
into the
deep-end
and enable
them to
experience
things live/
first hand.**

3 Organisation design

The way organisations are designed is fundamental to how we design our work. The dominant form of organisation gifted from the industrial revolution has been the hierarchy. At its heart, hierarchy is 'nature's way of helping us to process complexity' (Leavitt, 2003); we tend to break down problems in a top-down structure. Hierarchies afford us identity, facilitate routine and anchor continuity. Authority and control go hand-in-hand with hierarchy, which is why flexibility is often at odds with the natural tendencies of organisations. Likewise, creative behaviours tend to be at odds with control, and innovation performance has often been found to be at odds with big hierarchical organisations. Successful businesses have always managed to find ways around this through innovation and change. The increasing adoption of technologies, namely 'web 2.0' technologies in the enterprise space, affords more ways to organise how we work.

"The tension between network dynamics and institutional structures has been playing out since the dawn of civilization." (Fraser & Dutta, 2008)

Our Gen-Y role models intuitively have a keen grasp of these dynamics, while not necessarily being versed in the science behind it. They advocate:

"Reorganisation of the workplace into account team/non-discipline groupings."

"Recognition that people can organise themselves e.g. around projects."

"Structures that make sense, without the old demarcations between disciplines, which don't seem to work in today's world."

2 Career design

The traditional pattern of career design has been hierarchical; a pyramid structure of progression through the ranks. A recognised code of job descriptors has been created to demonstrate relative positioning to the outside observer. Nowhere is this more clearly articulated than in agency account management where people rise quickly through the ranks from trainee account executive to executive, to manager, to supervisor, to account director, to board account director in as few as eight years for the high-flyers.

This linear and vertical structure is alien to most of our Gen-Y role models. They question the need for 'up and out' versus breadth and depth. This can only be healthy in a more lateral world of work:

"Personal career progression will be more flexible."

"Work should offer 'permanent beta' for individuals, rather than being a 'presentation drone' – work more on a project basis."

"Career progression should not just rely on being good at people management. Breadth and depth can be as good as up and out!"



How Generation Y see the future of work in agencies
Source: IPA workshops with 44 Club members (Feb 2010)

4 The role of technology

Increasing knowledge and social connectivity is shaping the way we organise work, not least in areas of research, innovation and creativity. This presents challenges and opportunities in our business.

We might expect, given creativity tends to be constrained by control, hierarchies and process, that networks might be a more ideal environment. The question is, how are these technologies being adopted and how are they affecting how work is carried out?

Our Gen-Y participants have a keen but highly balanced view of the role technology can play:

"Technology will facilitate real life interaction, not replace it."

"There will be more information sharing. Breaking down big company structures/more internal networks and communities... More fluid exchange of data... More sharing of knowledge and staff across agencies, networks and countries... Everything will be open sourced... and IT systems will be accessible from outside of the office."

"More video-conferencing, to reduce carbon footprint."

5 Global movement

According to the most recent IPA survey of member agencies (Business Development Survey: January 2008) 37% of clients serviced by UK agencies are non-UK owned, with a third of these being head-quartered outside of the UK. Undoubtedly, the future of the UK agency market lies in being competent in managing international as well as local clients, and being a creative and media hub to the rest of the world. While this may be alien to senior management in some agencies, it is an obvious point to our representatives from Gen-Y. They envisage a future of:

"New international markets – have a local presence but do some work from here too – more network expansion."

"Switching focus to developing markets and local knowledge."

"Outsourcing staff e.g. creative in Australia working with digital in the UK."

Agile teams – created on a project basis and then disbanded...



How Gen-Y see the future of work in agencies

Gen-Y see agencies moving from a more corporate to a more creative way of working, in which the individual will have more personal responsibility for meeting targets and deadlines, within a more flexible and less structured working environment.

Implications for client-facing job functions

Our Gen-Y participants were asked to think about how their particular job function would need to evolve to meet the demands of the future work environment. They came up with 'creative briefs' for the evolution of each of the core agency functions: planning, client service, and creative.

Planning

- More freedom and time to get creative and have the resources to test out theories, so that we become better at what we do
- More focus on creative management consultancy than on writing creative briefs
- Agile teams – created on a project basis and then disbanded
- Knowledgeable about all media and aware of emerging technologies

Client service

- Diplomatic to the core
- Know how to get the best out of people
- Have the strength to say 'no'
- Educated in decision-making
- Adaptable and flexible
- Efficient in processes
- Global in outlook
- Good team players

Creative

- Less working in a bubble
- Creative involvement with the brief from the beginning
- Idea generator through to designer
- Briefing in situ
- Client brought into the brainstorming process

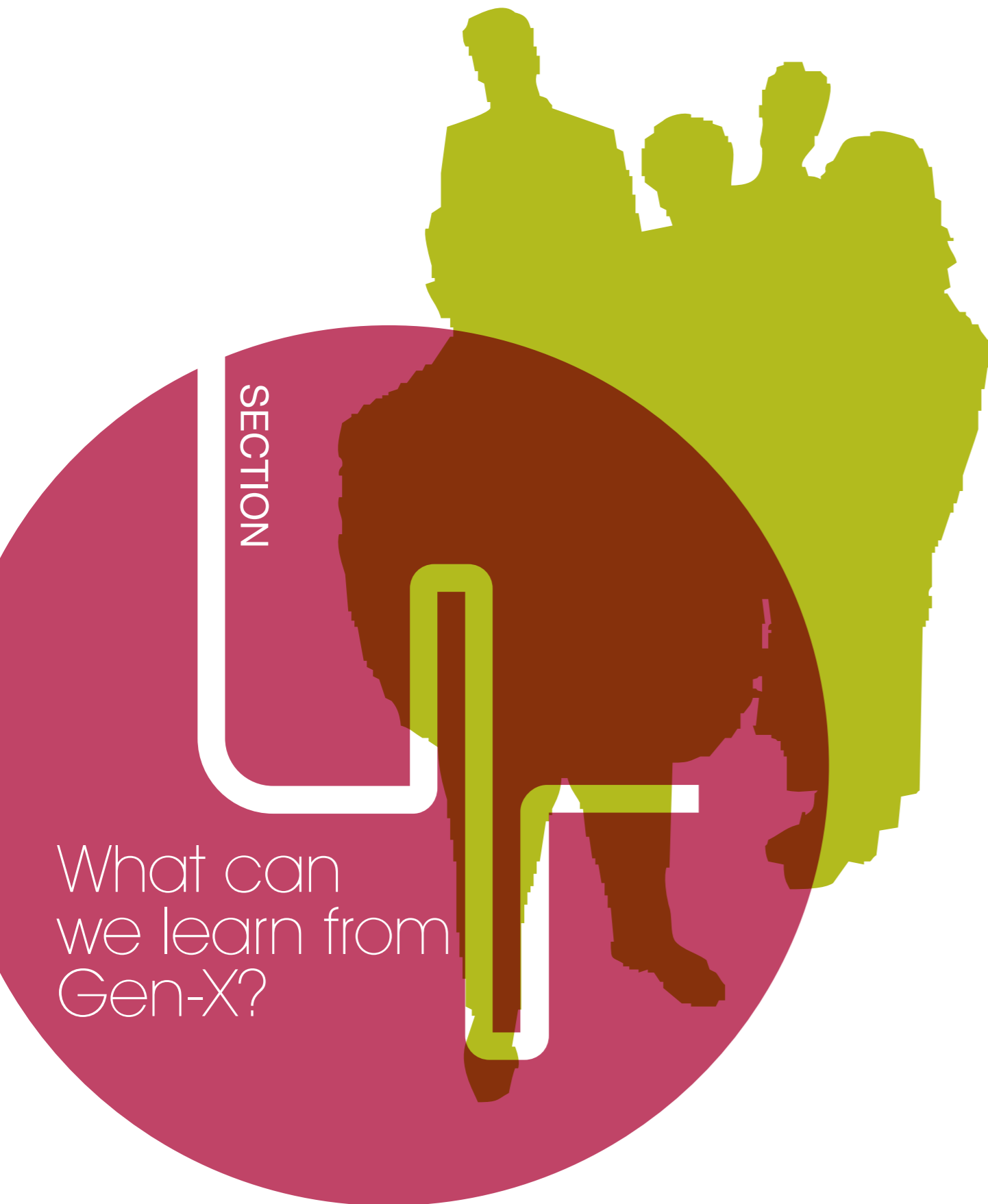
Top tips for the CEO

In addition, our Gen-Y participants were encouraged to take their recommendations to the top of their organisations, by putting forward their top tips about how to manage for the future to their CEO.

- 1 Forward plan your new business: 5-10 years.
- 2 Create perks other than money: e.g. 3.30pm snack, social events.
- 3 Create a culture that people want to be part of.
- 4 Make people feel valued.
- 5 Create an environment for ideas exchange. Have workshops where everyone contributes and is equal.
- 6 Pay us well.
- 7 Work has to be amazing.
- 8 Resource for more than the day-to-day: for R&D.
- 9 Know what's going on in the world around/be tapped into what going on/what's current.
- 10 Need strong client relationships.

Know how
to get the best
out of
people.

More freedom and time to get creative and have the resources to test out theories.



SECTION

What can
we learn from
Gen-X?

A week off means you still have to check the Blackberry. It allows flexibility but also no excuse not to be in touch all of the time.

Context

Having gained valuable insights from Gen-Y, the IPA invited Lucy Daniels of Working Families to conduct 8 group discussions with representatives from our industry who fitted the Gen-X definition, and were in situations where family pressures, of whatever description, were beginning to intrude on their working life. Three of the groups were mixed, with representatives from a cross-section of agencies. Five were done at individual agencies. In total 50 individuals aged 28-35, in the life-stage involving family responsibilities, were interviewed (see Appendix). It is worth noting that Lucy Daniels of Working Families has experience of working with City law firms and investment banks, and with Government departments. This was the first time she had worked with a creative business.

The groups were asked about work design, career design and organisation design in relation to their own needs for greater flexibility, and with a view to shaping the future of work in agencies. They were also asked what key messages they would give to CEOs about the impact of not adopting a new approach to the future of work.

What flexible working means now

Lucy Daniels was surprised to find the degree to which working in our industry was based on fear and competition which meant that flexible working was needed to enable people to work longer hours; with shrinking timescales and tight deadlines, people are expected to flex to suit the company, not the other way round.

Speed and flexibility are regarded as two of the key success factors to maintaining a competitive business edge. Flexibility in this context means being willing and able to work long hours as a norm. This is not new for the agency business but there was an overall view that work had intensified in recent years, and former peaks and troughs which allowed for downtime, had been replaced by a sense that work demands were virtually 24/7.

After a decade in the business, the long-hours culture was taking its toll...

"Our availability has increased so much. Everyone is contactable at all times. A week off means you still have to check the Blackberry. It allows flexibility but also no excuse not to be in touch all of the time."

"The Blackberry is the new coat hanging on the back of the chair."

Participants felt that the benefits of flexible working should be mutual – companies should be able to expect staff to be flexible and adaptable but, in return, they wanted flexibility for their own needs – including people who were not parents or carers.

"After a decade in the business, the long-hours culture was taking its toll."

What might flexible working look like in the future?

1 Job design

Views among Gen-X respondents were very mixed about what roles would work flexibly. The immediate response to this question was that some roles could not be worked any way but full-time plus. However, often after discussion about wider options, and ways of managing it suggested by people who have already had some experience, the group would agree that most jobs could be flexed in some way, but with some tailoring. Where roles were not possible to work in a way that someone needed (for example, to fit with childcare) it was often the case that people switched to other, less challenging roles in order to find a compromise.

There were some good examples of flexibility to draw on. These were often from smaller businesses, where there was a more open approach to experimentation and a recognition of the financial benefits to the organisation of keeping people motivated, creative or by having high-contributing part-time staff that cost less.

Flexible working, when it was done for the right reasons, could aid concentration, be more efficient and increase productivity. It could also help maintain more rounded individuals; by keeping people happy, and making them feel cared for by their employer, they felt more motivated.

"People can actually be more productive when they are not working so hard. You can actually get more things done, without mini-breakdowns."

"The cost of not acting is we lose strong female candidates with experience and ambition who are natural project managers and multi-taskers due to their home life."

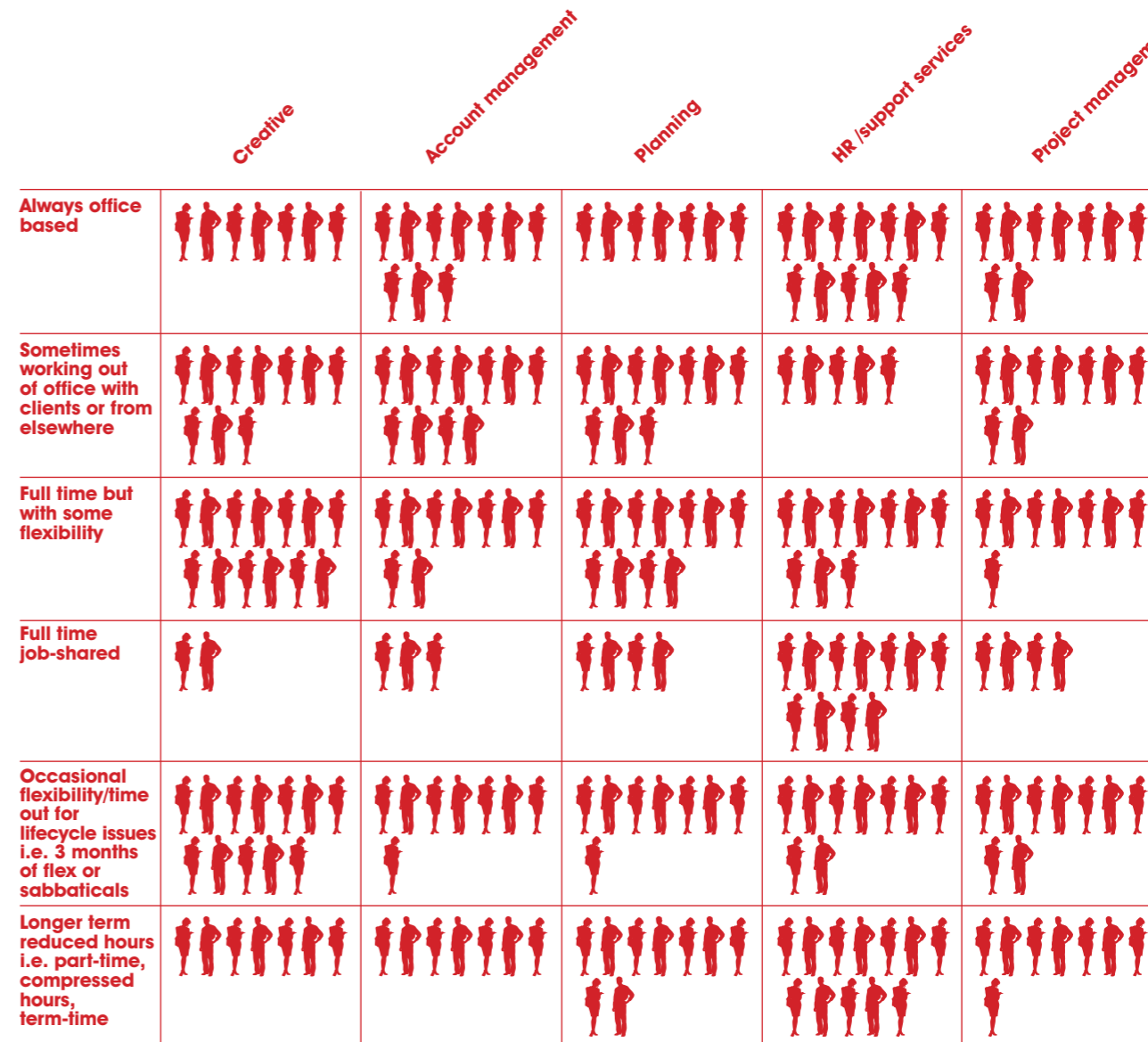
Individual responsibility for making flexible working work

People accepted that they are often their own worst enemies when it comes to working habits. It is easy, if you are highly-driven, to fall into a habit of working long hours and people are often averse to setting boundaries, only to find that this rebounds on them at different life stages.

To counter this, it is often down to the individual to come up with solutions, manage client or team expectations and prove what can be done with greater self-discipline.

"Working from home enables me to concentrate better and avoid the rush hour."

Working from home enables me to concentrate better and avoid the rush hour...



Source: IPA/Working Families: group discussions with Gen-X April/May 2010

Above:
What flexible options suit which role?
 8 focus groups were asked to identify which roles could be fulfilled effectively using which form of working. There were 13 responses to each scenario.

90% of respondents claimed increased motivation...

THE BUSINESS CASE FOR FLEXIBILITY

Most of the research conducted on flexible working relates to flexibility in terms of time and place of work and there are resonant, recurring themes on the business case for flexibility (HMC ref, 2004; DTI ref, 2004; HRM Guide, Inter-Tel Survey, 2006).

The benefits of flexible working

The most notable upsides are:

- Productivity benefits: better use of time due to fewer interruptions and less absenteeism;
- Direct cost savings: better overhead management;
- Employee satisfaction: greater empowerment and autonomy leading to better satisfaction and performance;
- Better client relations: better coverage and availability leading to time effectiveness.

The Department of Trade & Industry (2003, 2004) also found improved attraction and retention of staff corroborated by Henley Management College's Future Work Forum's findings: 90% of respondents claimed increased motivation in arrangements meeting their needs better with 82% claiming this enhanced the image of their employer.

The drawbacks

Productivity benefits and satisfaction are contingent on how alternative working arrangements are managed. According to HRM Guide (2006), 82% considered flexible working a privilege; only 18% considered it a right. So it is important that organisations are clear about their approach to flexible work; 54% were unsure with 30% feeling their employer didn't respond equitably to such requests.

The most notable drawbacks are:

- Perceived loss of management control: difficulty in monitoring and trust issues;
- Communication: detrimental where face-to-face interactions are key;
- Team spirit/unity: problems of feeling isolated can occur on both sides of the fence, particularly in teams;
- Reduction in flexibility for the employer: most likely when remote or virtual working limits the type of work being done.

There's no 'one-size-fits-all'. You have to find your own solutions.

2 Organisation design

For flexible working to succeed it helps to have a supportive culture – eg. senior role models, supportive HR, and an open attitude from line managers. IT solutions mean it should be possible to work seamlessly from almost anywhere.

Inconsistency in how managers respond to the idea of new, more flexible ways of working was recognised as a common problem; managers who had their own experience of flexible working to draw upon were seen to have developed competencies that others did not always possess. There was general agreement that where people at the top had to juggle work/life, they were more open to trying out new ways of working than those who did not have the personal experience to draw from.

"There are a lot of unwritten rules. Is it because management are too scared to write them?"

Having examples to show how flexible working can work was seen to be helpful, as was the need to allow managers to experiment with what worked best in their areas, rather than going for one-size-fits-all solutions.

"There's no 'one-size-fits-all'. You have to find your own solutions."

Impact of flexible working on clients

Those who worked flexibly thought that, if managed well, clients were very accepting and there were proven business benefits. Many clients are in the same position, and appreciate the need to plan around work/life too.

"It's important to manage client expectations if you are not there all the time."

"When you are good at what you do, clients want you anyway."

Between the groups there were some good ideas for addressing management issues around flexible working.

When you are good at what you do, clients want you anyway.

Some examples of creative solutions

1 Offer a very experienced person 50% of the time rather than a less experienced person for 100%.

2 Employ people on short-term contracts. One agency didn't want to commit to full-time staff but wanted temporary people on a short-term basis who knew the company. So they called previous employees who had left or been made redundant and offered them fixed-term renewable contracts.

3 Manage client expectations by being upfront about your time. Honesty pays. Position your flexi-time. Choose your words and pitch it right. *"I'm always on, apart from then and then."*

4 Offer more medium-term flexible working options to help people through life transitions. Agencies should realise that there are critical years in life when more specific support may be necessary, in order to retain people for the long-term.

5 Be flexible according to job role and business need. For example, support and client services have very different needs and solutions should be tailored to suit.

We conducted an online survey of IPA member agencies in January 2010. Despite a low response of 22 (out of 267) the findings could be interpreted to suggest that the agencies that did reply are the most committed to flexible working.

Flexible working

All indicated that they offer flexible working practices to employees:

- 72% offer flexible/staggered hours
- 68% offer part-time working
- 53% offer home/teleworking
- 50% offer a compressed working week
- 50% offer a job share.

Flexible working practices are most likely to be made on an ad-hoc basis. Annualised hours, term-time working, or Saturday working were not readily offered.

Right to Request Flexible Working

- In all but one instance flexible working policies extended to staff beyond those covered by R2R (Right to Return) legislation.
- All but 4 agencies had received R2R requests from female employees during the last year at an average of 3.1 per agency.
- 10 agencies had received R2R requests from male employees in the last year at an average of 1.4 per agency.
- In the vast majority, R2R requests made by employees are granted in full. None of the agencies had turned R2R requests down.
- Other requests for flexibility tend to be granted in full in the majority of instances. Only 1 agency had turned down a request of this nature.
- 13 agencies offered phased return from maternity leave, whilst a similar number offered leave to deal with elder care issues.

Care issues

- 10 agencies offered short-term flexible working to deal with elder care issues.
- 8 agencies offered short-term flexible working to care for a child, parent or partner with a long-term illness.
- 7 agencies offered leave for end-of-life care for a child, parent or partner and a similar number offered short-term flexible working for end-of-life care for a child, partner or parent.
- 6 agencies offered leave to care for a child, parent or partner with a long-term illness.

Business impact

- 11 agencies indicated that their staff were very satisfied with the flexible working opportunities offered by the agency whilst a further 5 indicated that they were slightly satisfied. Only 1 agency indicated slight dissatisfaction. Only 2 agencies, however, had sought staff views via a staff survey.

A REVIEW OF BEST PRACTICE IN FLEXIBLE WORKING POLICIES

- Only 3 agencies had assessed the impact of flexible working practices on their business but none had related this to the bottom line.
- On average, 89% of those going on maternity leave had returned to work whilst 86% were still in post 2 years later.
- For the vast majority of respondents (18 out of 22) flexible working policies had no impact upon staff turnover whilst 2 indicated a significant decrease.
- Most (17 out of 22) indicated that their agencies' flexible working policies had had no impact upon unplanned staff absence, whilst 4 indicated it had decreased slightly and 1 significantly.
- 19 agencies indicated that their agencies' flexible working policies had had no impact upon stress-related absence, whilst 2 indicated that it had decreased slightly and 1 significantly.

Promoting flexible working

- 4 agencies had champions to promote flexible working whilst 10 had personnel who had been able to combine flexible working with successful careers.
- Only 3 agencies offered training to help staff effectively manage flexible working, whilst 4 indicated that managers are trained to evaluate the impact of flexible working.
- 8 agencies indicated the management of flexible working was part of a manager's objectives.
- 6 agencies had advertised jobs as flexible (but not always).
- 13 agencies indicated that flexible working was available to full-time employees from when they started.

The bigger picture is one of shortfalls, in the way that flexible arrangements are communicated or made available, and the way they are deployed reactively to address problems, or retain a valued employee, rather than utilized as a proactive tool.

Source: IPA/DataAlive and Working Families Benchmark: Feb 2010

3 Career design

While most people recognised the challenges of re-tuning working practices to help retain talent, they also felt that agencies were missing an important opportunity to increase efficiency and be as forward-looking in their work practices as they aimed to be in creative solutions for their clients. Rather than reacting to individual requests, a more strategic approach was suggested, including looking at the full range of possibilities for everyone in the organisation, rather than making it an accommodation solely for women with children.

Often it was not a radical change that was needed. Small things can make a big difference, such as a short-term spell of flexible working to overcome an immediate need.

A request for flexible working should not be misconstrued as lack of ambition

For many, the need for flexible working was linked to life-stage, and responsibilities outside of work. As these responsibilities changed, so would the individual's ability to change their patterns of working. All too often, a request for flexible working was felt to be misconstrued as a waning in personal ambition. In most cases, this was far from the case. It was simply due to circumstances.

"Just because people need flexible hours does not mean that they are no longer ambitious or want to do well for the company."

People working from home sensed, for example, that they were not taken seriously.

Most women feel that to continue working, when they have a young family, is a long-term investment in their career.

Many compensated for working fewer hours by working smarter, applying a self-discipline and rigour to their working hours which made them both more effective and more efficient. If anything, the experience was beneficial to their career development, rather than detrimental.

"Acknowledge that having someone great 80% of the time is better than having someone good at 100%."

Having someone great 80% of the time is better than having someone good at 100%.

Gen-X's advice to CEOs

At the end of each session, participants were invited to write post-it notes with suggestions for what CEOs of their organisations could do to promote flexible working more actively. Among the recurring messages were:

1 Nurture talent and loyalty – think about your staff needs for tomorrow, not just today.

2 Don't see flexible working as a threat but as an opportunity to enhance creativity and morale for example.

3 Give people the opportunity to talk about the issues that matter to them and show you are listening.

4 Consider an alternative agency structure and reward system which rewards effort and outputs.

5 Build a team spirit that transcends the physical walls of the agency.

"Take a leadership role in creating a culture of understanding where people's family lives – outside of work – are valued and the balance of life and work is championed as a means to improve contentment." (Quote from post-it note TM)

The management challenge

Today's management issues

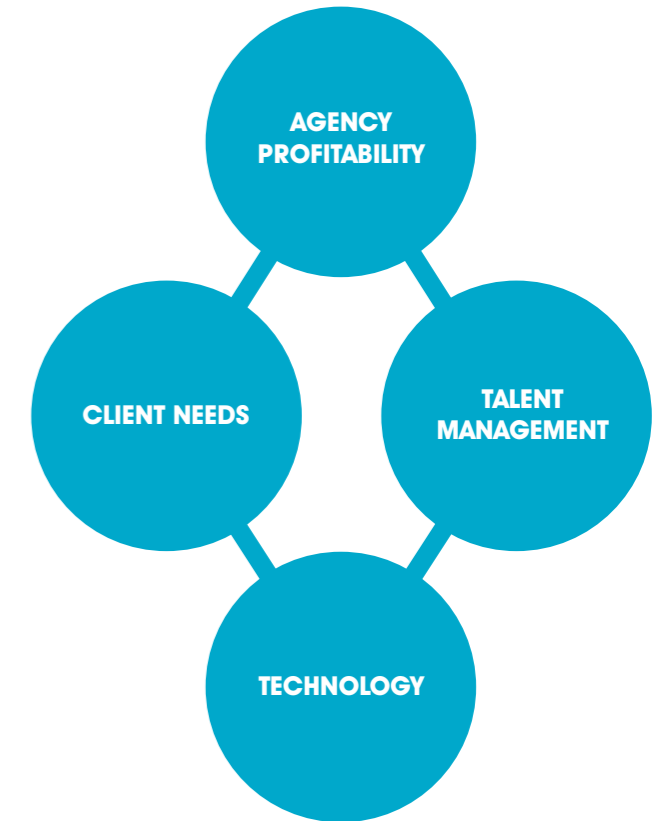
While sympathetic to the needs of Generations X and Y, current management are naturally cautious about responding to their demands without a clearly-evidenced business case. They are very conscious of the conflicting pressures on their businesses. Talent management is just one of the many factors to take into consideration.

As one CEO put it:

"There is a disconnect between the management requirement to deliver commercial success and the staff's requirement to deliver a successful product. We are struggling at all levels: Gen-Y, Gen-X and the management, who are trying to balance the demands of their p&l's (profit and loss), clients and staff."

The objective of becoming leaner, fitter and cutting the cost of doing business has been the model for agencies for the last ten years. It has been the main management focus and driven all the recent changes in the industry, from mergers/consolidations to staff contracts. This is inconsistent with helping our people."

Agency participants in the roundtables identified four conflicting pressures:



Conflicting pressures on agency management
Source: IPA roundtables June/July 2010

Technology – a double-edged sword

The digital revolution is currently viewed as both a blessing and a curse.

- Digital is changing product output...and making the product portfolio offered by agencies more complex and different, depending on the client.
- Digital is increasing speed to market and shortening response times. While it is perceived to be 'cheaper' to buy, it is more expensive to service.
- Digital is commoditising buying and production. It de-values quality of output.
- Digital is enabling connectivity independent of time or location but is also breeding a pervasive 24/7 access culture.
- Digital is, in some senses, getting in the way of live interaction and the inspiration that comes from chance encounters.

"Technology enables interaction but not necessarily in a productive way."

"Conference calls are antithetical to good client-agency relationships. Non-verbal communication is so important. We need another technology hump to allow the personal interaction to change – a more stark change to the way we work now."

"The best output comes from mucking around. The emails and intranets are just the infrastructure around what we do. We've redefined some of that stuff as the work. We've conned ourselves! We allow technology to mask what we understand as work."

A faulty agency business model

Almost everyone thought that there are structural problems with the business, which they described as insidious. The infrastructure model of most agencies still harked back to a redundant income-stream model; it was 25 years ago that media split from creative agencies, and the client community had been profiting from disintermediation of the business ever since.

One ex-client described the current state of play as agencies "making money by employing 3 very clever senior people and 500 5-year-olds". He was somewhat disparaging of "the self-indulgent 12-year-old" talent he found in agencies, who know a square mile of Soho and never go into the provinces. In his view: *"If we naively pursue youth as the solution to talent we are mad! The majority of the population is over 40-years-old."*

THE FREELANCE DYNAMIC

For some agencies the proactive use of freelancers was seen as providing a viable business solution.

"We have a pool of freelancers on the p&l. And it works well. The agency is a hub for talent...We have access to a lot more great creative and strategic talent that way ... which we couldn't afford if we had to pay them all the time... but we can dip in and out, and get them that way"

Freelancers were also seen as more productive and hardworking than regular agency personnel.
 "Freelancers work in bursts. They work all the hours needed, work hard and well. Then take a break."

However, some agencies and clients were more sceptical about the business case for freelancers.
 "Where does the equity for the creative output of the agency lie?"

"Agencies have downscaled on people, there's no flexibility. Freelancers offer no continuity or commitment. It's dysfunctional."

Freelancers tend to take the cream of the briefs, breeding resentment among regular staff. Employees see them getting great jobs. They're rewarded, on higher pay."

For others, people were a unique selling point, and the thought of sharing quality people with other agencies seemed incongruous.

"If you're bringing in lots of different people all the time, where does the core competency lie? We see ourselves needing to lock down the talent so that no-one else can get to it. It's a very different model."

Freelancers offer no continuity or commitment. It's dysfunctional.

IPA Agency CEOs recognised the issue to some degree.

"Our current structure demands that people fall out in their 30s because we can't afford them. We are pyramid organisations. We lose people because they are not good enough to be a CEO. There's a cult of progression. You can't be seen to be standing still."

"The problem is that we have fixed labour costs and flexible income."

Nevertheless, it was sometimes difficult, when you were at the top of the organisation, to get a balanced perspective. One participant from a legal firm drew a parallel between agencies and her own sector:

"Those in senior positions don't want to change the model because it works just fine for them. There isn't a will from the top. It suits them fine to be Mr Big."

She also explained that the term 'Mr' had been used deliberately as only 14% of senior partners were women yet 62% of law graduates were female.

An unsustainable remuneration model

In an economic environment where clients demand 'more for less', agencies are finding it difficult to know how to make their businesses profitable. Agencies admit that much of their profit comes from non-core services.

As ever, time spent is seen as an inappropriate currency.

"Client contracts tend to put finite borders around people and hours."

When it comes to creative ideas, downtime can be as, or more, productive than time recorded on a timesheet.

"The conundrum is that 'we kind of do our work by mucking around'. Good people want to bounce good ideas off good people. You need that interaction. So much of creativity comes from downtime."

The problem is that we have fixed labour costs and flexible income.

Even in the strategy and insight areas of the business, the element of human interaction is important and there are real questions about the extent to which different ways of working, especially distance working, might weaken them.

It was acknowledged that the availability of so much freelance talent was, in part, sometimes a by-product of the way agencies work. Becoming freelance was not always a proactive career choice, but a function of being made redundant.

However, and in many cases, some of the best people were leaving, not because they didn't like the work, but because it was the only route they thought they had to avoid the continuous pressure and long-hours culture of being on the payroll.

"It can be linked to lifestyle...people making choices, taking control, dictating the hours/projects."

The more participants thought about it the more they were concerned that so many people in their 30s and 40s were leaving the industry.

"If people leave in their 30s, all we're doing is training and developing leaders for other sectors!"

Everything has to be done with 110% speed, efficiency and enthusiasm.

Infrastructure

To attract the right talent for frontline services, agencies felt there was an element of location dependence, with a price tag attached. Given the prominence of London for the media and advertising world, the capital represented a 'talent magnet' making location flexibility more difficult.

However, for more back office services, agencies have begun to change the location of their services in order to pare back costs. There were also ways in which agencies could use office space more efficiently: with more open-plan working, and hot-desking.

"We can offer short-term benefits to the business by taking a more pragmatic, business-centred view. You can cut your costs, if you reduce your property space."

Some downsides of flexible working

Senior management in agencies understand fully the desire for flexible working but find it difficult to reconcile with the needs of the business.

"Take it as read that most people would like to be more flexible. We all want it. We need a framework to help us to do it. We need to root it in the business benefit."

"There are conflicting pressures between people and job needs."

There was general recognition that home working, in particular, carried its own set of issues. Several participants cited case examples they had heard about or experienced directly.

ISSUES WITH HOME-WORKING

Nielsen

Half the staff in this research company worked from home, but there was a problem. People didn't identify with the organisation. You need to keep them bonded. You lose control unless you have a lot of monitoring controls. It throws up a lot of other issues.

Accenture

People, mainly women, work from home, then hot-desk in the office. When they come in, they don't have access to a telephone other than mobile, they don't have a space to themselves; they have to carry their office around with them and consequently don't feel wanted or valued.

Agencies

Home-working often works well, and technology means that work can often be location independent. But it needs effective organisation and management if it is to work optimally. Most jobs benefit from a mixed arrangement – some office time with colleagues, combined with some home-working. Working out these kind of arrangements, especially if it's in a team structure, requires good communication arrangements, for example availability, best way to contact, agreed check-in times etc. It's important to be able to recognise that managing by output might not be a competency that everyone has – so support around this is necessary. Effectively extending the team's circle to include remote workers is important if they're not to fall out of the loop.

This needs to be thought about – it's not enough to hope that this will just work itself out. Organisations where large-scale home-working teams have been implemented have found that scheduling in regular contact time is key to success.

Good talent gravitates to good work.

Generations X and Y

Most agencies acknowledge that the individual dynamics and cultural juxtaposition between Gen-X and Gen-Y are challenging. Gen-Y has a high transfer value, particularly in digital, and will decamp to another agency or country to get the experience they hunger for. Gen-X, meanwhile, is relatively keen to stay put, creating a blockage in the system for new recruits, but are also the people being squeezed-out by the relentless pressure on agency margins.

"Digital agencies are already set up in the way that Gen-Y suggest but it doesn't mean they can retain their Gen-Y. Gen-Y have primary and secondary skills, transferable globally and locally."

"Gen-X is a more loyal, committed tribe; 10-15 years service. They need stability in their job because they have a structured framework. We need them to be more adventurous and take opportunities. Turnover among this group is incredibly low. They are fearful they won't get another job with flexi-time."

"Gen-Y are hungry for experience. Gen-X are beginning to settle down. Gen-Y need to feel that management is exciting. They need to look up and see people who aren't broken."

Lack of acknowledgement from clients

Nowadays, agencies admit to being increasingly nervous about telling their clients how they want to run their business. From an agency perspective:

"The client is still King. Everything has to be done with 110% speed, efficiency and enthusiasm."

People needs come second to meeting client expectations. While most agencies are well intentioned, when it comes to client-agency relationships, they don't like to take risks.

Current clients' contracts tend to put finite borders around people and hours. Most clients expect to have a performing team all of the time, and want to feel they have access to top talent.

Clients feel that it's important that agencies recognise the client's position:

"Agencies need to remember that clients are risking their careers by accepting their advice. Within their own organisation everyone is looking to shoot them down."

It appears that nowadays clients have their own issues and may not always be interested in understanding their agencies internal issues. Procurement also has an increasing interest in the agency relationship:

"Clients are not interested in agencies' internal issues. The client needs a highly effective organisation which delivers what it wants. It's a cold clinical transactional relationship."

Their approach is rational:

"It's only relevant if there's proof that the way agencies treat their people impacts upon the quality of the output. Is whether people are happy an indicator of performance? Do they score better on productivity and efficiency?"

Even marketers only appear interested in the agency's issues, if the solution suits them. However, they are prepared to acknowledge the importance of agency culture – the way an agency organises itself and its people sets one apart from another, and deep down they do acknowledge that positive client/agency relationships produce the best work.

"Good talent gravitates to good work. Good people gravitate to good work. If you can generate that momentum, there's a magnetism."

"An interesting way of working, and delivering good results, is the optimum."

Sadly, most times these days, agencies don't feel the magnetism is there.

I want to take 4 months out and reframe things and see whether it's really for me.

"We are culturally sensitive businesses that have been force-fitted into processes that are unnatural."

One area of common concern is that clients share the same issues as agencies when it comes to managing Generations X and Y.

"It's not just our problem. It's exactly the same with clients. It affects everyone."

What can agencies do now to improve the future of work?

Despite a degree of pessimism and déjà vu about these business pressures, a number of participants were able to articulate a number of relatively easy, positive measures agencies could take to change the way they work now for the benefit of their people and their business.

1 More proactive talent management overall

Most HR directors were prepared to admit that they were reactive in managing their talent. They would wait for individuals to come to them with work and career issues, rather than take the initiative.

When faced with the consequences of taking a short-term view, they rose to the challenge of taking a more proactive approach. They recognised the value of taking a macro-view and acknowledged that they had a portfolio of currencies to play with and that, at different stages in peoples' careers, there might be a trade-off between these different currencies:

money
time
status
benefits
short-term versus long-term aspirations.

"We need to signal that we know that we don't expect you to be the same person for your entire career with us... and that's okay."

Performance management, not flexible design

At all stages, however, to get the best out of people, allowing them quality of life, on their own terms, was going to be important. What people meant by quality of life might change according to life-stage or circumstances. *"If you do it properly you can get*

enormous productivity gains. It can revolutionise the way people use their time. Our aim should be to enable people to be the best resource they can possibly be."

2 Locking in Gen-Y

There was a lot of discussion about the degree to which agencies could be proactive in meeting the expectations of how this generation wanted to work.

The general consensus was that they needed a structured approach: feedback, a framework, a roadmap. Rising stars needed to be identified, and provided with a career development programme to lock them in for 6-7 years. This would formalise what happens currently, in most cases, because:

"We identify people behind the scenes, but don't really let them know. It needs to be transparent. Something to aim for."

Among the good ideas suggested was the concept of a 'learning map' with a contract attached.

"A contract of: 'If I invest, this is what I get back'. A sense of win-win for all parties."

Gen-Y's were not interested in life insurances/pensions. They expect more in terms of options: providing them with the opportunity to offset one benefit against another.

Going global

For organisations with multiple offices, or access to an international network, the opportunity to offer people the experience of different markets was hugely valuable – much more valuable than money.

"After six months graduates ask to go to New York! Why should we be surprised? NY have similar requests for London. We could do it."

In adopting such an approach, agencies would be following best practices set by many of the multi-national client companies, who routinely move people from market to market.

Lattice not ladder

Another way of satisfying the desire for different experiences among young recruits would be to develop their expertise across different departments of an organisation, or different disciplines within a group of agencies.

The opportunity exists to shape a career development programme which involved, by way of example, a year in each of the core agency disciplines of direct marketing, digital, media, creative, and public relations to provide a rounded experience of multi-media before being promoted to the next level.

Alternatively, trainees could have six-month placements in production, finance, or media buying for example, before working in account management.

"Young people expect career re-invention every three years. Perhaps we should be open to swapping talent between different agencies. Could the IPA act as a transfer agent? We are a very siloed industry. The IPA could help break down the silos."

Status

It was acknowledged that ten years ago most agencies had a large board which their young recruits would aspire to get on. A number of agencies have moved away from awarding board directorships to all but the core management team, because of legal liabilities, but, in so doing, have failed to replace it with any other forms of meaningful peer recognition.

Experiments with loss of status have demonstrated the importance of status!

"In our last year, we moved from 7 levels down to 3... people were given broad descriptions... associates or directors... It was working fine until the day the business cards came in and then there was an uproar!"

Time in lieu

The majority of sabbatical requests now are from people two to three years into their working lives.

"I want to take four months out and reframe things and see whether it's really for me."

Whilst shocked by the request initially, those agencies that had allowed it had found that most of their people had come back to work with renewed vigour and commitment.

It's about getting a bit more freedom, more than a bit more flexibility.

3 Being more flexible with flexible working

Participants estimated that about 5% of their people had formalised agreements for flexible working.

More often than not, though, they admitted that they had 'very inflexible flexible working arrangements'. In practice, flexible working meant working three days a week in most cases. It was suggested that agencies should be more innovative, and give everyone the opportunity to say what hours and days they would work to fulfil their workload, and how this would be managed with the rest of their team.

"It's about getting a bit more freedom, more than a bit more flexibility. Put a project team together; it's up to them to work out how. It's a shift away from managers saying 'you will work this way.'"

"We need to trust people more, treat them like grown-ups. The more there are stringent controls, the less it works."

Most agreed that there should no longer be such a divide between flexible and normal.

"Perhaps we need to be generally flexible; with the opportunity to ramp up and ramp down, with more of a transition in-between. As a natural part of any package, we should talk about flexibility as an option."

Some elements of flexible working should be for everyone

The general view was that some form of flexible working needed to be offered company-wide; otherwise it was seen as favouritism.

"We allow people to finish at 4.30pm on a Friday, but none of them do. They might finish on time, though. Believing you can leave is important."

4 Articulating the value of a motivated workforce

Given the importance agencies placed on getting good performance from their employees, it was important that they learnt how to place a value on it in terms that clients would recognise.

There was discussion about how agencies could demonstrate that high performance, linked to quality of life and work/life conditions, led to productivity gains that made work better.

Some wondered whether staff motivation should form part of agency appraisal/assessment.

Others suggested that clients should be encouraged to ask agencies for data on employee engagement scores or turnover/churn scores, in order to make it into an acknowledged competitive point of difference. For procurement, it would be important to show how to judge it/tick it/score it. For marketing, in many instances, the recognition would be intuitive. In which case, the mechanical process and the criteria would become an important affirmation of what they had already discovered.

5 Different ways of working

It was common practice for agency CEOs to offer clients a menu of different service options when it came to negotiating fees with clients. At one extreme, there was the more traditional high service premium model. At the other, the low service 'cheap and cheerful' model.

"There are multiple models within one model, tailored to the client."

Price according to work

Our research revealed that some agencies were pricing according to work type. Process-driven jobs like implementation and fulfilment were priced very differently from jobs which required problem-solving or creativity.

Collaboration between agencies

Increasingly, agencies are beginning to find different ways of working together.

We allow people to finish at 4.30pm on a Friday, but none of them do.

One client explained how he used to look at client/agency relationships as a circle split four ways: digital, advertising, media and below-the-line (BTL). More recently one of his agencies had suggested he look at it as two concentric circles. The inner circle is strategy. The outer circle is execution. There is a cross-disciplinary team working on the strategy in order to arrive at a common brief.

More radical change is still needed

Most participants felt that more radical change was feasible, although it was recognised it would be a brave agency which took the first leap!

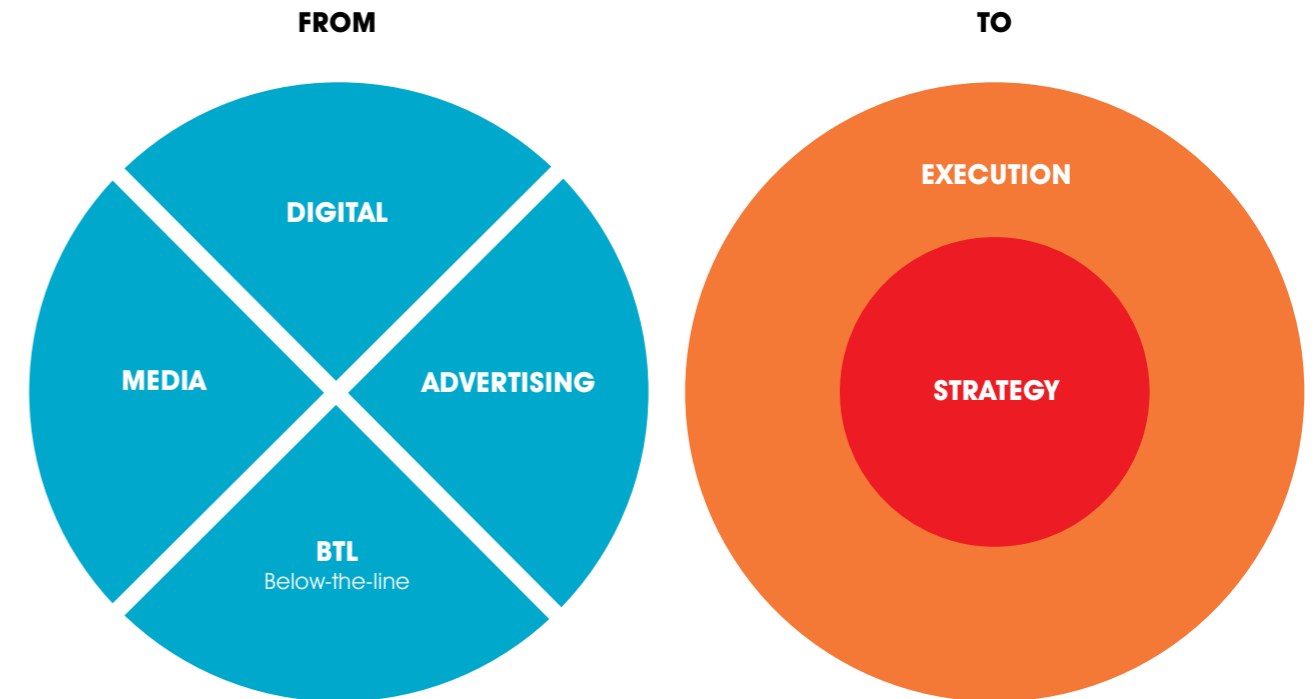
"You need confidence to do things differently."

6 Work as an activity, not a destination

When pushed to think about how agencies could organise themselves differently, a number of examples and ideas for different approaches emerged, most of them enabled by advances in technology.

Virtual working

One participant described a virtual company where his wife worked as a PA. She saw her boss once a quarter; but using Google apps she still managed to run his life effectively. They meet in London once a quarter, in rented serviced offices. They haven't got the formal structure of an office but they still ran a business entity and had a finance department.



Different ways of working together Source: IPA roundtable June 2010

Virtual meetings

A legal firm had to cancel a conference – a coming together of 400 people – because of the ash cloud. A two-day event suddenly became a 1.5 hour video-conference. They saved £1.5m.

More meeting and ideas spaces, fewer offices

With the technology now available there is the opportunity for desk-working to be location independent. The main purpose of the office would then be to provide spaces where people could come together for face-to-face interaction; inspirational meeting with clients and colleagues.

7 Proactive 24/7 service

Despite protestations to the contrary, it was argued that no client could really expect 24/7 service from a particular individual.

"The real paradox is with a 24/7 culture it can't be the same people...you have to chop the job up into smaller bits."

Shift-working

One participant cited the hospital culture to illustrate the point. It had always been 24/7. No-one expected continuity of care from the same individual. They had had to develop systems and procedures to be able to hand over effectively and safely from one to another.

It was argued, that with appropriate use of technology, agencies could adopt a similar approach with clarity and confidence. Activities would be logged in such a way that the next person in team could pick up the work stream when they came on duty.

"Should agencies be exploring shift-working as a way of providing clients with a 24/7 service?"

Working round the clock around the globe

An alternative to shift working within one location would be virtual shift working by pairing up offices in different locations around the world.

One participant described how an Australian national, working in London, had had to return to Australia for a prolonged period in order to sort out their visa. This did not stop them working on their client's business; effectively continuing the service overnight when the UK clocked-off.

"The client noticed the difference. A quicker turnaround in responding to requests with 24-hour visibility on their business."

It was felt that agencies could give more thought to how different offices around the world could offer this 24-hour service.

"It might kill two birds with one stone. Enable our young people to travel, while actively improving the effectiveness of our service delivery."

THE 'ORANGE WORLD'

Technology empowers a low impact, high-tech business model. Networks prosper while large companies fail.

Networks are key

The dream of a single global village has been replaced by a global network of linked, but separate and much smaller communities. The exponential rise in the efficiency of online systems for buying, selling and trading services and skills has debunked completely the old orthodoxy that economies arise from scale. Businesses are much smaller and roles are more fluid.

Complex supply chains

Supply chains are built from complex, organic associations of specialist providers, varying greatly from region to region and market to market. Looser, less tightly regulated clusters of companies are seen to work more effectively. Often functions are picked up on a task by task basis by 'garage' operations, with each transaction bought and sold by the second on one of a number of electronic trading platforms, with local and global exchanges.

Millennials drive technology use

The millennial generation, comfortable with technology, is driving the use of technology as the interaction with services, Government and work, with an emphasis on choice and anti-monopoly thinking encouraging innovations in this area.

Source: Extracts from *Managing tomorrow's people: the future of work to 2020*; PricewaterhouseCoopers (Connected Thinking)

8 The re-emergence of the senior suit

To compensate for the some of the remote working described above, it was felt that there would be a need for more emotional intelligence in handling the governance of the client/agency relationship. A number of the roundtables reminisced about the value the 'senior suit' had brought to the management of client/agency relationships. While many of these people had moved into global account director jobs, there might still be a benefit in restoring some of them to advisory positions in local offices.

"In conversations about your business, a few suits, with a few grey hairs, are going to be more useful."

"In times of economic uncertainty relationships really matter."

"A 50 year-old account director may well be what some accounts need. In the cult of the young, we miss it."

There was a sense that this age group would be open to negotiation about their terms and conditions, particularly among those participants in the roundtables who would put themselves in this bracket.

The business consultant

Agency management tended to dispense with these peoples' services because they felt they had reached a point where they were getting paid more than they delivered to the business. However,

it was felt that there was an opportunity to renegotiate with them. Management could provide a series of alternative ways of working which kept them in regular employment, but at reduced hours, or with more specialist responsibilities.

"Agencies should recognise that it's time for these people to work in a different way in order to keep them motivated."

People reach a point in life when they say, *"I don't need to earn that. I can work in a different way, in a consultative way."*

Mentor and interpreter

Examples already exist of senior figures taking on mentoring roles within agencies. There was no reason why this approach could not be extended to mentoring clients and agencies on individual accounts, acting as an intermediary and interpreter on relationship and business issues.

9 The rise of opportunity networks

Some agencies were already creating talent networks from the freelance creative community to help them respond to client briefs in highly creative ways. This talent pool included ex-agency people, programme makers, producers, creators of video games and mobile apps.

The opportunity existed for agencies to draw on a bigger and broader talent pool across all disciplines in order to deliver bigger and better solutions to client problems.

Mention was made, for example, of a communications consultancy who described themselves as offering total business solutions. They charged a blanket fee to problem-solve for clients. Their talent pool drew on business consultants, management consultants and entrepreneurs to bring the right talent to the table according to the brief. They described themselves as a hub for talent; their point of difference was that they were great curators of talent.

Some participants also referenced a projective study from PricewaterhouseCoopers into the future of work in which one of the three future worlds depicted resonated with the way agencies might evolve. Called the Orange World, it fitted the categorisation of 'small is beautiful'.

This PwC study describes a 'guild era' in which individuals develop portfolio careers, working on a short-term contractual basis. They join craft guilds which manage career and development opportunities.

"Companies seek to promote and sustain people networks. This is achieved through incentivising employees around achieving connectivity goals and collaborative behaviours."

"Workers are categorised and rewarded for having specialist expertise; this has created increased demand for workers to have a personal stake in the organisation's success with direct ownership share schemes, and project delivery-related bonuses becoming the norm."

"People strategy is replaced with sourcing strategy, as maintaining the optimum supply chain of people is key to this networked world."

"There is ... a strong emphasis on technology to support the supply chain and to develop social capital and collaboration."

Some of the roundtable participants were able to relate this Orange World to their vision of the direction in which the agency business was heading.

"Agencies will be more organisationally effective, and leaner, because of IT."

"Our scope will change dramatically. The shape of our agencies will change dramatically."

"Trading will become more commoditised/technology-based. Doing will be more automated and evolved. We'll adapt our skills/behaviours. Be more like a trading room, with automated algorithms."

People strategy is replaced with sourcing strategy...

"The cultures and behaviours of young people will have influenced the whole agency."

In some of the roundtables, participants were exposed to a series of different organisational models taken from a review of the academic literature.

Whilst most found them difficult to understand in abstract, it did allow for a free-ranging discussion about the way in which agencies could package their services in different ways to respond to individual client contracts.

From a procurement point of view, this was an attractive proposition. The concept of different organisational types is interesting to them. Their view is that most agencies aren't brave enough to do things differently unless others have.

10 Redesign of the client/agency contract

Participants talked about the need for form to follow function.

Agencies wondered whether it would be possible for them to reorganise agency functions in servicing their clients. This might require more flexible contracts with employees in order to reflect more closely the ebb and flow of the requirement for particular people within the agreed scope of work.

"Can lawyers help us create contracts that price and allocate time according to need?"

Clients were keen to explore the possibility of creating a work contract with multiple agencies, specific to their business as some of the big agency groups have done in cherry-picking from their various operating companies, and providing a dedicated 'agency' for the client.

You need people to drive the change forward. You need to pilot, demonstrate, experiment.

Turning crisis into opportunity

It was obvious to most participants that the UK economy in the next decade was going to be less buoyant than in the last two decades. More than 1 million under 25s are already unemployed. There are now more people over 60 than under 16.

It was felt that the intellectual argument for changes to the way agencies worked had been won but that changes to behaviours were much more difficult to achieve:

"You need people to drive the change forward. You need to take advantage of each mini-crisis. Lots of little ratchets. You need to pilot, demonstrate, experiment."

One of the participants from a legal firm recounted the story that they had extended technology because of swine flu/adverse weather. People began to realise the productivity benefits of remote working. Since then they had had a number of adhoc requests to do more remote working.

One of the client participants talked about how the recession had been a good catalyst for his company.

"We closed the factory for four months. We cleaned it from top to bottom. Painted the walls from yellow to blue. Refurbished the entrance and the toilets. Put every team leader through a leadership programme. Used the time to do something different. What might happen at Head Office under the same circumstances?"

One of the agency participants cited the example of an office move. A change of building was always a good opportunity to change the working environment.

Fast-forward to 2020

What will have changed?

There was general consensus in a number of areas.

- 1** Agencies will be more dispersed; by discipline, and by geography. There will be more of a requirement for proactive and strategic management of the global mobility of personnel.
- 2** Teams will be multi-disciplinary.
- 3** Remote technology will be better. We'll have harnessed technology to get a better work/life balance.
- 4** The benefits of a Group Network will become stronger. We will share resources: HR, facilities, finances.
- 5** The rules of engagement will be stricter. There will be more training and the right infrastructures. We'll recruit to a function. We'll agree together what that might take in terms of time and resources.

Conclusions

The way people are churning through agencies is counter-productive. The loss of talented people in their 30-40s is a cost to the business and may be affecting new business opportunities. HR needs to be more proactive in offering flexible working for everyone at all stages of their careers and as their 'life' responsibilities change; not just working mothers. Attracting and retaining talent remains key.

The latest working generation, Gen-Y (up to 30 years old), is different to previous generations (Gen-X and Baby Boomers) in their expectations and assumptions. They don't want the long-hours culture of presenteeism and working at the same desk. They are confident with technology and are comfortable overlapping work and life. They can be flexible if they are offered flexibility in return otherwise they are likely to leave.

They do not want a career 'at any cost'. This generation needs to feel that working in advertising is exciting and more empowering than working elsewhere. The impact of the recession on their attitudes is as yet unknown. However, these people are the future of the industry, so their prevailing attitudes, especially their views on hierarchy, are likely to disrupt the current model, especially when they rise to positions of power. They represent 45% of IPA agency employees.

Gen-Xers (31-45 year-olds) in agencies are often in the more senior roles. Retaining their expertise has to be good for the business. These are the people who are at risk of leaving the business because of the 24/7 culture or being made redundant in the 'up and out' culture or because of the relentless pressure on agency margins. They are the generation with caring responsibilities. They need to be offered different working patterns to enable their retention and continuing job satisfaction. They represent approximately 50% of IPA agency employees.

There isn't enough knowledge about what people want, and what they think about flex. Only 2 agencies had sought views on flex in their staff survey; this is something that all agencies should do, and it's a practical, achievable starting point. Despite the low responses (22 out of 267) to the IPA survey, a high percentage (72%) offered flexible/staggered hours; 68% part-time working, 53% home/teleworking; 50% a compressed working week and 50% a job share. No respondents had turned Right to Return (R2R) requests down. The benefits of flexible working need to be understood properly in the context of the business. The business primarily relies on the quality of its people for success. Improving their motivation and performance will enhance the business, and developing viable careers in the

context of the needs and expectations of employees will go some way to achieving this. Flexible working, properly managed, can help to deliver this but it must be on more than a superficial level. Working with the grain of people's lives, rather than taking the approach of flexible working as an anomaly, is where agencies need to focus. Flexible working should be considered as 'the norm'. It should not be about working longer hours to suit the company or be seen as having a lack of ambition. A small number of agency respondents (4) have champions to promote flex.

Technology is enabling change to how we can work: the rise of the freelance, the virtual team and maybe even remote agencies bidding outside their home territories for work, with lower fixed costs. Agencies must adapt. Flex and technology have always been easy bedfellows and the development of technology should help flex.

The management challenge now is that senior management find it difficult to reconcile the need for flex with the needs of the business. Management need a clearly-evidenced business case to make changes, however it is generally accepted that 'time-spent' is seen as an inappropriate currency as it doesn't account for downtime or the quality of the work. Experimentation is key; there is 'no one-size-fits-all' solution. Different ways of working need to be developed according to work type. These can include different contract terms, or forming teams in different ways (cross-disciplinary, cross-agency, cross-geography or freelance) to offer an effective and efficient 24/7 service. Individual agencies need to be adventurous. Agencies need to lead and manage their talent and generate a momentum for others, including clients, to respond to.

The 5 themes for the agency business going forward are: more proactive talent management, locking in Gen-Y, being more flexible with flexible working, articulating the value of a motivated workforce, and having different ways of working.

The general consensus is that in 2020: agencies will be more dispersed by discipline, teams will be multi-disciplinary, remote technology will be better, the benefits of a Group network in sharing resources will be stronger, the rules of engagement will be stricter.

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Participants

Online survey of working policies

23red
3Sixty
Aegis Media
Agency Inc
Albion
BJL
Bray Leino
CHI & Partners
CMW
HS&P
Isobel
McCann Erickson
McCann Manchester
MediaCom North
Mediaedge:cia
Serious Marketing Communications
Sudler & Hennessey
The Allied Media Partnership
The Walker Agency
WARL
Wieden + Kennedy
Woodreed

Appendix

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Generation Y workshops

Archibald Ingall Stretton
AW Media
DDB London
Digitas
EHS Brann
Fallon
HS&P
Lean Mean Fighting Machine
Lowe
M&C Saatchi
MediaVest
MPG
Naked
PHD
Proximity
Saatchi
Starcom

Generation X group discussions

JWT
Leo Burnett
OMD
DDB
AE Media
Profero
Zenith Optimedia
Starcom MediaVest
Carat
Engine

Consultative round tables

Agencies

AMV.BBDO
Aegis
i-Level
PHD
DDB
Profero
Karmarama
BMB
Kitt Catt Nohr

External participants

We are grateful to all the external participants who took part and who include Working Family members.

