MIND THE GAP
Exploring the gender pay gap in the marketing industry
The gender pay gap has been hitting the headlines in recent months with the news the Government has pushed through legislation requiring large companies to reveal the difference between male and female pay in their workforce.

While this is a positive move aimed at equalising the salary men and women receive, a major flaw is that it doesn’t require big businesses to do anything about any discrepancies they actually have and of course, those working in smaller agencies and firms will be none the wiser.

Like many industries in the UK, there are definite gender pay gaps within the marketing sector that have proved very hard to shift. Despite concerted efforts focusing on diversity and supporting women to succeed in the industry, according to Marketing Week, the pay gap between male and female marketers has widened from 20.8% in 2016 to 22.4% in 2017.

In this issue of Agency Food, we put the issue of gender and pay scales under the microscope. Do agency heads actually agree there is a gender pay gap in the marketing industry and, if so, what’s driving the male/female wages divide? What needs to happen to change the situation?

And just how important is fair remuneration and equal pay to marketing professionals in the jobs market? We will address these fundamental gender and pay-related questions and provide a snapshot of the opinions and views of those at the coalface of the marketing industry grappling with an uncertain economic outlook as the General Election looms and Brexit becomes a reality.

Speaking of the volatile political and economic landscape, it’s heartening to see that optimism prevails in agencies up and down the country. In fact, confidence has shot up – 88% of agency heads are reporting an improving outlook over the next quarter (compared to 74% last quarter). Just 3% report a decrease in business performance. Long may this positivity continue as we progress throughout the year.

Meanwhile, sending big thanks and gratitude to everyone that’s responded to our latest survey. It’s your viewpoints and ideas that make our reports happen, looking into what’s really going on in the marketing sector and providing an invaluable business barometer for the industry.

At The Agency Works, we love what we do and are passionate about supporting more than 500 agencies spanning the creative sector. Do get in touch if you have any further ideas or opinions, we always welcome your feedback!

Jay Neale, co-founder
The Agency Works
WE SPOKE TO...

REGIONS
- Scotland 3%
- North West 3%
- West Midlands 6%
- East Midlands 18%
- Eastern 6%
- South West 33%
- South East 9%
- London 15%
- Thames Valley 6%

EMPLOYEES
- 0-5 9%
- 5-15 33%
- 15-30 36%
- 30-50 12%
- 50+ 9%

DISCIPLINES
- Advertising/full service 15%
- Design/Creative Agency 24%
- Digital Agency 39%
- Marketing/Comms Agency 9%
- PR 12%

ANNUAL TURNOVER
- £250K – £749K 21%
- £750K – £1m 21%
- £1m – £2m 30%
- £2m – £4m 9%
- £4m – £5m 12%
- £5m+ 6%
OUTLOOK?

What is the general outlook of your agency’s performance over the next quarter?

- Improving: 75%
- Slightly Improving: 50%
- Remaining the same: 25%
- Decreasing: 9%

CHALLENGES?

Which of these is a key challenge for your agency at present?

- Increasing new business leads: 61%
- Growing existing clients: 42%
- Retaining existing clients: 15%
- Recruiting talent: 12%
- Retaining talent: 18%
- Decreasing client budgets: 21%
- Increased competition: 21%

THE FINANCES?

What are the biggest financial challenges you face in running your business?

- Late payment: 58%
- Accurate forecasting: 36%
- Over-serving: 24%
- Managing cash flow: 36%
- Increasing profitability: 39%
- Paying taxes/business rates: 39%
In an ideal world, men and women would all be paid the same for carrying out equal work. After all, it’s a longstanding principle of the law. Paying men and women differently for the same job has been unlawful for over 40 years since the Equal Pay Act 1970 came into force – and above all, it’s only fair, isn’t it?

And yet, official statistics paint a different picture. Across UK industry as a whole, the gap between men and women’s pay stands at 18.1%.

Looking at the marketing sector specifically, the pay gap between male and female marketers widened from 20.8% in 2016 to 22.4% in 2017.

Our research shows that more than two thirds of agency heads (67%) agree there is a discernible gender pay gap within the marketing industry. Nearly everyone (97%) believes male and female workers should receive equal pay.

So why is there such pay parity between men and women? According to our findings, the causes are complex, varied and overlapping. Over a third (37%) of respondents believe that women taking time out of their careers to start a family and look after children is the main reason for the gender pay gap. A further 30% state that it’s because women need more flexible working hours – again, likely due to the fact that it’s traditionally women who have that nurturing role, taking time out of the labour market or scaling down their careers to look after the kids or care for vulnerable family members.

Interestingly, three in 10 (30%) felt that women are far less likely to challenge unfair pay levels compared to men.

More than a quarter (37%), believe the gender pay gap exists because there are less women in senior marketing roles. While one in five (20%) believe that women’s skills are less valued than men’s in the workplace.

Encouragingly, just 10% of agency heads believe the gender pay gap is down to direct discrimination. While there is no denying that discrimination does happen, the law remains steadfast on gender equality and pay.
“The gender pay gap is not a work of fiction but a fact of working life. There are creative, talented, professional female marketers earning significantly less than their equally as creative, talented, professional male counterparts. And that’s not fair. It’s clear from our research that the reasons for the male/female wages divide are multiple and overlapping but we need to shift our focus now from why it’s happening to what we can do about it. A light-touch approach to tackling the issue is no longer appropriate and tougher action is needed.”
It’s one thing paying lip service to gender pay equality and another thing implementing fair financial remuneration and career opportunities equally to both sexes. Agency heads are in agreement that it’s time to get tougher.

More than a quarter (27%) agrees that government legislation on equal pay for the same work and experience levels is the best way to close the gender pay gap. A fifth (20%) is in favour of laws requiring businesses to publish ‘company league tables’ to show the worst gender pay gap offenders. Over four in 10 (43%) think that company policies around pay and remuneration need to be reviewed and new rules and regulations implemented.

Some respondents think that it’s time women stand up more for their rights with 23% claiming that women need to be more proactive and demand equal pay. And 13% would like to see more women filing official complaints or lawsuits against gender pay inequality.

Depressingly, 13% of agency heads think nothing can be done to improve the situation – there will always be a gender pay gap.

WHAT IN YOUR OPINION ARE THE MOST LIKELY DRIVERS FOR IMPROVING GENDER PAY GAPS?

- Government legislation on equal pay for the same work and experience levels: 27%
- New company policies around pay and remuneration: 43%
- ‘Company league tables’ showing worst gender pay gap offenders: 20%
- Women being more proactive and demanding equal pay: 23%
- People pressure/employee protests: 17%
- Competitors offering better pay packages for women: 17%
- More women filing complaints/lawsuits: 13%
- Nothing – there will always be a gender pay gap: 13%
“It’s all very well saying that women should rise up, be counted and start making demands about their take home pay and benefits but in the real world, it’s not as easy as that. Women who’ve worked hard to negotiate flexible working hours that accommodate the school day or enable them to look after ageing parents may be afraid to ‘rock the boat’ further by making what may be perceived as yet more demands. Others may feel they’re pushing their luck when they are fortunate to even have jobs. Legislation has a key role to play in boosting transparency around gender pay packets and ensuring action is taken to level the playing field.”
Money isn’t everything but when it comes to seeking new job opportunities, salary is more often than not, a key factor in the decision-making process. Over three quarters (77%) of respondents state that when applying for a new role, fair financial remuneration is very important. A further 23% agree it’s important that pay is fair.

An overwhelming 83% claim they would not apply for a job at a company if they knew there was a significant difference between male and female pay for similar roles and levels of experience.

What this means for businesses looking to recruit and retain top talent is that equal pay is a vital requirement. Those agencies with a reputation for compensating men and women equally will, in turn, have access to a larger talent pool. Highly qualified candidates are more likely to consider working for a company if they believe opportunities for promotion and financial compensation will be available to them as long as they demonstrate value, regardless of their gender.

FOCUS ON... SALARY AND NEW HORIZONS

Would you apply for a job at a company if you knew there was a significant difference between male and female pay for similar jobs and levels of experience?

Yes 17%

No 83%
The message is clear – if agencies want to be the best and recruit and retain the best people, fair and equal pay for all is not a ‘nice to have’ but an essential. Research shows talented employees are more likely to stay in a business if they believe they are being paid fairly. In our survey, eight out of 10 (80%) marketers would consider changing jobs if it meant receiving fairer financial remuneration. As the Government wakes up and smells the coffee by introducing legislative measures to enforce equal pay, now is the time for the marketing sector to do its part to ensure fair and equal pay for everyone.”
WHAT WE ASKED...

• Where is the majority of your revenue from?
• How many employees work at your company?
• In which region of the UK is your company based?
• What is your agency’s discipline?
• What is your business’ annual turnover?
• What is the general outlook of your agency’s performance over the next quarter?
• Which of these is a key challenge for your agency at present?
• What are the biggest financial challenges you face in running your business?
• Are you male or female?
• Do you think there is a gender pay gap in the marketing industry?
• If you agree a gender pay gap exists, why do you think there is a discrepancy between male and female remuneration?
• Do you think men and women should receive equal pay?
• What in your opinion are the most likely drivers for improving gender pay gaps?
• When applying for a new role, how important is fair financial remuneration?
• Would you apply for a job at a company if you knew there was a significant difference between male and female pay for similar jobs and levels of experience?
• Would you consider changing jobs for fairer financial remuneration?
The Agency Works helps agency owners, MDs and senior teams with the financial and operational aspects of running their businesses offering both strategic counsel and workable solutions, depending on their needs. The insight that we have gained over the past 10 years means that we're ideally placed to understand the challenges agencies face when looking to launch, build and grow a sustainable, profitable business.

We hope you've found our Agency Food Barometer an effective way to share collective experiences, trends and feedback. And, will be interested in taking part next time.

IF YOU’D LIKE TO SPEAK TO US:
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