Design Industry Voices 2011

How it feels to work in British digital and design agencies right now.

The headlines:

1. More staff than ever intend to change job within twelve months (58.3%).

2. Clients expect more work for less money to make up for budget cuts.

3. Agencies are expected to do more work for free to win pitches and the pitch process is taking longer.

4. Clients want 'safer' work.

5. Agencies are employing fewer permanent staff, more freelancers and more interns.

6. The perceived delivery gap has continued to widen across all agency attributes. *(The delivery gap is the difference between the perceived importance compared to perception of how well an agency currently performs in relation to an agency attribute.)*

7. Owners have a rosier view of agency performance than their employees.

1.

More staff than ever intend to change job within a year.

- Over half (58.3%) of staff intend to change job in the next twelve months. In last year's survey 55.7% of respondents said they intended to change job within a year.

- Over a third (35.1%) have been with their agency for less than a year.

- The proportion of respondents writing their thoughts about work online has increased again this year. Nearly a third (30.4%) write their personal thoughts about work on online social networking sites. This compares to 26.9% in 2010 and 18.8% in 2009.

Implications:

With over a third of respondents working for their agencies for less than a year, it would appear that unhappy employees are following through on their intention to change job. The resulting churn and the demand for freelancers means agencies are having to spend precious budgets on recruitment fees and investment in getting people up to speed on their way of working and building their knowledge of their clients' businesses. This makes clients nervous that the 'A' team pitched but an unstable 'B' team are delivering. And feeling like you aren't on the 'A' team is demotivating, giving employees another reason to consider leaving. The movement of people between agencies can make or break reputation through word of mouth. This is increasingly true as a growing number of respondents are using the social web to talk about their professional experiences (30.4% in 2011, up from 18.8% in 2009).

Quotes from respondents:

"I have noticed that the attitudes of candidates who have previously worked hard at agencies only to be made redundant are changing in terms of what they will accept as new terms of working with potential employers. Whereas before candidates might have been happy to work hard on pitches into the evening on the hope that they will be rewarded later down the line with a bonus or time off in lieu are now rejecting companies who are known to work their staff hard unless they get assurances in writing that they will be rewarded in some way for their hard work. I have even heard of candidates refusing to opt out of the Working Time Directive that most creative agencies write into their contracts these days, purely because they know that bonuses will never be paid and that time off in lieu of long hours is difficult to claim back."

Designer, director, not currently working, male, aged between 40-49, sometimes writes thoughts about work on social networks.

"It is in a tough place with cuts to budgets, staff are tired but still expected to come up with creative ideas. Good managers balance project levels with payback of training, team development, regular professional development meetings and general care and consideration, and fun."

Designer, manager, permanent, in current role less than five years, female, aged between 50-59.

Quotes from respondents:

"Things have definitely got harder. Fear of a double dip recession makes employers less inclined to recruit permanent staff: plus many employment contracts are one sided (guess in which direction?). Maturity and experience seems less valued now. Perhaps because you can pay inexperienced staff much lower rates. Everyone is having to work harder, and deliver more, to maintain historic margins. It's not all bad out there though: some design businesses are thriving and delivering exceptional work!"

Account management, manager, freelance, male, aged between 40-49.

"[There is an] expectation that staff will do several roles and work all hours and usually at no extra pay or benefit. Also seen some blatant disregard for health and safety, and disregard for laws on ageism and childcare arrangements. Basically you are told to put up with or find another job. Many employers use short contracts that may roll, so they have no investment to make in that person."

Designer, manager, freelancer, female, aged between 40-49, sometimes writes thoughts about work on social networks.

2.

Clients expect more work for less money to make up for budget cuts.

- Over four fifths of respondents agree that 'clients expect more work for less money' (84.5%) and that 'client budgets have been reduced' (81.5%).

- More than two thirds agree that 'clients expect more work in pitches for free' (70.8%), and more than half agree that 'pitch processes are longer' (53.9%).

- Over half (53.7%) agree that 'clients want 'safer' work'.

- While over half agree that 'clients prefer working with specialists' (57.1%), 38.5% agree that 'clients prefer integrated agencies'.

- Over half agree that 'clients are more digitally savvy' (55.8%).

- Almost a third agree that 'the quality of work we produce has declined' (31.8%).

- Around half agree that 'agencies are employing less [fewer] permanent staff' (58.2%), 'agencies are using more freelancers' (55.4%) and 'agencies are using more unpaid interns' (43.1%).

Table one: *extent to which whole sample agrees with the following statements comparing today to 2007, i.e. before the current economic crisis.*

	Statement	Agree
1.	Clients expect more work for less money	84.5%
2.	Client budgets have been reduced	81.5%
3.	Clients expect more work in pitches for free	70.8%
4.	Agencies are employing less permanent employees	58.2%
5.	Clients prefer working with specialists	57.1%
6.	Clients are more digitally savvy	55.8%
7.	Agencies are using more freelancers	55.4%
8.	Pitch processes are longer	53.9%
9.	Clients want 'safer' work	53.7%
10.	Agencies are using more unpaid interns	43.1%
11.	Clients prefer integrated agencies	38.5%
12.	Quality of work we produce has declined	31.8%
13.	Agencies are focusing more on existing client development than new business	29.4%

NB: Total respondents includes in some cases a sizeable minority who registered a don't know/no opinion.

Implications:

Agencies are giving more intellectual property away for free in pitches and by over-delivering to their clients. In addition agencies are employing fewer permanent staff and more freelancers and interns. This is having an impact on the quality of work and client servicing, as more work is being produced for less budget, by a changing workforce that is less experienced in the agency's specific approach and less knowledgeable about the clients. This may also have an impact on the agency's top and bottom lines. Clients asking for safer work will do nothing to enhance an agency's (or their own) reputation as being at the forefront of innovation, and safer solutions may not achieve the client's business objectives.

Quotes from respondents:

"Budget reduction + Timescale reduction + Decrease in client understanding of design process = Tough times!"

Director, permanent, in current role five years or more, male, aged between 30-39.

"Clients want twice as much work for half the money."

Designer, permanent, in current role less than four years, male, aged between 30-39, considering changing job in next twelve months.

"Demoralising. Clients want everything done at speed for no money. No time or opportunities for creative input."

Designer, manager, permanent, in current role less than five years, aged between 30-39, considering change job in the next twelve months.

"Yes budgets are killing us, everyone wants something for nothing and without good reason and if you don't agree they all go elsewhere."

Designer, owner, freelance, male, aged between 30-39.

"I get the sense clients are reining in budgets again with the Euro crisis upon us. Could have an affect over the coming months."

Designer, owner, permanent, in current role for five years or more, female, aged between 40-49.

"Too much competition. Little opportunity."

Designer, permanent, in current role less than two years, male, aged between 30-39, considering changing job in the next twelve months.

"The escalating use of unpaid interns is irresponsible and illegal, ensuring that entry level jobs are available for those with generous patronage, not those that are best suited for the role..."

Assistant, freelance, female, aged between 18-29.

"I think design is undervalued as a force for social and economic change within the UK. I also think though as an industry we can be slow to adapt to the economic reality facing us as do our clients at times."

Designer, manager, in current role less than three years, female, aged between 30-39.

"Freelance for 18yrs now and it feels that design is becoming cheaper in terms of actual appreciation of the process and the results. Much more is wanted for less. It's how this industry grows or not after the recession is what will be interesting to see."

Production, freelance, male, aged between 40-49.

Quotes from respondents:

"It's a tough environment. Clients do want more for less and aren't afraid to demand it, they also want creative excellence and I haven't seen that going backwards with the economy. As for integrated or not, I've found some clients still have a perceived need to separate everything in the belief they retain more control and that 'having all the eggs in one basket' is a weakness. However beginning to see good signs of more enlightened clients who see the advantage of working with a partner who really understands them and has the skills to take their story out more broadly."

Designer, owner, in current role for five years or more, male, aged between 40-49.

"In my area of graphics we are finding that a lot of clients are happy to try and do the work themselves and don't really value what a designer brings to the table as much as they once did. Other than budgets I think this is mainly due to the availability of useable software, digital print that requires less knowledge for setting up files and availability of stock templates/ websites."

Designer, assistant, permanent, in current role less than five years, male, aged between 30-39, considering changing job in the next twelve months.

"It's increasingly being dumbed down and made more obvious and commercial as the clients are frightened to try anything new. They tend to patronise the audience and don't assume that the consumer can pick up on edgy subtleties. It's a common problem in ALL areas of design…"

Designer, director, been with agency less than five years, female, aged between 30-39, intends to change job in the next twelve months.

3.

The perceived delivery gap has continued to widen across all agency attributes.

- The 'delivery gap' is the difference between the perceived importance of agency attributes and the perception of how well the respondent's agency actually performs against those attributes.

- There is a delivery gap in respect of all agency attributes. Performance is always seen to lag behind importance. The delivery gap is getting wider over time.

- There is a wide range between the attributes with the smallest and largest perceived delivery gaps: -14.9% for 'a brand that is compatible with my own values' to -58.9% for 'rewards people for going the extra mile'.

- The most important attribute 'values ideas and opinions' has an importance rating of 85.4% and is still one of the highest delivery gaps (-48.9%).

- As in 2010, the attribute with the highest delivery gap is 'rewards people for going the extra mile' (-58.9%).

- 'Has a management team that demonstrates strong leadership skills' remains the attribute with the second highest delivery gap (-53.1% in 2011, -47.8% in 2010).

- The attribute with the lowest delivery gap is 'a brand that is compatible with my own values' (14.9%). However, it should be noted that only two fifths (39.8%) of respondents rate this attribute as 'very important'.

Table two: *perceived delivery gap from highest to lowest.*

Agency attribute	Importance to respondent % rating 'very important' (rank)	Agency performance % rating 'very well' (rank)	Delivery gap % rating 'very well' - % rating 'very important'	Delivery gap ranking
Rewards people for going the extra mile	73.4 (5)	14.5 (14)	-58.9	1
Has a management team that demonstrates strong leadership skills	76.2 (4)	23.1 (8)	-53.1	2
Appropriate workload for staffing levels	65.8 (11)	15.0 (13)	-50.8	3
Provides feedback that helps improve my performance	66.8 (8)	16.1 (12)	-50.7	4
Values ideas and opinions	85.8 (1)	36.0 (1)	-49.8	5=
Has a strong sense of teamwork throughout the organisation	79.2 (2)	29.4 (2)	-49.8	5=
Does work that is stimulating	77.0 (3)	28.2 (3)	-48.8	7
Supports professional development and growth	66.1 (10)	18.1 (10)	-48.0	8
Has a good pay and benefits package	64.8 (12)	17.6 (11)	-47.2	9
Shares information and knowledge openly	68.5 (7)	24.7 (6)	-43.8	10
Clear strategic goals	66.3 (9)	22.9 (9)	-43.4	11
Trusts employees to make decisions	69.4 (6)	28.1 (4)	-41.3	12
Holds people accountable for the quality of the work they produce	63.8 (13)	24.6 (7)	-39.2	13
Helps employees to manage stress	46.1 (14)	11.7 (15)	-34.4	14
A brand that is compatible with my own values	39.8 (15)	24.9 (5)	-14.9	15

Table three: Perceived delivery gap from highest to lowest in 2011, compared to 2009 and 2010.

Agency attributes	Delivery gap ranking	Delivery gap % rating performance 'very well' - % rating attribute 'very important'		
		2011	*2010*	*2009*
Rewards people for going the extra mile	1	-58.9	-55.6	-39.3
Has a management team that demonstrates strong leadership skills	2	-53.1	-47.8	-27.4
Appropriate workload for staffing levels	3	-50.8	-44.5	-33.6
Provides feedback that helps improve my performance	4	-50.7	-44.8	-31.5
Values ideas and opinions	5=	-49.8	-46.3	-13.3
Has a strong sense of teamwork throughout the organisation	5=	-49.8	-42.0	-17.2
Does work that is stimulating	7	-48.8	-46.2	-11.4
Supports professional development and growth	8	-48.0	-46.3	-40.6
Has a good pay and benefits package	9	-47.2	-44.5	-22.9
Shares information and knowledge openly	10	-43.8	-42.6	-22.2
Clear strategic goals	11	-43.4	-43.2	-20.2
Trusts employees to make decisions	12	-41.3	-38.1	-22.7
Holds people accountable for the quality of the work they produce	13	-39.2	-31.7	-20.7
Helps employees to manage stress	14	-34.4	-28.9	-35.4
A brand that is compatible with my own values	15	-14.9	-14.6	-5.8

Implications:

Perceived agency performance is getting worse: poor leadership, that doesn't value ideas and opinions, and fails to reward people for going the extra mile when there are inappropriate workloads for staffing levels. Fewer staff than ever expect their agency to be a brand that is compatible with their own values, which is why the delivery gap is so low. Agencies appear to be running on empty, with staff engagement at an all time low.

Quotes from respondents:

"The size of the agency has little bearing on the types of work undertaken."

Designer, freelance, male, aged between 50-59.

"It's totally commoditised. If we had the courage of our own convictions instead of just being prostitutes to the fay cause of marketers with short-term vision and little loyalty to their employers, then we would build our own brands. When it comes to writing strategy which identifies and delivers measurable ROI, 95% of agencies do not have a clue so how can we, as an industry even put a true value on our worth?"

Executive, in current role five years or more, male, aged between 40-49, intends to change job in the next twelve months.

"Too high expectation of work in too short a time and too many Agency owners making a lot of money at the expense of underpaid designers."

Director, permanent, in current role five years or more, male, aged between 40-49.

"...There are a lot of clients demanding that something is just done the way they want despite expert opinion to the contrary. There is a lot of discussion about fees and how much work goes into each project and this seems to be due to a lack of understanding and/or respect of the design process. It seems lost that the clients are in fact employing experts for the skills they have and subjective feelings on the value of the work can dominate the management of project and dilute the end result. Within agencies there is a challenging balance between keeping the client happy and profitable whilst producing work the agency is proud of creatively. It's easy to lose the creative's sense of pride when the client starts tinkering or tweaking. Also there is so much pressure to complete projects within extremely tight timeframes. This is either imposed by the client and late briefing and/or internally and with limited resource and tight scheduling. This can make it difficult to get consistent creative thinking on a client or even a project."

Account management, manager, permanent, in current role for less than three years, female, aged between 30-39.

"The lack of understanding of digital by senior management and creative will bite certain agencies in the bum."

Strategy, director, freelance, male, aged between 40-49, sometimes writes thoughts about work on social networks.

4.

There is considerable variation in perceptions of agency performance.

- Fewer than one in five respondents consider that their agency is performing 'very well' in the following areas: 'helps employees to manage stress' (11.7%), 'rewards people for going the extra mile' (14.5%), 'appropriate workload for staffing levels' (15.0)%, 'provides feedback that helps improve my performance' (16.1%) and 'has a good pay and benefits package' (17.6%).

- The attribute considered to be most important was 'values ideas and opinions' (85.5%), but only just over one third (36.0%) rated that the agency was performing 'very well'.

- Owners are consistently more likely to rate their agency's performance higher than employees.

- For almost all attributes permanent staff are more likely than temporary/freelance staff to agree that their agency is performing 'very well'.

- Those who are not intending to change job are more likely to agree that their agency is performing 'very well'.

- Production staff are less likely to endorse 'very well' when rating their agency's performance than any other group.

- The longer the person has spent working for the agency the more likely they are to consider their agency as performing 'very well'.

Implications:

Owners are wearing rose tinted glasses. This may be helpful if they are to successfully lead their agency through the economic downturn and back to prosperity, but they should be aware that their perceptions of agency performance are not shared by their employees.

It is remarkable that fewer than one in five respondents believe that they have an appropriate workload, get support in managing stress or improving their performance, or that they are well paid or rewarded for the extras. Only a third felt that their agency was performing well in valuing their ideas and opinions, the most important of all attributes.

It is no surprise that freelancers are less positive than permanent staff, or that those that rate their agency's performance lower are more likely to be considering leaving.

What is interesting is that production staff are the least likely to believe their agency is performing very well, perhaps reflecting the impact on their jobs of the shift from print to digital.

Quotes from respondents:

"The design industry is quite often headed up by heavyweight design professionals who have branched out and started up on their own – off the back of success or off the back of working for high profile agencies. This means management structure, process, protocols, HR functions, ethics etc often gets overlooked. There is a high expectation on staff to over-deliver, usually on a false belief that staff should enjoy the exposure to the creative world. More often than not you are judged on your current performance – past performance and track record rarely comes into it, undermining trust in staff. This is particularly prevalent in independent design agencies."

Account management, manager, freelance, female, aged between 30-39.

"I work as an independent strategist to clients and as an indication charge £800-£1000 per day. I involve design agencies on the project if required by my clients. The traditional design agency business model is no longer appropriate for current business conditions in the UK so when clients negotiate reduced fees it has direct impact on the agency's bottom line and they have little option but to hire for less or use freelancers. I have noticed a significant trend for new agency start ups which base their business model on venture marketing principles and a significant change in how they position their services."

Strategy, owner, in current role for five years or more, female, aged between 40-49, sometimes writes thoughts about work on social networks.

"Personally I am dejected about how much political nonsense goes on within many design/ branding agencies – attitudes spread from the top down. I feel disappointed in the lack of skills from a lot of senior management when it comes to managing senior staff. It's as if once past Account Director level you don't deserve any more guidance, career planning, mentoring! Client relationships are becoming unhealthy and agencies are kow-towing to clients' requests and not supporting their own staff as a result. This is setting a dreadful precedence when it then comes to managing clients moving forwards. The workload expected of many staff (especially in client servicing) is shocking. Work/life balances are not what they should be and incentives/rewards when hard work is shown are almost non existent."

Designer, director, permanent, in current role less than two years, female, aged 30-39, intends to change job in the next twelve months.

"In an industry where people and ideas are the most important resource, the level of training and mentoring is unfortunately quite low in most agencies."

Account manager, permanent, in current role less than a year, male, aged between 40-49, considering changing job in the next twelve months.

"The design industry as a whole does not work hard enough at pushing the importance of good design into the public conscience. There are too many cliché awards and self-appreciation, we need to get the message across to the public that design can improve life. God bless Steve Jobs."

Designer, manager, permanent, in current role less than five years, male, aged 60 and over.

5.

Recruitment practices a significant cause of frustration for candidates.

Although respondents were asked no direct question about recruitment some expressed their frustration at the lack of professionalism by those responsible for recruitment.

Quotes from respondents:

"...There is a trend in registering bogus roles by both clients and recruitment agents simply to see what talent is out there. This has happened to me several times when I've applied for roles, spent precious money on travel and been sold a role that might or might not materialise depending on which way the wind blows on a particular day, only to find that months later there never was such a role or at least the company has 'reviewed its staffing needs and decided against hiring'."

Designer, director, not currently working, male, aged between 40-49, sometimes writes thoughts about work on social networks.

"Afraid to say but recruitment companies have become shockingly unprofessional. Companies who once were seen as the best recruiters are now being viewed as difficult to deal with and exhibiting 'ivory tower' mentalities which will come back to haunt them. There are few recruiters that deliver a personal service, and even those who believe they do would be sorely shaken if they were audited by external bodies on how they deal with candidates – the lifeblood of their business. I, for one, have a list of recruiters I will never use again, simply because they have exhibited worrying degrees of unprofessionalism; when I am back in a role and responsible for recruiting, I don't want to sully the brand name of the agency I work for with those recruiters who have acted in such a way. That's not vindictiveness but rather more about running a business on good ethical principles. The main problem is a massive lack of communication from them, especially when the candidate has taken great pains to attend interviews on time and performed well, according to the client at the time. Yes, the clients themselves are taking time to come back to the recruiters but the candidates themselves are being practically ignored in the interim. Even polite emails of "Any news" go unheeded when a simple "Nothing yet I'm afraid but we're working on them – hang on in there" would go a long way to bolstering the confidence of said candidate. For me, recruitment companies have become the 'estate agents' of the industry – a necessary evil but sadly lacking in civility and social etiquette that beggars belief."

Designer, director, not currently working, male, aged between 40-49, sometimes writes thoughts about work on social networks.

"...The big problem any freelancer faces is making people aware of you. Typically, getting through to any HR people at agencies is near impossible... With recruiters from whom I'm not getting regular work, I'm constantly being asked to send a CV and folio/link in. So you end up sending the same CV to people you sent it to two days before..."

Designer, freelance, male, aged between 40-49, sometimes writes thoughts about work on social networks, intends to change job in the next twelve months.

Quotes from respondents:

"Unless you have 'digital' in your portfolio, no matter how good you are with clients or fantastic your ideas it appears that companies believe you are unable to adapt to 'thinking online' because you weren't born in the 'Nineties."

Designer, director, not currently working, male, aged between 40-49, sometimes writes thoughts about work on social networks.

"Overall recruitment and retention process is poor. Agencies look towards the past in terms of employee management, and have not moved with the times. Employing junior staff and over-working them at low rates. Experience has been devalued. They certainly do not practice what they preach in building their own brands – particularly through visible leadership and engagement. But, the UK still has an amazing talent base of creative people, we just need to allow them to focus that skill into brilliant work for clients through providing the right environment in the UK. How to do it? Start listening to what we recommend our clients to do. Start bringing more professional leadership in the industry. Have some fun, but let's help the industry mature, it's still a noisy messy teenager at the moment."

Designer, manager, freelance, male, aged between 40-49.

Methodology

We asked people who work within digital or design agencies to share their views anonymously about how it feels to work within their agencies right now.

The research was carried out online between 3-7 October 2011 by Rachel Fairley of Fairley & Associates and Professor Stephen Platt of University of Edinburgh, working in collaboration with Gabriele Skelton and On Pointe Marketing.

496 of a possible 3201 (15.5%) people invited to participate did so. All respondents are either clients or candidates of Gabriele Skelton.

The majority of questions were statements where respondents were asked for their point of view on how important an attribute was to them personally (very important, quite important, not important, not sure) and how well the agency they work for currently or most recently was performing in relation to each of the attributes (very well, quite well, not well, not sure).

This year a new section asked respondents to agree or disagree with statements about perception of how their working experience has changed since 2007 (i.e. before the current economic crisis).

About the participants

Management function: 16.4% are owners, 6.8% are on the executive team, 17.9% are director level, 25.0% are managers, 33.8% are in non-management role.

Role: 50.0% are designers, 10.6% strategists, 14.6% work in account management, 7.6% in production, 3.5% new business/marketing, 1.3% human resources, with 12.4% classing their roles as being in other parts of their organisation.

Employment status: 60.6% of respondents are permanent employees, 32.6% are temporary/freelancers and 6.8% currently not working.

Length of service: 25.8% of participants have been with their employers for more than 5 years, 5.6% for 4-5 years, 7.8% for 3-4 years, 8.8% for 2-3 years, 16.7% for 1-2 years, and 35.4% under 1 year.

Age: 10.4% were aged under 30 years, 41.4% 30-39 years, 36.9% 40-49 years, and 11.3% 50+ years.

Gender: 56.8% of the sample was male and 43.2% was female.

About us

Fairley & Associates works with companies and agencies to effect change, solve immediate business challenges and build long-term capabilities in brand, marketing and engagement. Our clients report greater traction within their organisations and in the marketplace.
www.fairleyassociates.com

Gabriele Skelton is a specialist design and digital recruitment agency. We're matchmakers; we connect the right candidate with the right client to create something new. We love working with creatives, account handlers, consultants and thinkers, techies and developers. It's about making the right connections to get the right reaction – unusual combinations that make the magic happen. That's what we mean by chemistry.
www.gabrieleskelton.com

On Pointe Marketing works with agencies to build external and internal reputation to drive the business development pipeline and retain and attract talent. We create business and brand-led marketing plans and ongoing implementation consultancy. In a world where agencies sometimes wear the worst shorn shoes, we are the cobbler.
www.onpointemarketing.com