



Captivating, not distracting

Learn more

OPINION

## How do you solve problems like agency vacancy, churn, pay and diversity?

Last week saw a real focus on the gender pay gap among media owners and agencies. But TrinityP3's Ellie Angell asks if there's another industry survey, the MFA Census, which we should also be examining.

March 14, 2024 9:59  
by ELLIE ANGELL



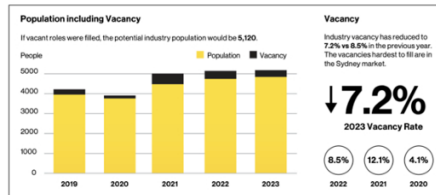
There's an old proverb that says: "Never ask a question unless the answer makes a difference."

I thought of this as I was reading the annual MFA 2023 Industry Census data that was released a couple weeks ago.

As it always does, the Census provided interesting reading, and some positive headlines across the trades. The MFA, supported by Media's surveys, is to be applauded for this annual exercise in transparency but as I read it, I found myself left with as many questions as I had answers, particularly on key industry issues like vacancy rate, staff churn, pay equity and diversity.

### Tackling the dual problems of vacancy & churn

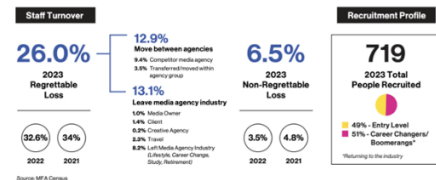
Let's start with some of the good news: the media agency talent war (which has been the bane of many an agency boss and their HR Director) appears to be abating. From a high of 12.1% in the wake of the pandemic, we're down to 7.2% (with the 4.1% in 2020 an unusual year, given the pandemic/lockdowns).



From a client perspective that fall is a good thing, although the vacancies are only segmented by geography on the report, and by a few broad role types on the media release, which notes that 'the most in-demand roles continue to be in Implementation, Client Service, and Performance' frustratingly vague and if included in more depth we would likely get a clearer picture on changing shape of requirements and skill sets in media agencies and most importantly where there might be skills gaps.

The question of churn is a more complex question but it appears media agency land remains a place where clients can expect around 32% (around one third of the people working on a marketer's account) to move on within the year. And the good news is that this is down from around 40% last year.

Each year the MFA breaks churn into two parts: "regrettable churn" and "non-regrettable churn". With regrettable churn representing people who move between media agencies (this year 12.9%) or leave the media agency industry (13.1%).



The reduction in "regrettable churn", currently sitting at 26%, was according to the MFA media release a "dramatic" decrease. Which sounds great, but perhaps the use of the word "dramatic" is slightly disingenuous since the previous COVID-affected periods 2022 and 2021 represented an unusually high spike.

As an industry we should probably be talking about a "return to normal levels" when it comes to churn. It would definitely be a more accurate

Mumbrella PUBLISH Awards  
2024 Entries Now Open  
ENTER NOW

ADVERTISEMENT

Mumbrella  
PUT YOUR BRAND



description given the period October 2019 to September 2020, the regrettable churn level was only 23.3%, and with the exception of a spike in 2015-2016, the previous decade has consistently sat with a "regrettable churn rate" in the 23-28% range.

There is clearly still a lot of work to be done. When we at TrinityP3 run a media agency pitch or a review of an incumbent agency, often the high staff churn rate (marketers complain there's a different person on their account all the time) is absolutely a factor.

### The questions that we aren't asking, and therefore not answering

As I've already mentioned overall, churn sat at 32%. But of this around a third of this or 12.9% of the workforce chose to move to a different type of media agency.

What are the underlying trends here? Was it for more money (I can't tell you the number of times I've heard agency bosses, who'd lost talent then claim "we could never afford that!" I always wonder who it was who could, cause someone definitely was...) or are there now other factors not coming into play?

The rise of independent media agencies is well documented; but the maturity of the market means that within this subgroup there are now some very different players popping up, who themselves are seeking to differentiate themselves from the established indies.

What many of these newer model agencies promise, in pitches, positioning and leadership, represents a big cultural shift away from the perceived grind of the multinationals.

They promise of more adequate staffing levels, more experience, less red tape, stronger work-life balance, fully engaged people and culture leaders without unmanageably broad remits, more authority and entrepreneurial spirit, more personalised training, and better culture and perks that have evolved beyond bean bags and table tennis tables and Friday drinks.

I am of course being unkind and unfair and stereotypical to the multinationals here, many of whom have done their best to evolve in different ways and have seen some success but the fact that this figure remains persistently high means it's a question we would all benefit to understand.

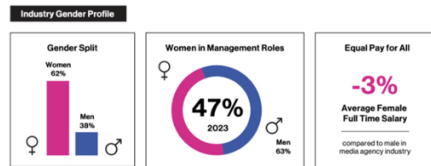
Our industry should also be asking questions of the people who leave media agency land altogether.

With the exception of retirement (and let's be honest, how many near retirees did you see on your last media agency visit?), the 'what' in the 13.1% who left media agencies altogether is also important. Why did this many people feel the need for a career change or a lifestyle change? Long working hours or other unfavourable conditions? Lack of promotion? Cultural toxicity? Lack of perceived change?

And equally more than 350 people were reported as "boomeranged" back – that's great, but why? What led them to return and how do we make sure they want to hang around? These are other questions we'd do well to delve into and marketers would love to hear about.

### The other elephants in the room – gender/pay equity and a lack of diversity

Additionally, the MFA Census shines a spotlight on a number of other issues that are worth exploring but might be perhaps uncomfortable.



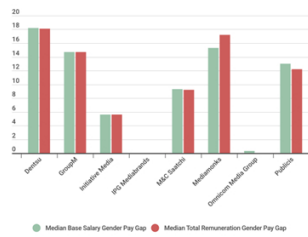
The industry is approaching near parity on women in management at 47% (I'm assuming here the 63% is a typo and it's actually its 53%) but our gender split across agencies is actually 62% women and only 38% men, yet this sector still has a pay gap.

While it may not be the biggest compared to other industries, why does it exist at all? And against a backdrop where multinationals in recent years have all launched a raft of parental/equity policies in this area or is it an issue for them or now more an issue for independents? All of these are questions marketers would love to know, especially for any agency touting their credentials in targeting female audiences.

Talking of multinationals, I'd also note there appears to be a disconnect or perhaps divergence with the WGEA stats, released last week, that showed some significant discrepancies in pay equity in the big media agencies and while Omnicom and Mediabrand appear to be doing well, many others had double digit gaps to close.

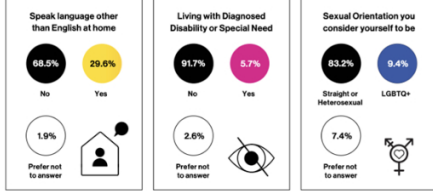
I appreciate that the MFA work will have included smaller agencies which will have made a difference to their results, but still, the wider evidence is compelling and has zero spin attached to it. It's another reason for the MFA to segment by agency type – at least multinational / independent – again data here can be our friend and empower clients, management and staff to have difficult conversations.





Source: WGEA Data Explorer - Charts prepared by TrinityP3 Marketing Management Consultants  
 Made with **Blipray**

Our ability to reflect and understand contemporary Australia is also an obvious question which comes through in the report. People living with a diagnosed disability or condition requiring workplace adjustment is just 5.7%, while across Australia that figure is 17.7%. On sexual orientation we're at 9.4% compared to estimates which put it at 11% of Australians (but there's also 7.4% who declined to answer.)



Interestingly the cultural background stats throw up some rather perplexing questions both in what's asked but also what isn't. For example, while the survey asks what percentage of respondents are "Australian" there's no delving into whether they might have a First Nations background – relevant in a context where 3.2% of Australians identify as being First Nations and many corporates remain committed to pursuing reconciliation.

Another figure which stands out is that 29.6% of media agency land speaks a language other than English at home which is actually 7.3% points higher than the 2021 Census, which puts the percentage of Australians who speak a different language at 22.3%.



That's great except the cultural and ethnic backgrounds chart shows 88% of the agency workforce is from an Australian, New Zealand or European (Northern or Southern) background (maybe everyone studied French, German, Spanish or Italian at university and now speaks it at home?)

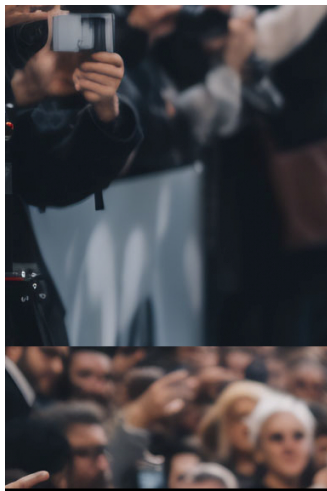
But seriously, given Australia's net migration rate, understanding the percentage of speakers in media agencies who understand a non-English language (and hopefully also the culture) for say Australia's biggest non-English languages like Mandarin, Arabic, Vietnamese, Cantonese and even Punjabi (Australia's fastest growing language) is an obvious question for the MFA to ask and one that would be really beneficial for marketers to understand.

Afterall, media agencies hold a unique position in adland. They are entrusted with billions of dollars of client spend and thus the health, wellbeing and backgrounds/perspectives of their people are something that matters to all parts of the media ecosystem be it brands/marketers, media owners or other agencies alike.

I think these deeper questions are important in the context of truly understanding where this industry needs to find solutions that reduce vacancy and churn, close the gender pay gaps and ensure our sector reflects and understands the Australia it is serving ads to.

Perhaps some of these questions are difficult, even provocative maybe, and to be fair to the MFA, any census is a worthwhile exercise, but the reality is this is a survey that can do more and to not delve into these important questions is simply a lost opportunity.

Ellie Angell is business director for TrinityP3



✉ Subscribe to the daily newsletter

full name ... company name ...

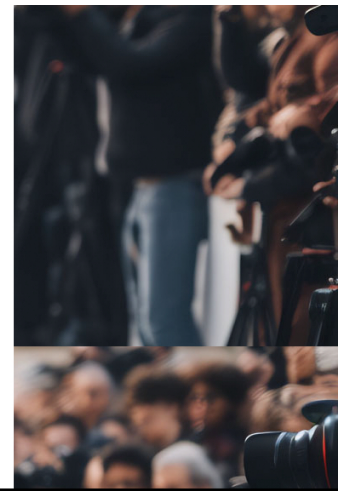
your email ...

[GOT A TIP?](#)

topics [AGENCY VACANCY](#) [CHURN](#) [DIVERSITY](#) [ELLIE ANGELL](#) [PAY](#) [TRINITYP3](#)

[f Share](#) [Tweet](#) [In Share](#)

**REACH OVER 50,000  
MEDIA & MARKETING  
PROFESSIONALS**



LATEST



Optus announces new CEO



'Qantas' conduct was egregious and unacceptable': Airline hit with \$120 million in penalties



Marketing Science Ideas Xchange (MSIX) makes triumphant return in 2024



Clemenger BBDO appoints new chief creative officer



UPDATE: Thinkerbell declines Endeavour Group creative pitch invite