

Danish companies not sufficiently ready for demographic change

The Adecco Institute presents the Demographic Fitness Index for Danish companies: Denmark ranks above European average in career and health management and age diversity - but worst results of 9 countries in knowledge management

Copenhagen, Denmark – September 19, 2007. Danish companies have to make bigger efforts to prepare for the ageing of their workforce. That is the conclusion of the most comprehensive study on the “demographic fitness” of Danish companies presented today by the Adecco Institute and Adecco Denmark.

The comparison with 8 other countries (UK, France, Italy, Spain, Germany, Belgium, The Netherlands, Switzerland) reveals strengths and weaknesses:

Danish companies are leading Europe in career management and are among the best in health management and age diversity, but at the same time they score the worst results in knowledge management. Overall Denmark ranks 3rd of the 9 countries surveyed.

By 2020, compared to the year 2000, there will be over one quarter more Danish workers aged 50 or more, and one fifth less workers aged 30 to 44 years. The group of workers aged 55-59 will rise 30% and those 60 to 64 years will rise by 50%. Meanwhile, the “over-40s” are already in the majority and by 2010 will account for 53% of all workers. While the numbers of older workers is rising fast, the population of Danes under-19s in 2020 will be practically the same as it was 30 years before, in 1990. Denmark in this respect fares better than most EU countries where the number of teenagers will have fallen by double-digit rates by 2020.

Danish companies' awareness about these demographic changes is the lowest of all 9 countries surveyed. On average 48% of Europe's companies regard “demographic change” as the second most important challenge after globalisation (with Swiss firms ranking it in first place, ahead of globalisation), compared to only 35% of the 250 participating Danish companies. When it comes to knowing their current age structure, Danish companies are the least prepared in Europe. Over 50% of all firms are not able to forecast the demographic evolution of their workforce.

The Demographic Fitness Index DFX: Denmark scores 185 out of 400 points

The basis of this evaluation is the Demographic Fitness Index DFX which has been developed by the Adecco Institute. The index measures the readiness of companies for tackling the consequences of an ageing workforce in 5 key areas and scores them from 100 (minimum) to 400 (maximum). The 5 analysed dimensions are: career management, life-long learning, health and knowledge management, and age diversity management.

The Adecco Institute's DFX study has surveyed 4,250 companies of various sizes and active in various sectors in 9 countries (UK, France, Italy, Spain, Germany, Belgium, the Netherlands, Switzerland, Denmark). The individual company results allow us to calculate country indexes. Denmark scored 185 out of 400 possible points, ranking it 3rd among the nine countries.

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The nine countries' average score was 182. The best results have been obtained by the United Kingdom with 189 points and France had the lowest score with 172 points.

Almost 40% of Danish companies scored over 200 points compared to an average 29% for the other eight countries.

Danish firms are the European champions in providing career management tools and are among the best in Europe for offering lifelong learning tools. Denmark is also the leader in providing workers with long-term and preventive healthcare options and Danish companies are among the best for age diversity management. However, Danish companies rank last in Europe in knowledge management which puts them at risk of losing workplace-specific and company-specific knowledge when individual employees leave.

The studies' cross-national results

European companies across the 9 countries average just 182 index points, indicating great room to improve their readiness to meet the challenges of the demographic change.

The overall conclusions for Europe are that:

- Only few European firms offer their staff a sufficient range of career management tools used only by a little share of employees and especially neglected by those over 45 years.
- Companies offer advanced training possibilities used by only around 50 % of their workforce. They mainly consist of standardized trainings, leaving the individual needs and key qualifications largely unconsidered.
- In the field of knowledge management, there is a significant lack of structured information on business-critical information, i.e. on which employee holds which kind of specific information and how it is passed on and shared.
- Health management is ripe for improvement in the whole of Europe. Few firms go beyond the basic compulsory programs (like check ups), to offer longer term health tools like stress reduction, lifestyle and dietary advice.
- While an overwhelming majority of firms respect the legal requirements on age diversity, and formally treat all age groups equally, most do little to promote a dynamic culture of mutual esteem, mentorship and skill transfers.

This study shows that all these measures do not serve to salve consciences, but that they have real economic consequences. A higher DFX helps a company to improve its competitiveness, its ability to innovate and its productivity by over 20%, which means that an improved demographic fitness has a direct and positive impact on the corporate success.

The Institute will aim to publish its DFX index periodically, thus giving firms and policymakers a tool to measure European progress on demographic fitness.



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Fur further information on the Adecco Institute please visit: www.adeccoinstitute.com

About the Adecco Institute:

The Adecco Institute, based in London, is a think tank on the future of work. Its chairman is Wolfgang Clement, former German Minister of Economics and Labor (2002-2005); its Managing Director is Peter Siderman. The Adecco Institute is committed to facilitating discussions on the topic of work. Through primary and secondary research as well as white papers and forums for discussion, the Institute provides forward-looking approaches to help companies and economies raise employability, productivity and employee satisfaction at work.

About Adecco

Adecco is the world leader in human resources solutions with a turnover of 20.4 billion Euro in 2006. The Adecco network consists of 37,000 employees and 6,700 offices in more than 70 countries and regions and employs more than 700,000 people every day. The company is headquartered in Switzerland and provides a unique offer of flexible human resource solutions to its business clients and qualified partners.

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