

## **Swedish companies best prepared for ageing workforce in comparison of 11 European countries**

Biggest survey of Swedish companies on demographic change shows little concern over ageing population; Swedish companies below European average in analyzing age structures – skill shortages a growing problem

**Stockholm, Sweden – December 10, 2008.** Swedish companies worry less about the ageing of the workforce than companies in other European countries. Only 31% of Swedish companies consider demographic change to be one of the most important challenges of the future, compared to an average 47% of companies in Europe's five biggest economies, Germany, France, the UK, Italy and Spain. Consequently fewer Swedish companies have analyzed the age structure of their employees, a prerequisite to prepare for an ageing workforce: only 20% know the age of their staff, compared to an average 40% of companies in the five biggest European economies. Yet, in a survey of more than 5000 European companies, measuring the degree to which companies are prepared for an ageing and shrinking workforce, Swedish companies take the first place of all 11 countries surveyed. The survey, the biggest on "demographic fitness" among European businesses, was conducted by the Adecco Institute and presented today by Adecco Sweden.

Following interviews of HR managers, and on a scale of 400 points, the Demographic Fitness Index (DFX) measures the preparedness of companies to cope with demographic change. Swedish companies averaged 196 points. Other countries' scores were: Norway 194, Germany 186, UK 186, Denmark 183, the Netherlands 183, Belgium 182, Italy 182, Spain 180, France 174, Switzerland 172.

"Although Sweden wins in a European comparison, reaching 196 points out of a possible 400 shows that a lot remains to be done if Swedish companies do not want lose their ability to innovate and compete because of a shrinking and ageing workforce. The goal of establishing the DFX is to raise companies' awareness of the demographic challenges lying ahead of us. A lesson from the financial crisis is to rediscover future planning and to pay more attention to early warnings. To prepare for an ageing workforce is nothing that can done from one day to another, at some point it is simply too late. It takes strategic measures and a long-term perspective. For this, the survey's results offer valuable insights that help companies understand the issue and take specific action", says Hans-Peter Lindqvist, country manager of Adecco Sweden.

The ageing of the Swedish population and workforce is an irreversible fact. In 2000, 22.2% (EU: 20.3%) of the Swedish population were 60 and older. By 2010 that figure will be 25.1% (EU: 21.9%) and will by 2025 have risen to 28% (EU: 27.6%). Despite this growth of the older population, Sweden fares better than other European countries. In less than 10 years, people over 40 will be in the majority across Europe for the first time in history. In Germany and Italy, 60 percent of all inhabitants will be over 40.

Swedish companies are more optimistic when asked about the future challenges: whereas companies in Germany, France, the UK, Italy and Spain on aggregate say that

globalization poses a major challenge (56%) followed by technological progress (53%) and demographic change (47%), the HR managers of Swedish companies rate those issues as a much smaller challenge: technological progress (39%) is considered more important than globalization (36%) and demographic change (31%).

The DFX measures five key areas of HR management that influence a firm's ability to successfully cope with an ageing workforce: career management, lifelong learning, knowledge management, health management, and diversity management. The indices are calculated based on the answers given by 350 Swedish firms of all sizes and sectors. The aggregate of the company results is the country index.

In the pan-European comparison, Swedish companies have reached the number one position because they do particularly well in some of the above mentioned five areas: Lifelong learning is taken more seriously by Swedish companies than by companies from other countries and its necessity is more widely accepted by employees. Also, career management is more advanced than in other European countries. In health management Swedish companies do better than firms in most other countries. In age diversity management Swedish companies set the standard and lead over the rest of Europe.

Clearly below average is the knowledge about the age structure of the workforce. Only one in five Swedish companies (20%) knows the age of their staff. This is only half of the European average (where 41% of companies have fully analyzed the age structure of their workforce). Probably because Swedish companies see less of a danger in the demographic change than most of their European counterparts, less importance is attributed to a comprehensive analysis of the age composition of their employees. Also in knowledge management Swedish companies are below the European average, especially in documenting business-critical knowledge.

The skill shortages, particularly in technical and engineering skills, Swedish companies complain about to almost the same extent than companies in other countries (32% of Swedish companies compared to 35% of European companies), illustrate that Sweden cannot escape the consequences of a shrinking and ageing workforce.

Also, the Swedish optimism has not led to a long-term staff planning. In Sweden the advance planning of staffing needs is only slightly above European average (1.2 years versus 1.1 years average of the five biggest EU economies).

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#### **About the Adecco Institute**

The Adecco Institute, founded in 2006 and based in London, is a think tank on the future of work; it 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 Adecco Institute provides forward-looking approaches to help companies and economies raise employability, productivity and employee satisfaction at work. The Institute is chaired by Wolfgang Clement, former German Minister of Economics and Labor.

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