

## **Adecco Institute introduces demographic fitness index (DFX) as a new corporate performance indicator**

**2006 demographic fitness survey findings show better DFX scores can add 20% to a firm's competitiveness, innovation and productivity**

Frankfurt, Germany – October 24, 2006: Demographic change, particularly workforce ageing, will start to affect all of Europe in a substantive way and over a surprisingly short period of time. EU companies have great potential to improve their readiness to face such change – by sharpening their “demographic fitness” – according to this first White Paper from the new Adecco Institute, chaired by Wolfgang Clement.

Few published studies have so far dealt with the impact that demographic factors will have on European companies' long-term business success. Recognizing this attention deficit, and the value of hard data, the Institute launched a demographic fitness index (DFX) to measure firms' preparedness across five areas: career management, lifelong learning, as well as health, knowledge, and age diversity management.

In September 2006, the Institute sponsored a survey of 2,500 companies of all sizes and sectors in the five biggest European economies, scoring them on the selected indicators, and then mapping the results to an index of 100 to 400 points. Using the individual firm scores, country indices can be calculated and an overall EU figure collated.

In this first DFX, European firms averaged just 183 index points and two-thirds of them scored 200 or less, thus indicating great room to improve their readiness for change.

More specifically, the study found that:

- Few firms provide a sufficiently broad range of career management tools and few employees make use of those available, especially workers aged over 45.
- Companies do offer continuous education and around half of employees use these, though it is mostly standard workplace based training focused on qualifications rather than individualized programs or softer skills.
- While firms often have basic knowledge management tools in place, and understand the technical expertise needed in the workplace, most do not know who their experts are – i.e. who has expertise in what.
- Healthcare management is ripe for improvement in Europe. Few firms go beyond the basic compulsory programs (e.g. 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 beyond that to promote a dynamic culture of mutual esteem, mentorship and skill transfers.

# Press Release

The study underscores that such measures are not about “feel good” ideas, but rather about hard economics. Better DFX scores can add 20% to a firm’s competitiveness, innovation and productivity i.e. these could translate directly into real business success.

While EU companies are starting to recognize demographic change as a big challenge – one of the biggest after globalization – most have not yet analyzed their employee age structure fully, and still see personnel planning as a short term event.

The Institute contends that demographic fitness is not rocket science. All the measures and tools across the five areas are within reach for most companies if they have the will to adopt them, and the pay off could be substantial.

For all of Europe, population ageing is here to stay and will prove both a challenge and an opportunity. The far future of business in Europe will belong to those companies that realize the former and seize the latter.

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

**For further information about the Adecco Institute please visit: [www.adecco.institute.com](http://www.adecco.institute.com)**

## **About Adecco**

The Adecco Group is the world market leader in Human Resource services with sales of EUR 18.3 billion in 2005. The Adecco network connects over 700,000 associates with business clients each day through its network of 33,000 employees and 6,600 offices in over 70 countries and territories around the world. Headquartered in Switzerland, and managed by a multinational team with expertise in markets spanning the globe, Adecco delivers an unparalleled range of flexible staffing solutions to corporate clients and qualified associates.

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