

**For immediate release**

## **Hiring expectations highest since 2001**

*Strong hiring trends expected to continue through Q3 2005*

**SINGAPORE, 3 AUGUST 2005** – Hudson, one of the world's leading professional staffing, outsourcing and human capital solution providers and a division of Hudson Highland Group, Inc. (NASDAQ: HHGP), has released findings of its Hudson Report for Quarter 3 (Q3) 2005. With a reputation as a key socio-economic indicator in the current marketplace since its Asia launch in December 1998, the survey has been built on the premise that employers' expectations of an increase or decrease in staffing levels represent a significant indication of their optimism in the growth of their organisation and their industry as a whole.

In Asia, nearly 2,200 key employment decision makers from multinational organisations of all sizes in all major industry sectors were surveyed in China, Hong Kong, Japan and Singapore during June 2005. Five hundred and forty-three of these executives are based in Singapore. The five industry sectors surveyed are Banking and Professional Services, Consumer, IT & Telecommunications, Manufacturing and Media/PR/Advertising.

Significant findings in **the Q3 2005 Hudson Report** are:

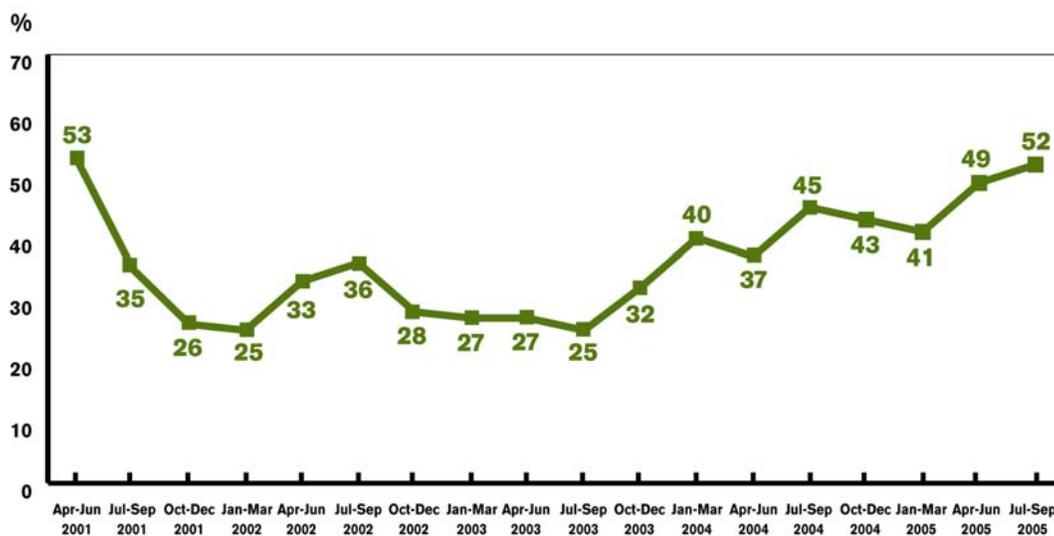
- Hiring expectations at 52% is the highest since 2001; this is also higher than Q2 2005 (49%);
- The banking and professional services sector has the highest hiring expectations with 61% forecasting headcount growth, a significant increase from 48% in the last quarter;
- Sales professionals remain the most sought after, accounting for 25% of all new hiring, and the demand for engineering/operations/technical, IT, marketing/PR staff is also relatively high;
- Seventy-nine percent of companies across all industry sectors forecast their company performance to be excellent or good;
- Seventy-six percent of respondents surveyed report difficulties in filling job vacancies in a candidate-short market;

- The banking and professional services sector and consumer sector face the greatest difficulty in finding talent;
- Forty-seven percent of executives surveyed indicate that candidates have declined their job offers in the last six months;
- Almost a third of candidates reject job offers because they have higher salary expectations;
- More than 40% of companies report that they need to look overseas to fill job vacancies

## The latest employment trends

Singapore's permanent employment expectations continue to rise from the last quarter with 52% of companies planning to increase headcount, pointing to continued strong growth in the employment market in Q3 2005. A further 46% of professionals surveyed anticipate that employment will remain steady and only a nominal 2% forecast a decline in headcount. At 52%, the number of employers expected to increase headcount is the highest since Q2 2001.

### **Permanent increased hiring expectations over time in Singapore**



Source: The Hudson Report – Singapore, Q3 2005

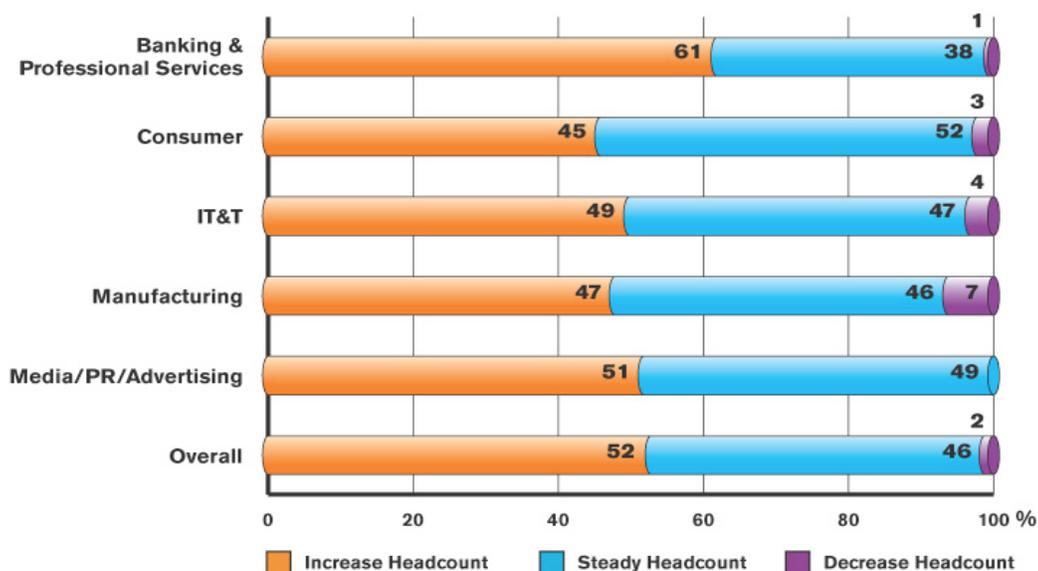
Stefanie Cross-Wilson, Country Manager, Hudson Singapore, comments, “The employment market continues to see an increase in hiring expectations. At the same time, companies are finding it increasingly more difficult to recruit the professionals they need in a talent-short market. Thus, they have to be engaged in a war for talent and many report that they have difficulties filling job vacancies.”

The banking and professional services sector has seen the largest increase in hiring expectations, 61% of companies plan to add headcount which is a significant increase from 48% in Q2. There is a strong demand for staff in many key areas including wealth management, sales, compliance, technology and operations.

Hiring expectations in the media/PR/advertising sector remains strong with 51% of companies expecting to hire in Q3 2005. The consumer sector, bolstered by improved market and retail sentiment, is seeing a further increase in hiring expectations as compared to Q2 (43%), with 45% of respondents anticipating boosting headcount in Q3.

The IT & telecommunications sector is seeing increased hiring expectations with 49% of companies expecting to recruit staff, a slight increase from Q2 (47%). The demand is partially due to renewed investment in large IT projects by banking, consumer, logistics and manufacturing companies.

**Permanent hiring expectations in Singapore**



Source: The Hudson Report – Singapore, Q3 2005

### The hottest jobs in Singapore

As in previous quarters, the area where demand remains the highest is Sales, which accounts for 25% of all anticipated new jobs.

The second highest level of demand is for engineering/operations/technical positions, at 16%. There is continued strong demand for engineering experience from high-end manufacturing companies. This is also the case with IT positions, which account for 11% of anticipated new hires.

### **Anticipated company performance**

Companies across all industry sectors have a high level of confidence about their likely company performance in the next six months. Seventy-nine percent anticipate their company performance will be excellent or good. Only 1% believe their company performance for the second half of 2005 to be poor. The most buoyant sectors are the banking and professional sector, with 91% expecting their company performance to be excellent or good.

### **Companies face difficulties in filling jobs in a talent-short market**

Seventy-six percent of companies report difficulties in filling job vacancies. The sectors with the highest hiring expectations also face the greatest difficulties in filling job vacancies. Eighty-one percent of the banking and professional sectors, 78% of consumer companies and 71% of the media/PR/advertising sector often or sometimes have problems in recruiting the staff they need.

### **Candidates' response to job offers**

Forty-seven percent of executives report that candidates have declined their job offers in the last six months. This is particularly so in the banking and professional sectors, where 56% have had their job offers rejected by candidates. Slightly more than half of consumer companies surveyed also report that they have had recent job offers declined.

Higher salary expectations constitute the main reason given by candidates for turning down job offers, with 29% of employers citing this as the principal reason. Other major reasons why candidates decline job offers include the acceptance of other job offers (23%) and counter-offers by their present employers (17%).

### **Companies look to overseas candidates**

As it becomes more difficult to fill vacancies, companies are increasingly looking overseas for the talent that they need. Forty-three percent of respondents report that they have to look outside Singapore to search for talent.

Overall, more companies look for talent in Australia and New Zealand than in any other country. In particular, these countries provide a large number of candidates to the media/PR/advertising and banking and financial services sectors.

## **Candidates moving overseas for work**

Companies are far more likely to look overseas to fill vacancies than to lose their existing staff to other countries with only 15% of companies reporting that they are losing talented staff overseas.

China is the main destination for Singapore employees who take up overseas job postings, with a particularly high demand from manufacturing companies, as 53% of respondents in Manufacturing said that their staff and candidates move to China for work opportunities.

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