

**For immediate release**

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## **Hiring expectations continue to rise across Asia, survey reveals**

*The buoyant market is making employers respond with higher bonuses and salaries, according to **The Hudson Report for Q1 2011***

**HONG KONG – 20 JANUARY 2011** – The hiring expectations of multi-national corporations across major Asian markets continue to rise, according to a just-released quarterly study. Hudson (NASDAQ: HHGP), a leading provider of permanent recruitment, contract professionals and talent management services worldwide, today released findings of its comprehensive quarterly *The Hudson Report for Asia*. With a reputation as a key socio-economic indicator since its Asia launch in 1998, the survey on employers' expectations of an increase or decrease in staffing levels represents a significant indication of their optimism in the growth of their organisation and their industry as a whole. Over 1,500 key employment decision makers were surveyed in December 2010 from multinational organisations of all sizes in all major industry sectors. The locations surveyed were China (Beijing and Shanghai), Hong Kong and Singapore.

Key findings in ***The Hudson Report – Asia Q1 2011*** are:

### **HIRING EXPECTATIONS**

- Seventy-two percent of respondents in **China** forecast headcount growth this quarter, a steep rise from 65 percent in Q4 2010;
- Expectations remain at the highest level ever recorded by *The Hudson Report* in **Hong Kong**, where 66 percent of respondents expect to hire more staff;
- **Singapore** also has rising expectations, with 62 percent predicting headcount growth, the highest level since Q2 2000.

### **OTHER KEY FINDINGS**

- A substantial majority of employers in every market will pay discretionary bonuses for 2010;
- Employers in China will pay the highest bonuses, those in Hong Kong the lowest;
- Employers in all three markets are increasingly willing to pay salary rises to existing managerial staff;
- In the face of rising hiring expectations, companies are implementing a variety of strategies designed to retain key employees;
- A majority of employers in China and Hong Kong are using web-based and other social media channels to attract managerial hires;
- Online recruitment sites/job boards are the most widely used web-based recruitment channels.

### **DETAILED FINDINGS**

## Higher hiring expectations in all three markets

Respondents in all three markets report an increase in hiring expectations this quarter. The steepest rise in expectations is in China, followed by Singapore.

In **China**, across all the sectors surveyed, 72 percent of respondents plan to grow headcount in Q1, a sharp rise from 65 percent the previous quarter. Hiring expectations are now at their highest level since *The Hudson Report* was launched in Q4 1998. The Banking & Financial Services sector has the highest expectations this quarter: 79 percent expect to hire more staff, up from 68 percent in Q4. Much of the demand for new staff is driven by the expansion of overseas banks as they start operations in second and third tier cities.

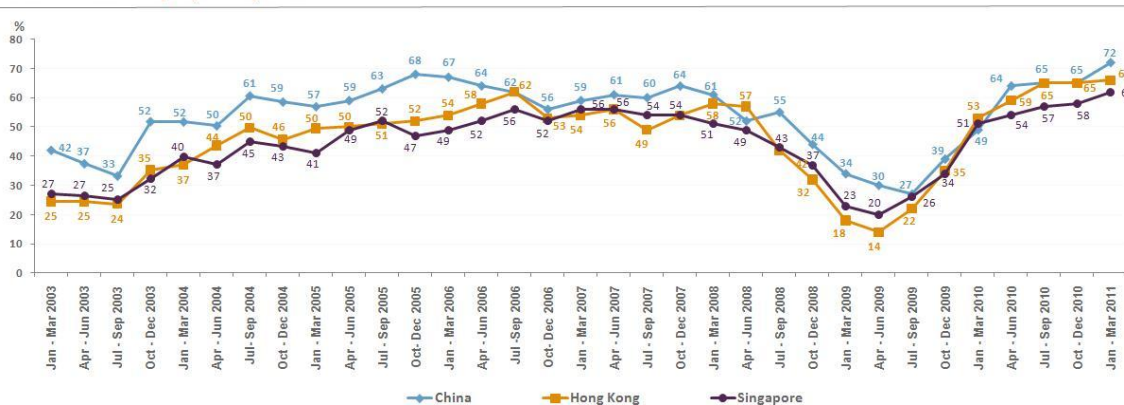
Expectations in **Hong Kong** are also higher than at any time since the launch of *The Hudson Report*. Overall, 66 percent of respondents expect to increase hiring, compared with 65 percent in Q4. In the IT&T sector, 77 percent plan to grow headcount, up from an already high 70 percent. In the Banking & Financial Services sector, 75 percent of respondents forecast headcount growth this quarter, compared with 68 percent in Q4. Professionals with experience in corporate finance in Mainland China are sought after and other key areas include equity sales, private banking and prime brokerage.

Across all sectors in **Singapore**, hiring expectations have risen for the seventh consecutive quarter and are at their highest level since Q2 2000. Overall, 62 percent of respondents expect to increase hiring this quarter, up from 58 percent in Q4 2010. The IT&T sector reports the highest expectations this quarter: 72 percent expect to hire more staff, up from 68 percent in Q4. Many of the positions that disappeared during the economic downturn are now being filled again and key areas include mobile applications, business intelligence and cloud computing.

Mike Game, CEO, Hudson Asia, comments, *"Hiring expectations have risen in all three countries, making the recruitment market increasingly competitive. Candidates have an array of attractive opportunities and employers are responding with higher bonuses, salary rises and a range of retention strategies."*

### REGIONAL PERMANENT INCREASED HIRING EXPECTATIONS OVER TIME

Source: The Hudson Report, Asia - Q1 2011



## Large majority will pay bonuses

The majority of employers in all three markets say their organisation will pay discretionary year-end bonuses for 2010. The proportion planning to pay bonuses has risen in every market since this question was asked at year-end 2009.

Overall, 92 percent of respondents in **China** will pay discretionary bonuses for 2010, a higher figure than for the other two markets. In every sector, a higher proportion of respondents plan to pay bonuses than a year ago. The differences between the sectors in their approach to bonus payments are small: the responses to this question range from 83 percent to 95 percent.

In **Hong Kong** 82 percent of respondents say they will pay discretionary bonuses this quarter. This is higher than the 75 percent who gave this response a year ago but lower than the figures for China and Singapore. A large majority of respondents in the Banking & Financial Services sector will pay bonuses: 91 percent say they will do so, up from 85 percent a year ago. As the market improves, employers recognise that they must pay bonuses to retain talented employees.

Across all the sectors surveyed in **Singapore**, 87 percent of respondents will pay discretionary bonuses for 2010, a much higher figure than 74 percent a year ago. The variations between the sectors are smaller this year. At year-end 2009, the highest proportion of respondents planning to pay bonuses was 96 percent and the lowest was 52 percent. This quarter the comparable figures are 94 percent and 81 percent.

## ORGANISATIONS PAYING DISCRETIONARY YEAR-END BONUS IN 2010

Source: The Hudson Report, Asia - Q1 2011



### China has highest bonuses

Respondents who plan to pay discretionary bonuses for 2010 were asked about the range of payments. Employers in China are likely to pay the highest bonuses while those in Hong Kong expect to pay the lowest.

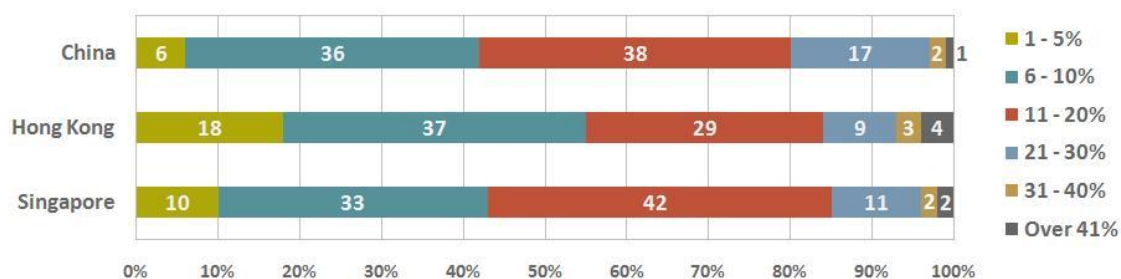
Many employers in **China** expect to pay higher bonuses than last year. Overall, the proportion saying that bonuses will be 5 percent or less has fallen from 11 percent to 6 percent, while 20 percent of respondents plan to pay more than 20 percent, almost double the year-end 2009 figure of 11 percent. Employees in the Banking & Financial Services sector are likely to receive the largest bonuses: 73 percent of respondents say that payments will be over 10 percent.

Bonus levels in **Hong Kong** are little changed from those paid at year-end 2009: 18 percent say they will pay bonuses of 5 percent or less and 45 percent plan to pay more than 10 percent, of whom 16 percent will pay more than 20 percent. These figures compare with 17 percent, 46 percent and 16 percent a year ago.

Overall, bonus levels in **Singapore** are broadly similar to those paid at year-end 2009, though some employers plan to increase payments slightly. Across all sectors, 10 percent of respondents expect to pay bonuses of 5 percent or less; 57 percent say payments will be more than 10 percent, of whom 15 percent will pay more than 20 percent. These figures compare with 13 percent, 50 percent and 17 percent when this question was asked a year ago.

## RANGE OF DISCRETIONARY YEAR-END BONUS IN 2010

Source: The Hudson Report, Asia - Q1 2011



## Salaries rising again

Respondents were asked about the salary increments they plan to pay to existing managerial staff this year. As with bonuses, employers in China plan to pay the largest rises.

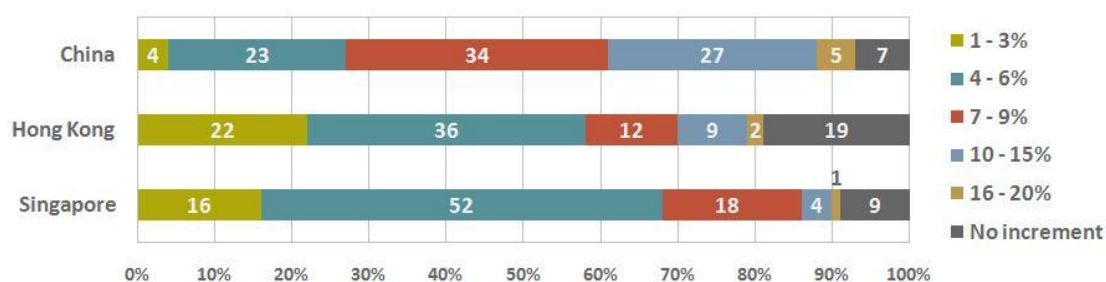
Nearly one-third (32 percent) of respondents in **China** expect to pay increments of 10 percent or more, a much higher proportion than in the other markets. A further 34 percent will pay increments in the 7-9 percent range, while only 7 percent will offer no increment at all.

The majority of respondents in **Hong Kong** expect to offer increases of between 1 percent and 6 percent: 58 percent give responses in this range. Nearly one-fifth (19 percent) say they will pay no increment at all, while 11 percent will offer 10 percent or more.

After the widespread imposition of pay freezes in 2008 and 2009, most employers in **Singapore** now feel obliged to increase salaries but few expect to pay large increments. Overall, more than half (52 percent) of respondents expect to pay increments in the 4-6 percent range, while just 5 percent say they will pay 10 percent or more. Employees in the Banking & Financial Services sector are likely to receive the largest increments.

## RANGE OF SALARY INCREMENT FOR EXISTING MANAGERIAL TALENT IN 2011

Source: The Hudson Report, Asia - Q1 2011



## Employers using a range of retention strategies

Hiring expectations continue to rise in all three markets, creating many attractive opportunities for talented candidates. Companies are responding with a variety of initiatives designed to enhance loyalty and retain staff.

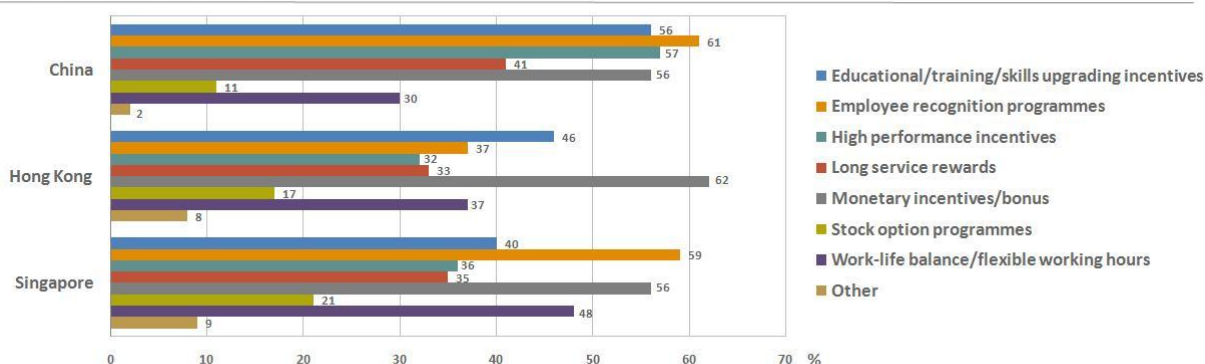
Four of the initiatives covered in this survey are widely used across all sectors in **China**: employee recognition programmes, high performance incentives, monetary incentives and education and training. They are mentioned by 61 percent, 57 percent, 56 percent and 56 percent respectively. Respondents tend to take the view that employees are motivated by more than just additional monetary rewards.

Across all sectors in **Hong Kong**, monetary incentives and bonuses are the most widely used measure, being mentioned by 62 percent of respondents. The next most popular is education and training, at 46 percent. A very high 71 percent of respondents in the Consumer sector offer monetary incentives to boost staff loyalty. This approach is particularly widely used in the retail area.

Employee recognition programmes and monetary incentives are the most widely used options in **Singapore**, where they are mentioned by 59 percent and 56 percent respectively. Work-life balance has become a key retention strategy for many employers since this question was last asked in Q1 2010. Overall, it is mentioned by 48 percent of respondents, almost double the 25 percent who gave this response a year ago. The figure for Singapore is much higher than for China and Hong Kong.

### INITIATIVES TO ENHANCE LOYALTY AND RETAIN TOP TALENT

Source: The Hudson Report, Asia - Q1 2011



Note: Figures do not add up to 100% as respondents could select more than one option.

## Many employers using new hiring channels

A substantial number of employers are now using social media channels to attract managerial hires. In China, 75 percent of respondents across all sectors say that their organisation has an online recruitment strategy. The corresponding figure for Hong Kong is 55 percent.

The responses from the various sectors surveyed in **China** are very consistent: all fall within the 73-83 percent range. Employers in the Consumer sector are the most likely to use online recruitment channels: 83 percent are already doing so or are developing a strategy. Companies in this sector often have sophisticated and forward looking HR functions that are open to new ways of doing business.



In the Media/PR/Advertising sector in **Hong Kong**, 71 percent of respondents are either already using an online strategy for recruitment or are in the process of implementing one. This approach makes sense when demand for candidates with online and social media experience is growing fast.

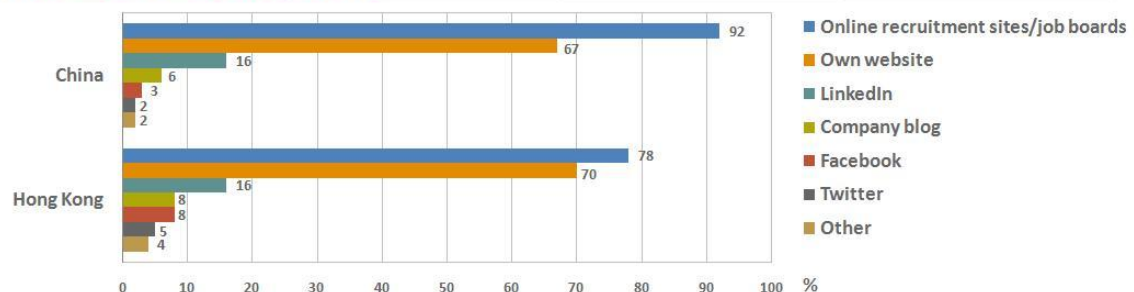
## Job boards most widely used channel

Respondents who use the Internet to attract managerial hires were also asked about specific websites or tools. Overall, online recruitment sites or job boards are the most popular option in **China**, by a substantial margin. This channel is mentioned by 92 percent of respondents, well ahead of the next most popular method, companies' own websites, at 67 percent. All other channels are used by a much smaller proportion of respondents. Online recruitment sites are by far the most widely used option in the Consumer sector, where they are mentioned by 99 percent of respondents.

Overall, online recruitment sites or job boards are the most widely used medium in **Hong Kong**, closely followed by companies' own websites. These methods are used by 78 percent and 70 percent respectively. All other sites or tools are used by a much smaller proportion of respondents. The Consumer, IT&T and Manufacturing & Industrial sectors all make extensive use of online recruitment sites. In each sector, a very high 90 percent of respondents give this response.

### **MOST FREQUENTLY USED WEBSITES OR TOOLS TO ATTRACT MANAGERIAL HIRES**

Source: The Hudson Report, Asia - Q1 2011



Note: Figures do not add up to 100% as respondents could select more than one option.

## Hudson

Hudson Highland Group, Inc. is a leading provider of permanent recruitment, contract professionals and talent management services worldwide. From single placements to total outsourced solutions, Hudson helps clients achieve greater organizational performance by assessing, recruiting, developing and engaging the best and brightest people for their businesses. The company employs more than 2,000 professionals serving clients and candidates in approximately 20 countries. More information is available at [hudson.com](http://hudson.com).

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