

For immediate release

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Hiring expectations remain strong in China, Hong Kong and Singapore

Employers say cultural fit is most important attribute in new hires

HONG KONG – 21 JULY 2011 – The hiring expectations of multi-national corporations across major Asian markets, though slightly lower than last quarter, remain strong, according to a just-released study. Hudson (NASDAQ: HHGP), a leading provider of permanent recruitment, contract professionals and talent management services worldwide, today released 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 of employers' expectations of an increase or decrease in staffing levels represents a significant indication of their optimism about the growth of both their organisation and their industry. Over 1,550 key employment decision makers were surveyed in June 2011 from multinational organisations of all sizes in all major industry sectors. The decision makers surveyed were located in China (Beijing and Shanghai), Hong Kong and Singapore.

Key findings in *The Hudson Report – Asia Q3 2011* are:

HIRING EXPECTATIONS

- Seventy-two percent of respondents in **China** forecast headcount growth this quarter, compared with 77 percent in Q2;
- Expectations are also slightly lower in **Hong Kong**, where 61 percent plan to hire more staff, down from Q2's 69 percent;
- The proportion of respondents expecting to expand recruitment in **Singapore** is 56 percent, down from 61 percent the previous quarter.

OTHER KEY FINDINGS

- Better management practices have had the greatest impact on company performance in China and Singapore, while respondents in Hong Kong are more likely to mention cost control measures;
- Employers in all three markets say that cultural fit is the most important attribute when hiring new managers;
- Average managerial tenures tend to be longer in Hong Kong than in the other markets;
- Managers in China are the most likely to leave their organisation within one year;
- Job roles failing to meet expectations is the most common reason for managers leaving their position within their first year.

DETAILED FINDINGS

Hiring expectations falling in all three markets

Respondents in all the markets surveyed report a small decline in hiring expectations this quarter. However, they remain at a high level in all three, with China having the highest expectations, followed by Hong Kong and Singapore.

Across all sectors in **China**, 72 percent of respondents expect to grow headcount this quarter, compared with an unusually high 77 percent in Q2. The Banking & Financial Services sector reports the highest expectations this quarter: 78 percent of respondents say they will increase hiring, a further rise from Q2's 75 percent.

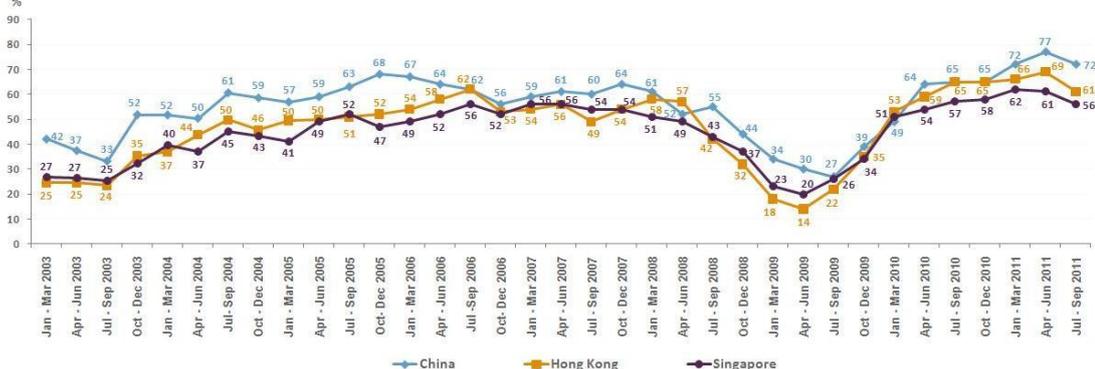
Overall, 61 percent of respondents in **Hong Kong** sectors say they will hire more staff in Q3 and just 1 percent expect to reduce headcount. This is the first quarter in which expectations have fallen since Q2 2009; many employers are taking a more conservative approach after a first half that was very busy in hiring terms.

Hiring expectations in **Singapore** are following a similar trend to those in the other markets surveyed: across all sectors, 56 percent of respondents expect to grow headcount in Q3, compared with 61 percent the previous quarter. The highest expectations are again reported by the Healthcare & Life Sciences sector, where 67 percent anticipate increased hiring, the same proportion as in Q2.

Mike Game, CEO, Hudson Asia, comments, *"Hiring expectations are still high despite falling in each market this quarter. A decline was anticipated after two years of consistently strong growth and the overall picture remains very positive."*

REGIONAL PERMANENT INCREASED HIRING EXPECTATIONS OVER TIME

Source: The Hudson Report, Asia - Q3 2011



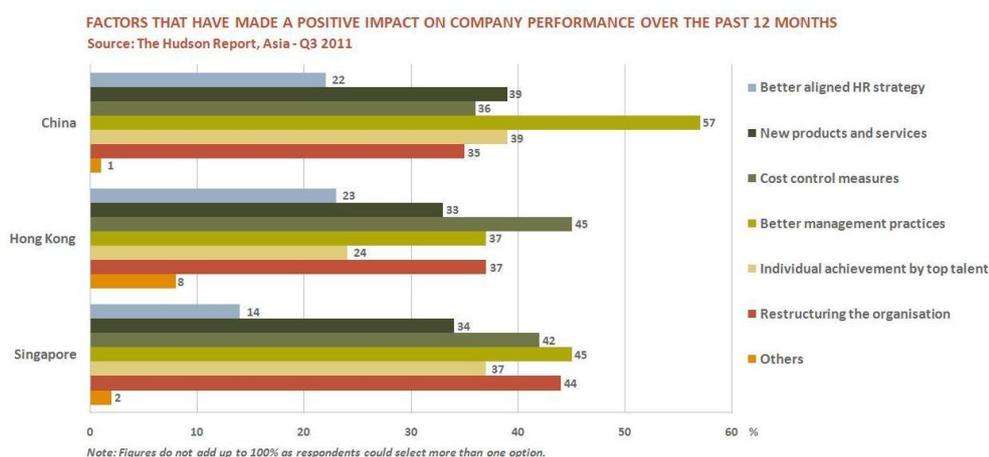
Company performance affected by a variety of factors

Respondents were asked about the factors that have had made a positive difference to their company's performance over the past twelve months. Better management practices are seen as the most significant factors in China and Singapore, while respondents in Hong Kong say that cost control measures have had the greatest impact.

Across all sectors in **China**, 57 percent say that better management practices have had a positive impact on performance, a much higher figure than for any other factor and also the highest for the markets surveyed in Asia. The next most important factors are individual achievement by top talent and new products and services, both mentioned by 39 percent of respondents.

Hong Kong is the only market in which cost control measures are seen as the most significant factor. Across all sectors, 45 percent give this response while restructuring the organisation and better management practices are both mentioned by 37 percent of respondents.

Three factors are regarded as especially significant in **Singapore**: better management practices, restructuring the organisation and cost control measures are mentioned by 45%, 44% and 42% of respondents respectively. Better management practices are seen as most important in the Healthcare & Life Sciences sector, where this factor is cited by 57%.



Cultural fit is most important attribute in all markets

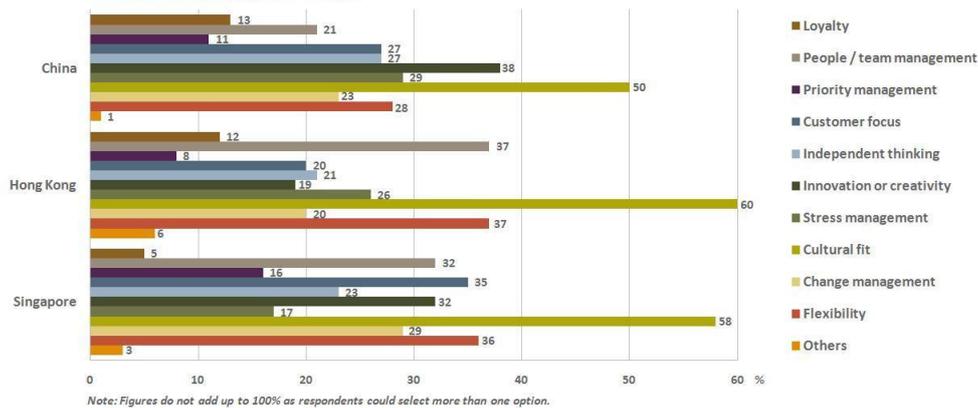
Employers look for a wide range of attributes when hiring new staff at a managerial level. Cultural fit is the most significant in all three markets, by a substantial margin.

Fifty percent of respondents across all sectors in **China** say that cultural fit is an important attribute, followed by 38 percent who mention innovation or creativity. Cultural fit is given the highest priority in the Consumer sector, where it is cited by 57 percent.

At 60 percent, **Hong Kong** has the highest proportion of respondents looking for cultural fit in new managerial hires. The next most significant attributes are flexibility and people / team management, both mentioned by 37 percent.

At 58 percent, cultural fit is the most sought after attribute overall in **Singapore** and is also mentioned by the highest proportion of respondents in each sector, by a significant margin in every case. The next most sought after attributes in new hires are flexibility and customer focus, at 36 percent and 35 percent respectively.

MOST IMPORTANT ATTRIBUTES EMPLOYERS WANT IN NEW MANAGERIAL HIRES
Source: The Hudson Report, Asia - Q3 2011



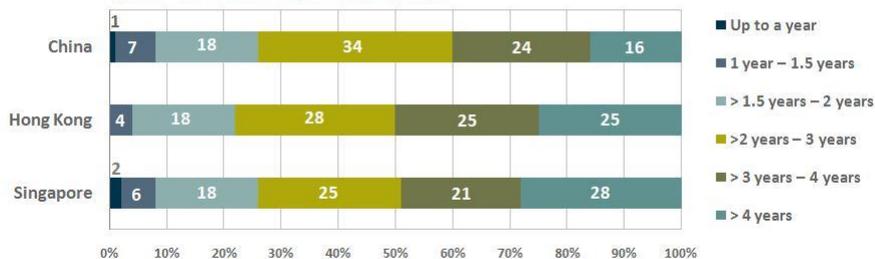
Managers stay longer in post in Hong Kong

Across all sectors in **China**, 60 percent of respondents say that the average tenure for managerial employees is three years or less. Of these, 34 percent report average tenure of between two and three years, while 26 percent say it is two years or less.

According to 50 percent of respondents in **Hong Kong**, the average tenure for managerial employees is over three years, a higher figure than for the other markets. Of these, 25 percent say that the average tenure is between three and four years and 25 percent say it is over four years.

The average tenure is also relatively long in **Singapore**. Overall, 49 percent of respondents put it at more than three years. Of these, 28 percent report average tenure of over four years, while 21 percent say it is between three and four years.

AVERAGE TENURE FOR MANAGERIAL EMPLOYEES
Source: The Hudson Report, Asia - Q3 2011



Not uncommon for managers to leave in first year

Nearly two-thirds (65 percent) of respondents across all sectors in **China** say they have experience of managers leaving in the first year. The IT&T sector has the highest proportion of managers who fail to complete a full year in their positions, with 82 percent giving this response.

The figure for **Hong Kong** is much lower than that for China: overall, 38 percent of respondents say that managers in their company have left within a year. The Media / PR / Advertising sector has by far the highest proportion of managers who fail to stay in their positions for a full year, with nearly two-thirds (63 percent) of respondents saying they have experienced this.

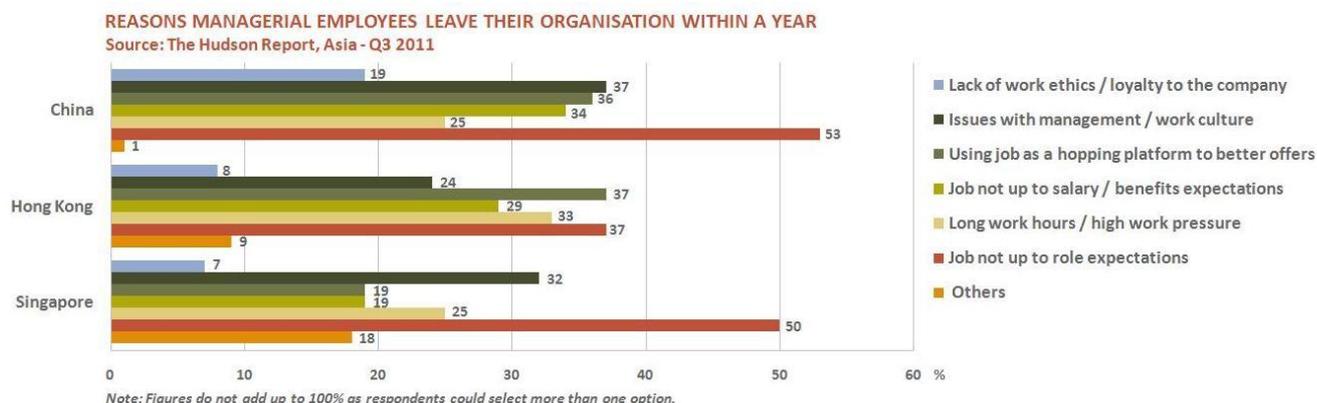
In **Singapore**, 37 percent of respondents across all sectors say that they have experienced managerial employees leaving within a year of joining the organisation.

Role not meeting expectations main reason for managers leaving organisations within one year

At 53 percent, **China** has the highest proportion of respondents who give the role failing to meet expectations as a reason for managers leaving within a year. Issues with management / work culture, managers using the job as a hopping platform to better offers and the job not being up to salary / benefits expectations are mentioned by 37 percent, 36 percent and 34 percent respectively.

In **Hong Kong**, the job not meeting expectations and managers using the job as a hopping platform to better offers are both mentioned by 37 percent of respondents. A further 33 percent give long work hours / high pressure as a reason for managers leaving early, a much higher figure than for the other markets.

The most significant reason for managers leaving early in **Singapore** is the role not being up to expectations, mentioned by 50 percent of respondents. Nearly one-third (32 percent) cite issues with management / work culture, while 25 percent mention long work hours / high work pressure.



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