

**STRICTLY EMBARGOED UNTIL 3.30PM ON 5<sup>th</sup> OCTOBER 2004**

## Healthy job market since early 2004 sustained to year-end

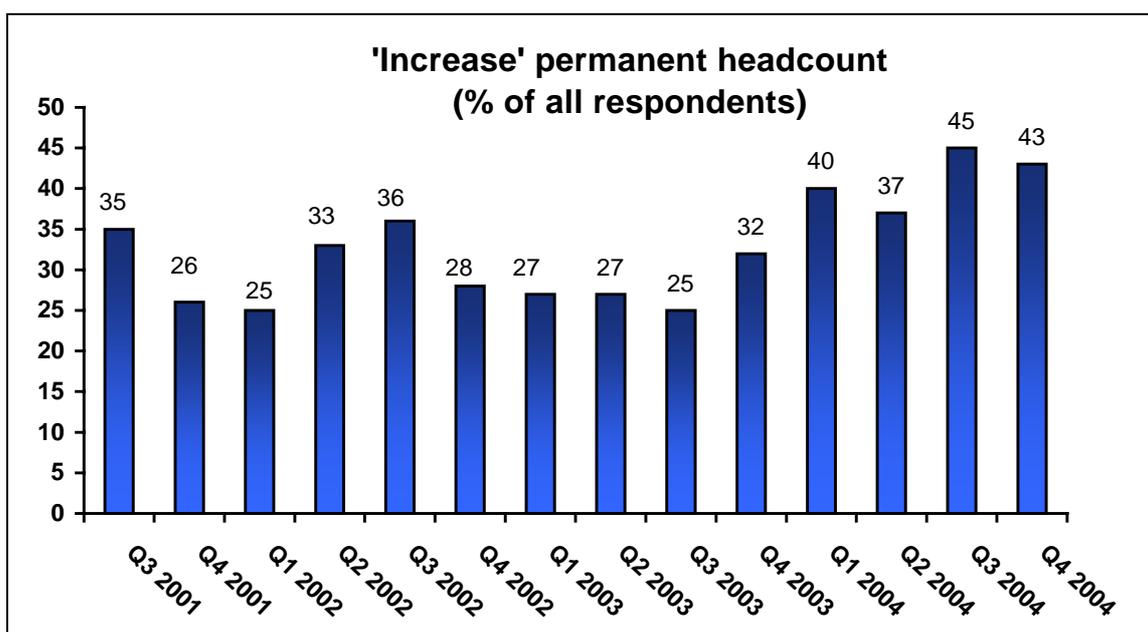
The IT sector leads intended hiring figures for the second consecutive quarter

**SINGAPORE, 5 October 2004** – 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), today released findings of its Hudson Report for quarter four 2004. Hudson Global Resources recruitment professionals personally surveyed more than 600 respondents in Singapore. In Asia, more than 2,000 respondents were surveyed in China, Hong Kong, Japan and Singapore in August 2004. Employment decision-makers in five industry sectors were surveyed: Consumer; Industrial; Finance, IT & Telecommunications and Legal.

Significant findings in the Hudson Report for Q4 are:

- 43% of all respondents anticipate headcount increases for their organisations – a high level maintained from the previous quarter
- This high level of hiring is observed over the entire year, indicating jobs are back and business is improving
- By industry segments, IT led expected hiring for the second consecutive quarter with 52% of respondents intending to add headcount
- 45% of companies did not outsource any function at all; of the others that practice outsourcing, 60% engaged companies in Singapore
- Learning and development was chosen as the main focus for HR professionals by both HR and non-HR personnel alike
- Succession planning is not a key focus. 51% of respondents said they were not aware of plans on who should run the company, should any disaster occur
- In an improving job market, 60% of survey respondents indicated they were paid salaries that were on par with their peers

The chart below clearly shows that the level of anticipated hiring in 2004 is the best it has been for three years. For quarter four, 43% of all executives polled said they intend to add headcount in October to December, a marginal drop from the 45% recorded for quarter three.



“Jobs are back in 2004. The Hudson Report shows that this year has been excellent for job seekers. The level of hiring this year outpaces what was observed in the previous two years. The economy is improving, companies are busier and many have added and are still looking to add headcount to drive their businesses before the talent market runs dry. We are already seeing a talent shortage in some sectors,” said Stefanie Cross-Wilson, Country Manager, Hudson Global Resources.

Looking at the anticipated hiring figures by sector, optimism in IT & Telecommunications has the most positive impact with more than half of all technology companies surveyed intending to add headcount.

“The prospect of more hires in the technology sector for quarter four is the best for the entire year. Companies have committed more resources to technology, resulting in a more urgent need to hire professionals to manage these new investments. The scenario is one where should technology companies delay on their critical hires, it will cost these companies more in the future. We see more demand for professionals with specific applications experience and those who have a track record in infrastructure development and management,” said Caleb Baker, Divisional Manager, IT & Telecommunications Division.

The scramble for talent is also more pronounced in the accounting and financial services space. Employment expectations in this sector remain high, as confirmed by increased business activity in retail banking, consumer banking and wealth management. Close to 40% of banks intend to hire, even in non-banking roles such as IT and legal positions. Accounting firms are also in the market for professionals with specialist experience in risk management and tax advisory.

## **Improving productivity – outsourcing versus in-house**

Forty-five percent of companies indicated that outsourcing is not utilised, nor considered in any aspect of the business currently. This shows that outsourcing has yet to be established as standard business practice in Singapore.

For the remaining 55% of companies, the most commonly outsourced function is IT. Of the companies that outsourced one or a few functions, the majority (60%) engaged suppliers in Singapore. This means that offshore outsourcing is still not the norm, with the result that jobs are not lost overseas.

## **Human Resources – perception, contribution, focus**

Survey results clearly indicate a perception gap as to how HR viewed its role within a company against those of non-HR employees. While 16% of HR personnel thought of themselves as just personnel administrators, 54% of their non-HR colleagues viewed personnel administration as the bulk of HR’s responsibilities.

When it came to where HR adds value in the organisation, both sets of professionals point to recruitment being the function where HR adds most value. Both sets of professionals also agree that learning and development is the area where HR should focus its expertise.

“Retaining staff is a key issue for companies, especially in an improving economic climate when more job opportunities open up. With both HR and non-HR saying that learning and development is an area of emphasis, it clearly indicates that a good pay package is not the sole driver of job satisfaction,” said Ms. Cross-Wilson. “Increasingly, employees are now looking at career growth through more learning and development opportunities and are telling HR this should be a major imperative.”

## Succession planning

The vote was split, when executives were asked whether succession planning was set as a key performance indicator (KPI) for their managers. Fifty-one percent said their companies placed little or no emphasis on succession planning as a KPI, with the remaining saying the opposite.

Half also said they did not know who would fill the management void, should anything untoward happen to their top executives.

“A succession plan positions companies as being prepared for a situation they would rather not have happen. When it does happen, operational disruption is minimised. The significant upside of implementing a succession plan are that productivity levels are maintained and existing employees have a sense of security and continuity,” said Ms. Cross-Wilson.

## Salaries

Executives were asked how they felt they were paid compared to their peers in a similar role. While salaries have been generally rising due to the better employment market in a recovering economy, 60% of both female and male executives said their salaries were on par with the market.

Only 16% of women and 19% of men stated they were well paid. For both genders, a fifth said they were underpaid.

On result that was above the average, a quarter of male IT professionals felt they were well paid.

Workers are generally aware of the market rate for their particular occupation and this also confirms that salary benchmarks set by HR departments have been accurate.

It must be noted that the law of demand and supply holds true regarding salaries. With an improved employment market and a limited pool of qualified candidates, some candidates in demand are currently requesting salary increases of up to 50% when shortlisted for new positions.

## **Hudson**

Hudson delivers specialised professional staffing, outsourcing and human capital solutions worldwide. From single placements to total solutions, the firm assesses, recruits and develops talent to meet the specific business needs of each client. Global practice areas include Accounting & Finance; Engineering, Operations & Scientific; Healthcare; Human Resources; IT & Telecommunications; Legal; and Sales & Marketing.

Hudson is a division of Hudson Highland Group, Inc. (NASDAQ: HHGP), one of the world's leading professional staffing, retained executive search and human capital solution providers. The company employs more than 3,600 professionals serving clients and candidates in more than 20 countries through its Hudson and Highland Partners businesses. More information about Hudson is available at [www.hudson.com](http://www.hudson.com).

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