

## For immediate release

### **Hiring trends in Asia slow down as many companies wait until next year to make new hires**

*Hudson Global Resources releases comprehensive Hudson Report for Quarter Four 2004*

**HONG KONG, 5 October 2004** – While tremendously positive hiring trends occurred throughout the first three quarters of 2004, hiring expectations have eased in the fourth quarter, as many firms prefer to wait for the New Year before resuming their active recruitment efforts. Companies surveyed in Hong Kong, China, Singapore and Japan indicate lower numbers of new permanent hires when compared to last quarter's survey results. Despite the drop in hiring expectations, all of the markets are still witnessing positive hiring expectations with the percentages of companies looking to hire ranging from 41.8% in Japan to 58.5% in China.

However, 2004 has seen a dramatic pick up in employment prospects across Asia, with hiring expectations increasing across all the regions. In the last year Hong Kong has seen the largest increase in hiring expectations at 17.1%, which reflects Hong Kong's bounce back from the depressed employment market of 2003. China experienced a 13.9% increase in hiring expectations in 2004, closely followed by Singapore at 13.5%. Japan's year-on-year increase at 5.1% indicates that the level of optimism in Japan still lags behind the rest of Asia.

Hudson Global Resources, 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 comprehensive quarterly Hudson Report for Asia. 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 net staffing levels represent a significant indication of their optimism in the growth of their organisation and their industry as a whole. It represents the expectations of nearly 2,000 key employment decision makers from multinational organisations of all sizes in all major industry sectors. The four locations surveyed were China, Hong Kong, Singapore and Japan.

## **Asian hiring trends for Q4 2004**

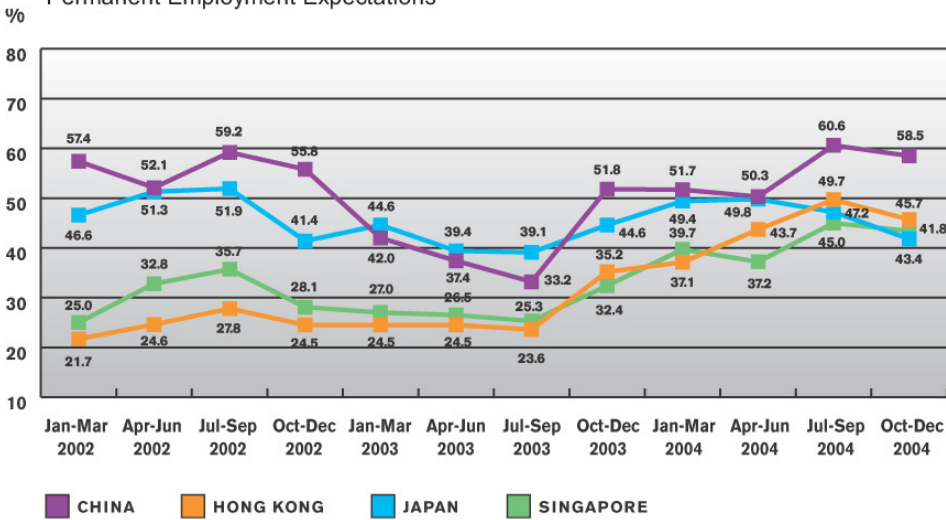
The majority of Hong Kong companies surveyed expect hiring trends to continue or remain steady with 45.7% looking to add new staff and 50.9% planning to keep hiring levels steady. The last quarter spelled better news for Hong Kong when 49.7% expected to hire and companies looking at reducing headcount dropped to 2.8%. The Accounting, Financial Services & Consulting sector is expecting more hires than any other industry sector with 50.7% of firms planning to hire new staff this quarter. However, this is down notably from last quarter's results of 55.9%.

China yet again leads hiring trends in Asia with 58.5% of companies planning to increase permanent headcount, which is down slightly from 60.6% from quarter three. This strong number appears to indicate that the central Government's attempts to cool the economy are having a minimal impact. The number of companies expecting their hiring trends to remain steady has risen from 38.7% in the third quarter to 41.3% for the fourth quarter. For the second consecutive quarter, China-based IT & Telecommunications industries lead the hiring trend with 67% of companies planning on increasing staff numbers, which is up slightly from 66.7% in the last quarter. The most impressive finding is the number of companies in China looking to decrease headcount has fallen to a low of only 0.2%, which is down from an already low third quarter result of 0.7%.

Companies in Singapore are expecting positive hiring trends to continue with 43.4% of firms indicating they will add new staff, which is down slightly from 45% reporting the same last quarter. This latest hiring intention continues the substantial growth in the second quarter, where 37.2% of Singapore-based employers expected to increase staff levels. The Health sector along with the IT & Telecommunications sector are the most buoyant in the fourth quarter with over 50% of companies in both sectors planning to increase headcounts.

Japan's employment market is the least positive in Asia this quarter with 41.8% of all companies planning on boosting their hiring activities in the fourth quarter, which is down notably from 47.2% that said the same in the last quarter. Japan shares one positive note with China in that the number of companies looking to reduce staff has also fallen, this quarter's figure stands at just 2%, which is down from last quarter's results of 2.5%. The top industries looking for new staff in the fourth quarter are Health with 58.3% of companies looking to hire and Accounting, Financial Services & Consulting with 46.4% of companies also looking for new talent.

Permanent Employment Expectations

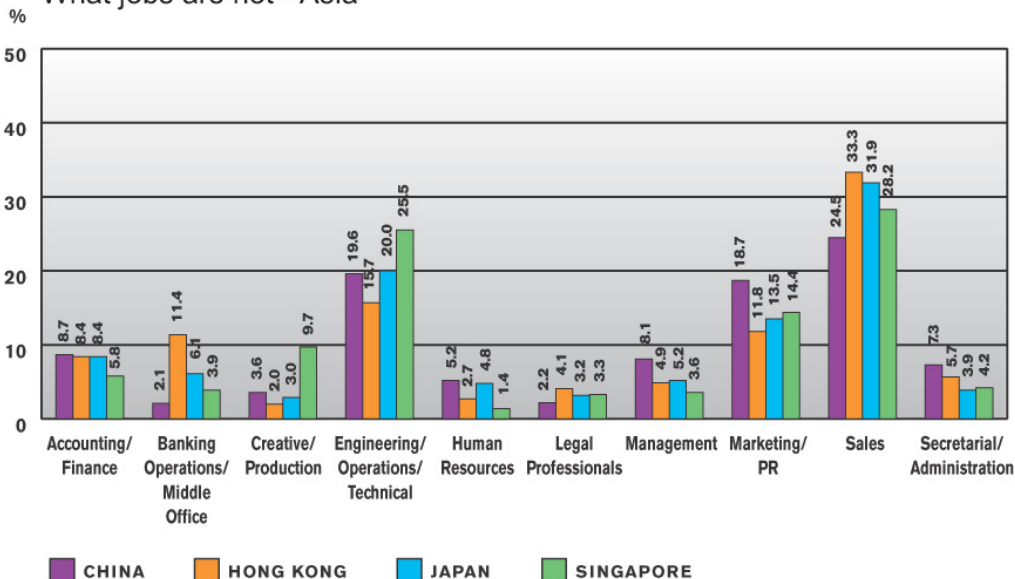


“While the hiring trends remain positive across the region, the fourth quarter is a time when most companies refrain from conducting active recruitment campaigns to focus on year-end budgets,” said Gary Lazzarotto, CEO Asia, Hudson Global Resources. “Barring unforeseen circumstances, at this stage we expect to experience continued strong hiring trends at the level we have witnessed in the last three quarters of 2004.”

## The hot jobs in Asia

Sales roles are once again the most in demand jobs in every market with the percentages of available jobs in Sales ranging from 24.5% in China to 33.3% in Hong Kong. The Engineering, Operations & Technical fields are expecting strong hiring in Singapore (25.5%), Japan (20%), and China (19.6%). The Marketing and Public Relations field anticipates numerous job opportunities in Japan (13.5%), China (18.7%), Singapore (14.4%) and Hong Kong (11.8%). With the high number of Sales positions along with Marketing and Public Relations roles available, it appears that companies are currently looking for people who can contribute to profits as they close out the current year and plan for 2005.

What jobs are hot - Asia

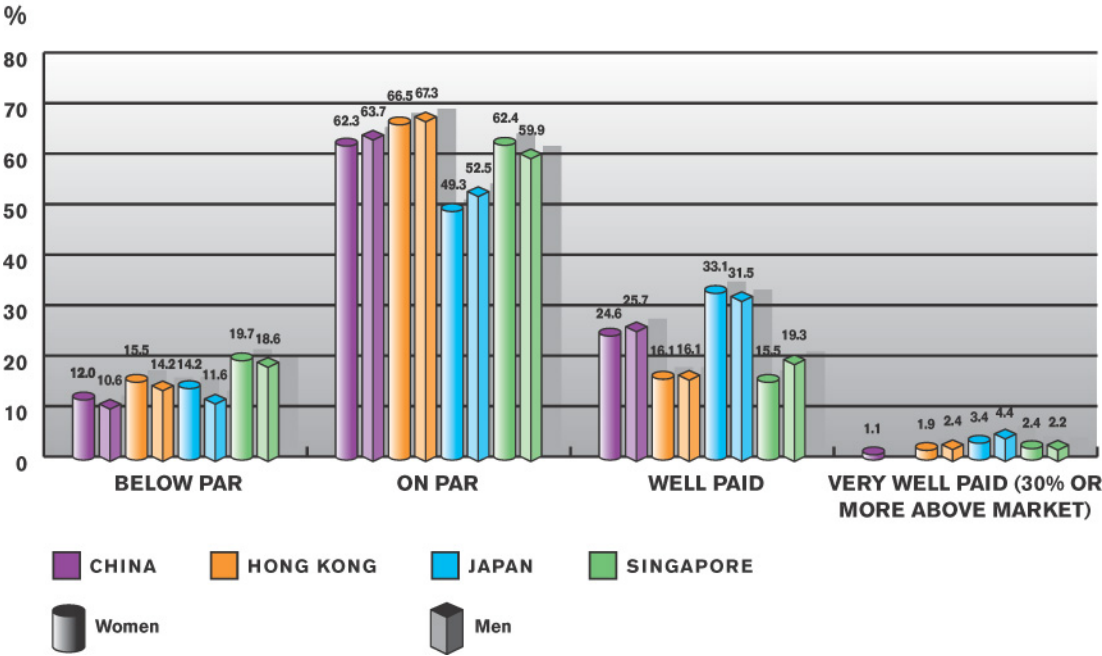


**Salaries versus market rate**

Across Asia there is a close collaboration between men and women in their perception of their salary packages. The majority of men and women (ranging 60% to 70%) believe that they are paid “On Par” with others who have similar job responsibilities. The exception is in Japan where this figure is only 50%, which may reflect the economic climate in Japan where many salaries have been frozen for the last few years.

Similarly there is also a similar trend between men and women across Asia who believe that they are paid “Below Par” (ranging from 10% to 20%), when compared to people in similar roles.

Salaries vs Market rate



“There has been a gradual increase in salaries throughout the regions this year which is a result of the increase in the number of opportunities for job seekers, leading to companies having to compete with each other and to offer higher salaries,” said Lazzarotto. “We would expect the numbers of people who report being paid well to increase next year as companies will have to compete to find the best talent in a strong job market.”

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

Survey results indicate a perception gap as to how HR viewed its role within a company against those of non-HR employees. While 16.1% of HR personnel across the regions thought of themselves as just personnel administrators, 46.3% of their non-HR colleagues viewed personnel administration as the bulk of HR responsibilities.

When it came to where HR adds value in the organisation, both sets of professionals agree that recruitment and learning and development are the areas where HR should focus its expertise.

## **Overview of 2004 and projections for 2005**

Lazzarotto concludes “Looking back 2004 will be seen as the period when the Asian economy bounced back significantly from several years of a depressed state. Significant growth in hiring intention, the likes of which hadn’t been seen since 2000 was a highlight and general business confidence levels improved dramatically. For 2005 we are hopeful that the hiring intention levels will remain at these healthy levels and we do expect to see an increase in competition for talent and resulting pressure on salary levels”.

## **About Hudson Global Resources**

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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