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Singapore employers keep hiring cautious and headcount steady

New HR strategies to counter economic condition

SINGAPORE – 21 JANUARY 2009 – Twenty-three per cent of respondents say they will increase headcount in Quarter One (Q1) 2009, compared with 37% in Q4 2008. However, the majority of respondents (65%) will keep headcount steady. Employers are implementing HR policies such as headcount freezes, global headcount approvals and strategic hiring, in response to the current economic condition.

Hudson (NASDAQ: HHGP), a leading provider of permanent recruitment, contract professionals and talent management services worldwide, 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 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. The *Hudson Report* surveys the expectations of nearly 3,000 key employment decision makers from multinational organisations of all sizes in all major industry sectors, with 844 of these executives based in Singapore.

Significant findings in the **Q1 2009 Hudson Report** are:

- 23% of respondents expect to increase hiring in this quarter, down from 37% in Q4 2008, with the majority of respondents (65%) who will keep headcount steady whilst 12% of respondents will decrease headcount;
- Expectations show a substantial decline year-on-year: the 23% of respondents planning to grow headcount this quarter compared with 51% in Q1 2008;
- Expected salary increases for new managerial hires remain healthy, with 39% who will pay a 6-10% increase, and 32% who will pay 11-20% increase;
- Most respondents will give out year-end bonus payments, with only 17% of respondents planning to pay no bonuses;
- Across all sectors, 47% of respondents forecast that their company's performance will be excellent or good in 2009, while 7% say it will be poor;
- Freezing headcount, along with global headcount approvals and strategic hiring, are HR strategies most likely to be adopted in response to the economic downturn.

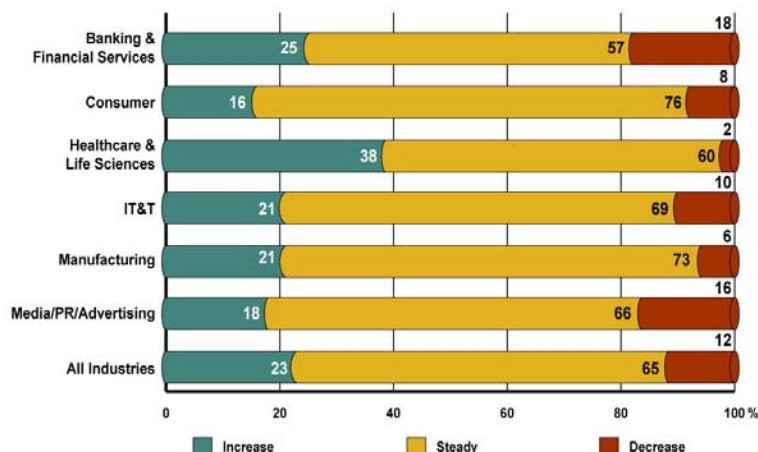
Hiring expectations decline further

Hiring expectations show a decline, with 23% of executives in key business sectors forecasting

increased headcount in Q1 2009, compared with 37% in Q4 2008.

Gina McLellan, country manager, Singapore, Hudson says, “Expectations to hire have fallen and this is affecting new hire salaries and bonus payments. However, the majority of employers are keeping headcount steady and are adopting appropriate HR strategies in response to the current economic situation.”

Permanent hiring expectations in Singapore



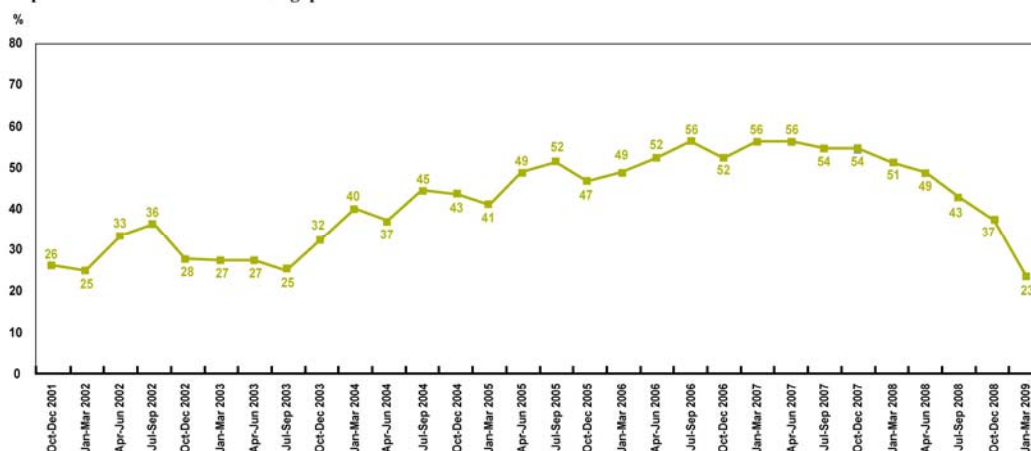
Source: The Hudson Report – Singapore, Q1 2009

The Healthcare & Life Sciences sector has the highest number of respondents at 38% who plan to increase headcount. The Banking & Financial Services sector reports the smallest fall in expectations compared to the previous quarter: 25% forecast headcount growth in Q1 2009 compared to 34% in Q4 2008.

Decline in hiring expectations over the longer term

Year-on-year hiring expectations show a consistent decline. The 23% of respondents in all sectors who plan to increase hiring this quarter compares with 51% in Q1 2008. The Manufacturing sector has experienced the greatest year-on-year fall in expectations, from 61% in Q1 2008 to 21% this quarter.

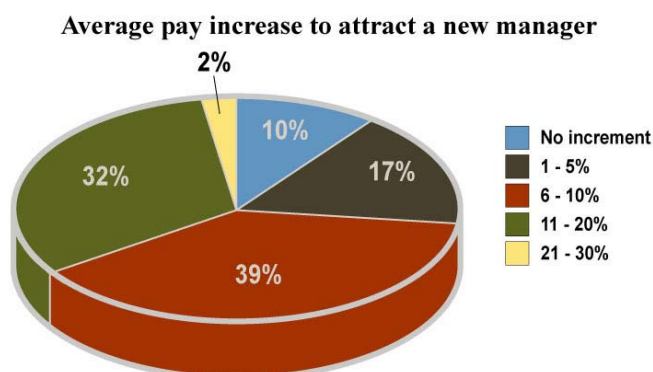
Expectations to hire over time - Singapore



Source: The Hudson Report – Singapore, Q1 2009

Healthy pay increase for new managerial hires

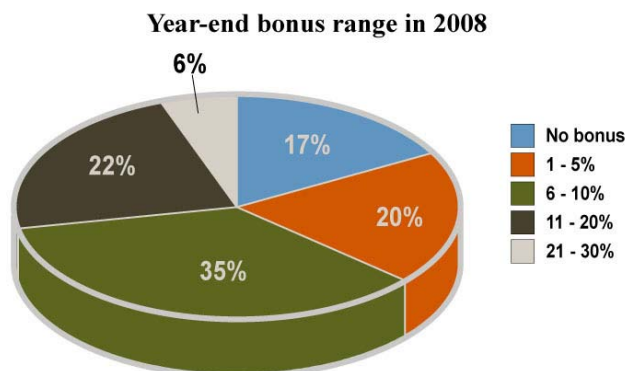
Respondents were asked about the pay increases they expect to have to offer to attract new managerial hires. Salary increases for new managerial hires have adjusted over the past year and are still healthy, with 39% of respondents who will pay a 6-10% increase, and 32% who will pay a 11-20% increase. However, increases for new hires have fallen further in other markets. Of the four markets surveyed in Asia, Singapore has the smallest percentage of respondents who say they will not pay an increase (10%), by a significant margin.



Source: The Hudson Report – Singapore, Q1 2009

Lower bonuses than last year

Year-end bonus payments are also anticipated to be lower than they were last year. Most respondents will give out year-end bonus payments with 17% of respondents planning to pay no bonuses, up from 10% in Q1 2008 when this question was last asked. The majority of respondents (35%) expect to pay bonuses of 6-10%.

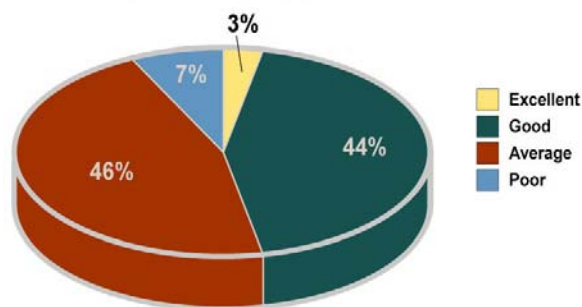


Source: The Hudson Report – Singapore, Q1 2009

Company performance anticipated to be fairly positive

Respondents are moderately confident about their company's performance in 2009. Across all sectors, 47% forecast excellent or good performance, while 46% say it will be average. Healthcare & Life Sciences, Banking & Financial Services and Consumer sectors report relatively higher levels of confidence on company's performance.

Anticipated company performance in 2009

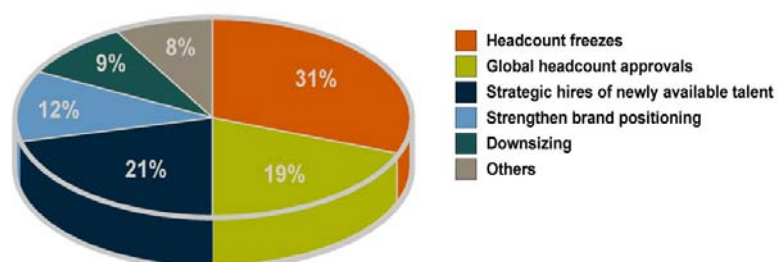


Source: The Hudson Report – Singapore, Q1 2009

HR strategies in current situation

Overall, implementing a headcount freeze is the strategy most likely to be adopted in response to the current economic situation, being mentioned by 31% of respondents. This is the most popular strategy in all the markets surveyed in Asia. Strategic hiring of newly available talent is also seen as valuable, with 21% of respondents mentioning this approach, followed by global headcount approvals.

Change in HR strategies of companies



Source: The Hudson Report – Singapore, Q1 2009

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