



Global Companies Struggle To Find Long-Term Solutions In 'War For Talent'

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LONDON and ATLANTA, March 13, 2008 - Eighty-two percent of global human resources leaders believe that the 'war for talent' is a key and enduring business issue over the next 10 years and beyond yet most are focusing their current efforts on finding shorter-term solutions, according to a recent study from Resources Global Professionals (Resources), the multinational professional services firm.

The research, which is based on a survey of human resources (HR) executives across eight countries in Europe, North America and Asia-Pacific, found that HR is focused on implementing short-term measures to recruit and retain talent: 90 percent are planning to hire external resources; 68 percent are looking to source offshore talent; and 59 percent plan to increase productivity without recruiting.

"Global corporations see the recruitment and retention of high-quality talent as an issue that transcends fluctuations in the global economy," said Chris Hagler, the Atlanta-based managing director of Global Strategic Services at Resources, the operating subsidiary of Resources Connection, Inc. (NASDAQ: RECN). "This is driven by social factors, such as the dramatic decline in employee loyalty, aging populations, the 'one child per family' policy in China and different career expectations from younger generations.

"While it is understandable that HR leaders seek immediate solutions to address current problems, our research indicates that few companies have a clear vision of future skill requirements," Hagler said. "Moreover, most employers take a narrow, local view when considering demographic trends. Long-term measures such as strategic workforce planning are off the radar of HR leaders, who could benefit from workforce planning scenarios that consider a worldwide labor pool."

Eric Bachellereau, executive vice president of human resources, diversity and internal communication at Thomson (Euronext Paris: 18453; NYSE: TMS), a world leader in digital video technologies, participated in the report and commented on the findings. "The 'war for talent' is a real business issue and one that needs a thorough examination of the way global businesses operate. The areas that we have identified as gaining more prominence are social marketing, improving diversity policies and quality of life at work," he said.

OTHER MAJOR FINDINGS FROM RESOURCES GLOBAL HR SURVEY

Boards still need to see the value of HR

Although the war for talent is seen as a major business issue, HR is still fighting to exert influence at the highest level. While 98 percent of HR leaders surveyed consider themselves part of senior management, 42 percent believe that they have less influence than other members of that team. Approximately 40 percent of European HR leaders believe they have the same level of influence as other members of the senior team, compared to just 25 percent in North America.

While HR leaders focus on building their influence, Mr. Bachellereau noted, "This study reflects the increasing value that HR brings to the business."

Leadership development is a high priority for HR Leaders

The Global HR survey highlighted that leadership development, talent management, recruitment and retention are high priorities for HR leaders. 'Softer' HR issues are lower down the scale. Only six percent of HR executives consider work/life balance a priority and four percent see developing cross-cultural awareness as leading the HR agenda despite the challenges posed by operating in a global economy.

"There are clearly a number of issues to focus HR efforts in the coming years," said Chris Hagler. "HR leaders now operate at the highest level of global companies, but recognize they need to continue contributing to 'higher' level corporate objectives for their influence to expand."

There are relatively low levels of HR process outsourcing

In its report, Resources found that reducing administrative costs and simplifying processes are high priorities for companies, but the preferred route is through the creation of shared services centers (back office optimization of process and support activities) rather than outsourcing.

"The market for outsourcing HR processes is less mature than in other business functions but the challenges are as acute," said Ms. Hagler. "It will be interesting whether, as the market develops, organizations beyond Asia-Pacific are comfortable moving away from the shared services model into outsourcing models, or if they will develop other solutions to address the need to reduce administrative costs and simplification of internal processes."

ABOUT THE RESEARCH

Data collection was based on 51 confidential interviews with senior HR executives from global corporations in eight countries. Almost 80 percent of these companies have annual revenues of US \$1.5 billion or more. Respondents answered a series of multiple-choice and open-ended questions. HR leaders were interviewed in the following countries:

- Europe: Denmark, France, the Netherlands and Sweden
- North America: United States
- Asia-Pacific: Australia, Japan and India.

For a copy of the full report, please contact Katrina Straub, Resources Global Professionals, Katrina.straub@resources-us.com or 213.689.2900.

ABOUT RESOURCES GLOBAL PROFESSIONALS

Resources Global Professionals is a multinational professional services firm that helps business leaders execute internal initiatives. Working as members of client teams, we solve problems, execute and transfer knowledge. Partnering with business leaders, we drive internal change across all

parts of a global enterprise - finance and accounting, information management, internal audit, human capital, legal services and supply chain management.

Resources Global was founded in 1996 within a Big Four accounting firm. Today, we are a publicly traded company with over 4,100 professionals, from more than 80 practice offices, serving 2,200 clients around the world.

Headquartered in Irvine, California, Resources Global has served 81 of the Fortune 100 companies.

The Company is listed on the NASDAQ Global Select Market, the exchange's highest tier by listing standards. More information about Resources Global is available at <http://www.resourcesglobal.com>.

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