

# Highlights of the 2010 People Risk™ Index Ratings

Organization Risks Related to Recruitment, Employment and Retirement



**“The ability to understand risk is one of the fundamental drivers behind our global economy. Without it, we can’t make the investments and we can’t take the initiatives required to succeed.”**

**Greg Case  
President & CEO  
Aon Corporation**

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## Preface

If there is one critical lesson to be learned from the recent global crisis, it is the importance of adequately assessing risk and taking skillful action to defuse it. In response to the current global crisis, politicians, regulators and business leaders have focused on ways to manage financial risk, yet scant attention has been paid to the critical aspect of people risk. Every organization is subject to people risk at every stage of the employment cycle – recruitment, employment, or retirement. Yet, people risk often has a significant impact on the success or failure of a venture.

There are risks associated with **recruitment** –

- The risk of not finding qualified candidates;
- The risk of hiring people that do not fit the organization culture; and
- The risk of hiring people who do not have relevant experience or capabilities.

There are risks associated with **employment** –

- The risk of losing people the company wants to keep;
- The risk of paying too much, too little or for the wrong things; and
- The risk of increasing employment costs that later cannot be reduced.

And, there are risks associated with **restructuring, retirement, and retrenchment** –

- The risk of moving people into new jobs, new organizations or new locations;
- The risk of people retiring or letting people go; and
- The risks of incurring costs after people are gone.

*With risk management being the fundamental driver to sustainable success, understanding and managing the various risks associated with people must be a top priority for business leaders.*

The Aon Hewitt People Risk™ Index is designed to facilitate a quick yet thorough understanding of comparative people risk by location. It will help business leaders *identify and understand* the sources of people risk and their implications, and thereby improve their overall risk management strategy. Moreover, analyzing the relationship between people risk and compensation enables companies to simultaneously consider the opportunities, costs, and risks associated with the locations where they operate.

Aon Hewitt's People Risk™ Index enables companies to make good business decisions, i.e. to wisely weigh both business and operational requirements *and* people risk factors for each and every location where they currently operate or location that offer promising future business opportunities. As such, this new tool is a first and is an integral part of Aon Hewitt's commitment to helping organizations manage their risks. We hope this summary report will assist you in your risk management. We welcome your feedback and encourage you to contact us with any questions you may have.

Please contact your Aon Hewitt consultant or send an e-mail to [peoplerisk@aon.com](mailto:peoplerisk@aon.com).

Sincerely,  
Alan Pang  
Director,  
Aon Hewitt Global Research Center

Some risks are created by a company's policies and practices, while others are due to the location in which a company operates.

For example, the risk of failure in attracting qualified candidates is both an operational and a location risk. A company's poor hiring practices may create the risk. Perhaps the company does not have an effective means of identifying and selecting suitable candidates. Putting in place effective recruitment policies and procedures can overcome the risk, but only if qualified candidates are available in the location in which the company is operating. The risk persists, despite the best hiring policies and practices, if qualified candidates simply are unavailable in the market.

While understanding risks associated with both operations and locations is critical to business success, quantifying and comparing People Risk *by location* must be the first step to successfully managing People Risk. Global corporate HR policies and practices need to take into account the local conditions and risks prevailing in each location where a company operates. While this is well understood by globally experienced HR practitioners, *assessing the risks associated with people is often ad hoc, subjective and non-quantifiable*. The result can be a poor understanding of the underlying and full business risks of operating in any given location.

Aon Hewitt's Global Research Center has studied People Risk in depth and has identified 25 critical factors impacting People Risk by location. These 25 factors in turn can be clustered into five areas of People Risk:

- **Demographic** risks are those associated with labor supply, the economy and the society.
- People risks associated with **Government Support** are those where government policies and practices either help or hinder the management of people in that location.
- **Education** risk factors seek to measure risks associated with finding qualified professionals in a location.
- **Talent Development** risk factors look at the quality and availability of recruiting and training resources.
- **Employment Practices** risk factors seek to measure the risks associated with employing people in a given location.

## About the People Risk™ Index Ratings

## Measuring People Risk in a location

Figure 1: People Risk Index - Components and Assessment Factors

Areas of People Risk	People Risk Factors	
 Demographics	1. Population size 2. Immigration/Emigration 3. Personal income	4. Aging population 5. Violence and crime rate
 Government Support	6. Equal opportunity 7. Rigidity of personnel costs 8. Occupational health & safety	9. Government relations 10. Corruption
 Education	11. Literacy rate 12. Capacity of education system 13. Secondary school graduates	14. Tertiary education enrollment 15. Spending on education
 Talent Development	16. Availability of technical training 17. Quality of technical training 18. Executive recruitment	19. Quality of management training 20. Languages spoken
 Employment Practices	21. Bias and favoritism 22. Labor relations 23. Staff turnover	24. Healthcare benefits 25. Retirement benefits

Each of the 25 factors outlined above in Figure 1 has a 10-point scale associated with five statements. The lowest possible overall rating, (no risk) is 25 points and the highest possible overall rating (maximum risk) is 250 points. In the example below, Factor 1 – Population size is used to demonstrate why we have chosen this factor and how we assess the rating.

<b>1. Population size</b> This factor gauges the size of the local population as an indicator of total human resource supply. Risk is assessed as higher when the total population is small.	<b>1. What is the population in the location's metropolitan area?</b>	
	Rating	
	2	No less than 15 million but less than 20 million
	4	No less than 7 million but less than 10 million
	6	No less than 4 million but less than 5 million
	8	No less than 2 million but less than 3 million
10	Less than 1.5 million	

Each of the 25 factors Aon Hewitt has identified has a similar rationale, scale and statement of five levels of risk, just as in the example above.

Our researchers rely on publicly available statistics from reliable sources<sup>1</sup> to develop an initial *assessment rating and justification for each factor*. The initial rating and rationale for each rating is then sent to our regional and local Aon Hewitt consultants for review. They then provide commentary on the rating as well as recommendations for fine tuning. Our team in the Global Research Center then analyzes and reviews the comments and ratings to ensure a balanced assessment across all cities. In this manner, the ratings are based both on quantitative external sources and qualitative internal expert analyses.

<sup>1</sup> A list of references used in the Aon Hewitt People Risk assessment is available at <http://www.aon.com/peoplerisk>.

# Global Overview



## What makes a city low risk?

### Summary Findings

- Aon Hewitt's survey covers 90 cities worldwide. The 90 cities were selected based on population size, population growth rate, the level of foreign investment and geographic spread.
- Toronto emerged as the city with the lowest people risk, followed closely by New York, Singapore, London and Montreal.
- Only two US cities - New York and Los Angeles - were among the 10 lowest-risk cities.
- Singapore is the only city in Asia Pacific to be ranked among the 10 lowest-risk cities.
- Three South Asian cities outside India – Colombo, Dhaka, and Karachi – ranked among the 10 cities with the highest people risk globally.
- St. Petersburg was the only European city to rank among the 10 highest people risk cities worldwide, while five European cities made it into the list of the 10 lowest-risk cities.

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### Insights

The lowest-risk cities are found on three continents – in Asia, Europe, and North America. They include some of the world's largest cities – New York and London – while others are modest mid-sized cities, such as Zurich, Switzerland<sup>2</sup>.

What makes a location low risk and what difference does it make to a company operating in those locations?

Government-related factors contribute most significantly to the overall people risk rating. Cities with the lowest people risk ratings typically have a government that is transparent, non-confrontational, and even-handed when dealing with employment issues. They have a legal system that ensures employment equality and employment practices that are based on meritocracy. Corruption is usually limited.

Companies operating in low-risk cities are less likely to be blind-sided by unexpected changes in government policies on employment, health care, and retirement. They face fewer difficulties finding and retaining educated and experienced talent. Plus, they have more flexibility to restructure their operations without the fear of incurring significant unanticipated costs or obstructions.

Quite understandably, uncertainty creates the highest risk. Cities deemed to be high risk typically have ambiguous, unenforced or missing government policies related to employment practices. For example, lack of clarity often governs provision of health care services and retirement funding. High-risk cities are also troubled by their relatively high crime rates which create greater risks for employees. Restrictions or bias in hiring further limit the available pool of talent.

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<sup>2</sup> A full listing of the *2010 Aon Hewitt People Risk Index Ratings* for all 90 cities covered by the survey can be found in the Appendix on page 21.

The high-risk cities, with some exceptions, such as Moscow and St. Petersburg, do not invest heavily in education and human capital development. In general, the lack of basic human capital infrastructure (i.e., education systems and training resources) contributed to high people risk assessments in the cities with the highest risk profiles.

All of these people risk factors increase costs, sometimes in areas that are not typically associated with personnel cost. High crime increases the cost of security. Lack of public health care services may force companies to provide their own health services. Poor education facilities reduce the availability of talent and increase the cost of training.

**Table 1: 10 Lowest-Risk and 10 Highest-Risk Cities**

Risk Ranking (low to high)	City	Country	Overall Risk Rating
1	Toronto	Canada	70
2	New York	United States	73
3	Singapore	Singapore	74
3	London	United Kingdom	74
5	Montreal	Canada	77
6	Zurich	Switzerland	78
6	Stockholm	Sweden	78
8	Copenhagen	Denmark	79
8	Amsterdam	Netherlands	79
10	Los Angeles	United States	80
	<b>Median Score</b>		<b>117.5</b>
80	St. Petersburg	Russia	164
80	Lima	Peru	164
82	Cairo	Egypt	169
83	Colombo	Sri Lanka	171
84	Hanoi	Vietnam	175
85	Nairobi	Kenya	177
86	Tehran	Iran	178
87	Karachi	Pakistan	180
88	Lagos	Nigeria	182
89	Phnom Penh	Cambodia	189
90	Dhaka	Bangladesh	190

Low-risk cities  
are not the  
lowest risk in  
all areas

Table 2: People Risk Rankings by Area of Risk

	City				
	Toronto	New York	Singapore	London	Montreal
<b>Overall Ranking</b>	1	2	3	3	4
<b>Ranking By Area of Risk</b>					
▪ <b>Demographic</b>	14	2	2	19	23
▪ <b>Government Support</b>	2	12	1	10	2
▪ <b>Education</b>	4	1	41	16	7
▪ <b>Talent Development</b>	2	2	11	2	16
▪ <b>Employment Practices</b>	12	23	23	6	12

Note: Ranking is from the lowest rating to highest rating among the 90 cities covered by the survey. For example, Toronto has the lowest ranking overall among the 90 cities yet it is ranked 14<sup>th</sup> lowest of the 90 cities in terms of Demographic risks.

The ratings for the five lowest-risk cities demonstrate that no single area alone is sufficient to explain its overall people risk rating. Toronto for example, has the lowest rating overall; though, it does not have the lowest rating in any one of the five areas of people risk. In fact, only two cities among the lowest five ranked lowest in any one area of risk (Singapore for Government Support and New York for Education).

The low-risk cities still face challenges in certain areas. For instance, the size of the talent pool in Toronto and Montreal does not match that of many US cities, which may increase the risk of recruitment for certain types of jobs. These two Canadian cities both have a larger proportion of their population soon to reach retirement age than in most US cities. Plus, their population size ranks them in the middle of the cities surveyed. However, high mobility of talent partly offsets this disadvantage.

In Singapore’s case, an aging population is counterbalanced by a significant inflow of foreign talent. This has helped increase the city-state’s talent pool despite its relatively small population, low birth rate and high proportion of population soon to reach retirement age. On the other hand, Education is the one area in which Singapore does not rank among the world’s lowest-risk cities. Tertiary school enrollment and spending on education are estimated to be in the middle rank among the cities surveyed.

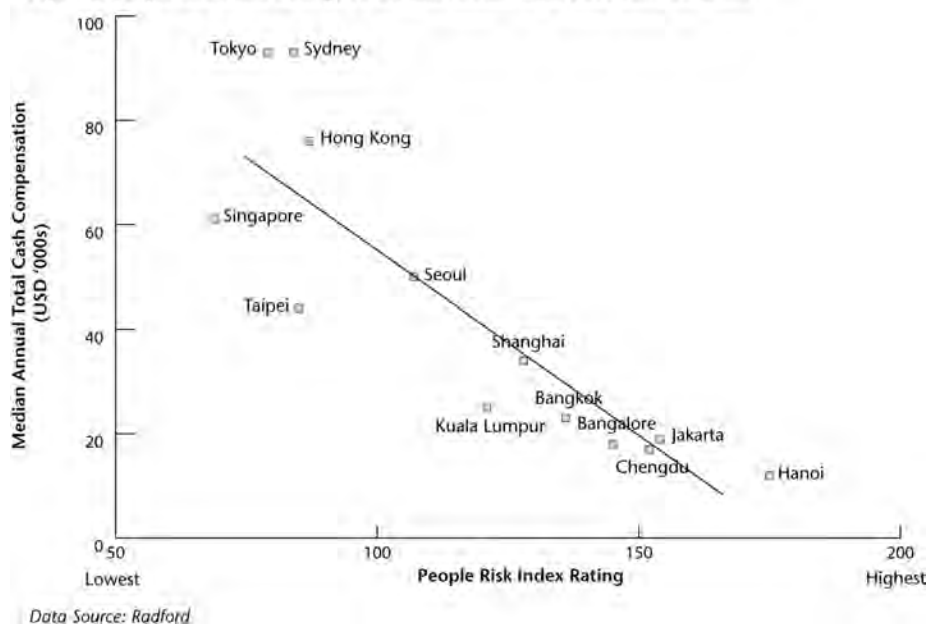
## Balancing risk and cost

Companies make investment decisions based on the opportunities and costs as well as the risks. While costs and opportunities are usually quantifiable, the risks often are not. With Aon Hewitt's People Risk™ Index Ratings, decision makers now have a consistent method of measuring risk against cost or opportunity. By comparing the overall risks associated with different locations, a company can identify the tradeoffs between the cost, opportunity, and risk of each location. This information is valuable both for investment analysis and for managing comparative risk across locations.

An analysis of the People Risk™ Index Ratings and the average total cash compensation of professional staff for selected cities in Asia indicates a strong negative correlation between people cost and risk, i.e., locations with lower people risks tend to have higher people costs and *vice versa*.

The most attractive locations should be those with the lowest risk and lowest compensation cost. For those companies with a large proportion of professional staff, Taipei and Singapore stand out as compared to the relatively low-risk but high-compensation-cost cities of Tokyo, Sydney and Hong Kong. Shanghai and Kuala Lumpur have higher risk; however, the risk is offset by lower compensation cost. Which location is best for a company depends upon the opportunities available in that location, the risk tolerance of the company, and a more detailed analysis and understanding of the risk ratings and personnel costs in each location.

Figure 2: People Risk Index Ratings vs. Median Annual Total Cash Compensation<sup>3</sup>



<sup>3</sup> Compensation data is derived from the 2009 Radford Technology Survey. The data is based on the median for all professional staff job levels.

# Regional Highlights



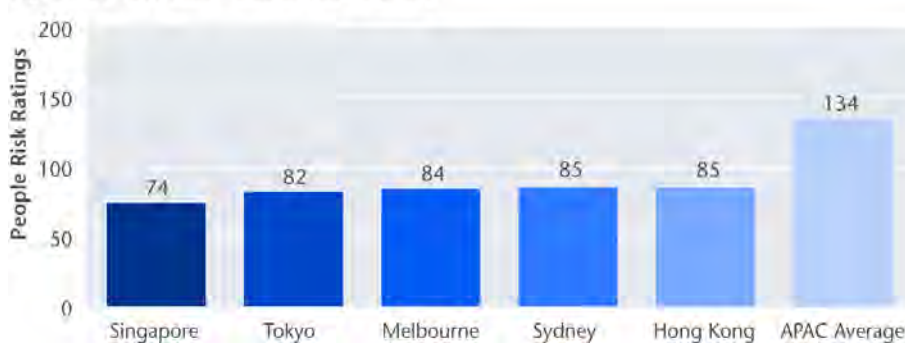
## Findings

- Singapore, Tokyo and Melbourne present the lowest people risk among the 32 Asia Pacific cities included in this study.
- Dhaka, Phnom Penh and Karachi are the cities with the highest people risk in the Asia Pacific region.
- East Asian cities have lower people risk than Southeast Asian cities, while the South Asia region has the highest people risk overall.
- Except for Demographics, the Pacific cities are consistently the lowest risk group while South Asia cities are consistently the highest risk.

## Insights

The strengths of the low-risk cities in Asia Pacific lie in their high level of economic development, relatively low crime rate, strong government support for business, and superior education and talent development resources.

**Figure 3: Low-risk cities in Asia Pacific**



Their level of income and economic development enables these cities to spend more on education and talent development infrastructure. The most outstanding advantage these cities feature is the quality of their governments in setting laws and regulations that support human capital development. Transparency in government practices and low corruption further reinforce the advantage of a solid regulatory framework and create a stable and pro-business setting for both employers and employees. Good education infrastructure provides a stable supply of basic skills and professional capabilities (although the quantity may be insufficient in specific sectors).

The highest risks for these cities are related to workforce supply, both at present and in the future. Most notably, these cities are facing aging populations, which threaten to shrink their workforces in the coming years. When compared to locations in Greater China, the Japanese and Australian cities are also confronting the inherent disadvantage of a lack of multilingual skills in an increasingly globalized business environment. The rise of Chinese as a regional business language along with the increased English-language fluency among Chinese speakers puts cities with a large Chinese population at a distinct advantage, when compared to Japanese, Korean and Australian counterparts.

## Common weaknesses among high-risk cities

The high-risk cities in Asia Pacific share some major weaknesses. Although the economies of these cities are growing at a faster pace than most low-risk cities, their level of economic development is still substantially lower than the cities with low people risk. The current level of economic development has directly and indirectly resulted in higher risks in areas like education and employee development.

The most prevalent challenges faced relate to government transparency and corruption, and their role in ensuring laws and regulations for equal employment opportunities. Well-governed legal and regulatory frameworks providing more certainty to employers would be necessary to alleviate some of the people risks.

While these cities are growing at a faster pace and enjoy a younger population, low education levels, especially in tertiary education, result in inadequate numbers of skilled professionals. Attracting skilled professionals and managers into the high-risk cities can be a big challenge.

**Figure 4: High-risk cities in Asia Pacific**



## Findings

- Among the 27 cities in this region, Toronto and New York emerged as the cities with the lowest people risk, followed by Montreal, Los Angeles and Chicago.
- The three cities with the highest people risk in the Americas are in Latin America, namely Mexico City, Lima, and Bogota.
- Canadian cities have the lowest level of risk in both Government and Education.

## Insights

Canadian cities generally fared better in the ranking than their US counterparts, primarily because of strong government regulation and employment practices. Canada's low level of corruption and strict enforcement of equal opportunity laws reduces the risk for employers in Canada. Plus, Canada's health care and retirement coverage differentiate it from its southern neighbor. The high quality and broad availability of training facilities also were factors in the low-risk ratings.

**Figure 5: Low-risk cities in the Americas**

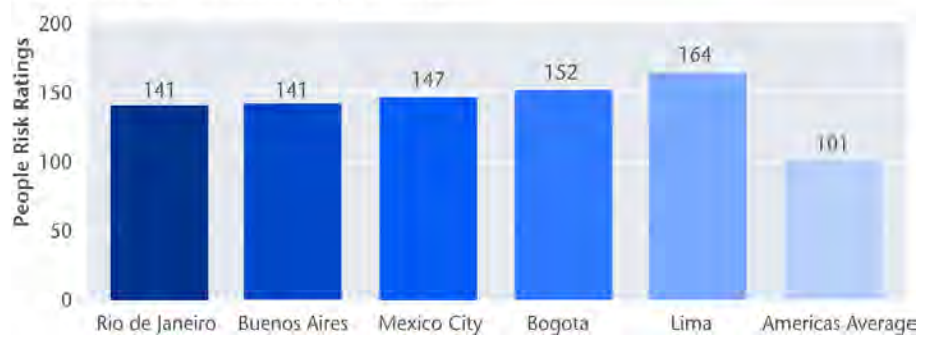


Among the three Canadian cities in the ranking, Toronto pipped Montreal due to its larger population base, and higher quality and availability of training resources. Vancouver scored higher than the eastern cities on availability of training and recruiting resources as well as limited non-English language capabilities.

## Outside Canada ...

Two US cities (New York and Los Angeles) ranked among the 10 lowest-risk cities worldwide. Employers in these cities benefit from a large population base, world class education and training facilities, and a highly qualified workforce. North America's relatively young population (as compared to Europe) is another advantage that the region's cities have over their European counterparts.

**Figure 6: High-risk cities in the Americas**



The Latin American cities have comparatively good economic status, compared to other developing cities in South Asia or Africa. They also exhibit relatively young populations compared to the well-developed North American cities. However, emigration saps some of this strength. A lack of talent and leadership development facilities and resources also creates some risk.

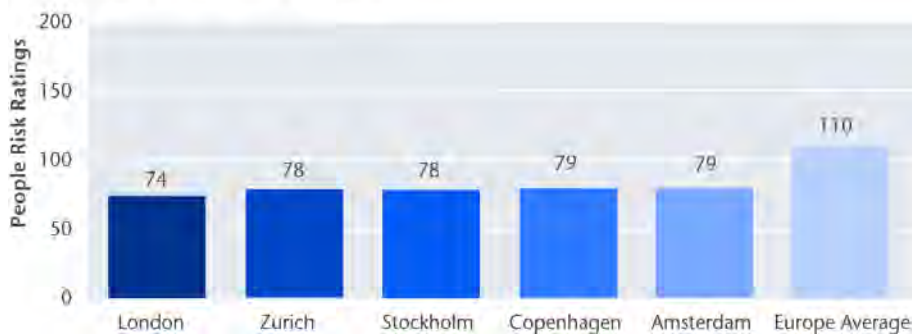
## Findings

- London, Zurich, Stockholm, Copenhagen and Amsterdam are the five cities in the region with the lowest overall people risk ratings.
- Lagos has the highest overall people risk in the region, followed by Tehran, Nairobi, Cairo and St. Petersburg.
- The Russian cities of Moscow and St. Petersburg are among the highest-risk cities globally, alongside Karachi, Nairobi and Cairo.

## Insights

Five European cities made it into the ranking of 10 lowest-risk cities because of their high levels of education and the quality and availability of their training resources. Plus, the excellent multi-language capabilities of professionals, especially when compared to their American peers, further contributed to their low-risk ratings.

Figure 7: Low-risk cities in Europe

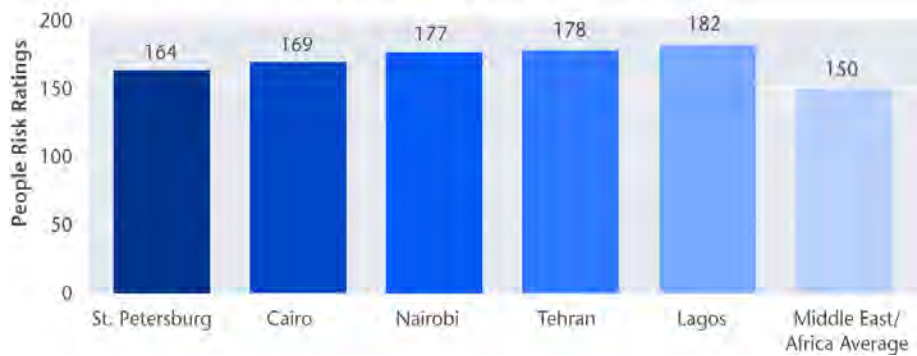


On the other hand, Europe's aging population pushed up the risk for European cities as compared to their North American counterparts. Most parts of Europe, with the exception of Turkey (and to a lesser extent, Ireland), have a relatively large proportion of the population coming close to retirement.

Along with the problem of an aging population is the shrinking size of the workforce due to low birthrates. The burden of social benefits could reduce Europe's ability to invest in human capital development and as a result may lead to the stagnation of human capital. This phenomenon already is being observed in several "old" economies such as Italy, Spain and Germany. While most developed European cities have relatively low people risk at this juncture, their risk level could go up if the issues of workforce supply shortage and human capital stagnation are not addressed effectively.

Problematic labor relations increased the risk in Paris while rigidity of personnel costs raised the risk rating for Dublin, Vienna and the German cities covered in this report. Relatively low income levels, outflows of skilled workers and professionals, and a relatively high incidence of crime also contribute to higher demographic risk in many Eastern European cities.

**Figure 8: High-risk cities in Europe, Middle East & Africa**



St. Petersburg, Russia, the only European city included among the top 10 highest-risk cities worldwide, rated high due to risks associated with crime, occupation health & safety, and corruption. The limited non-Russian language capabilities of its workforce also factored into its high-risk rating.

Among the eight cities in the Middle East & Africa covered by the Index, Dubai has by far the lowest risk rating. A young population, a highly mobile workforce, and a high per capita income helped lower the people risk in Dubai. Strong government support also helped to lower the city's rating.

Lagos, on the other hand, had the highest risk rating in this regional group. Lagos was assessed the maximum risk rating for several factors including the level of corruption, the number of secondary school graduates, and the per capita spending on education. Nairobi and Tehran rated somewhat lower risk than Lagos. Nairobi's high crime rate and lower per capital income increased its risk ratings. Tehran's dearth of recruitment and training resources along with employment restrictions on women pushed up its risk rating.

## Next steps ... utilizing the People Risk Index

With a clearer understanding of the risk profile of a location, companies can adapt their HR policies to mitigate the risks. For instance, companies can adapt orientation and training policies to the Talent Development risk profile of different locations. Similarly, rather than adopting a “one size fits all” global HR policy, organizations can localize global principles to address local risk conditions. The *Aon Hewitt People Risk™ Index Ratings* help simplify this task by identifying locations with similar risk profiles where common policies and practices may be applied.

HR practitioners can also be proactive in addressing local people risk. Understanding a particular location's people risk profile allows companies to: proactively prepare incoming staff more thoroughly where education levels are lower, develop strategies to deal with different levels of availability of training, and prepare manpower plans that cope with impending skills shortages.

Through a proactive approach to people risk management, HR practitioners can play a critical role in driving investments and taking the initiatives required to succeed. ***While people are a key source of risk, they are also the solution. By understanding people risk, companies are able to address it and turn the risks into opportunities.***

As global economic growth continues to shift from the developed markets to the emerging markets, companies are seeking more localization in their people strategy to capitalize on the faster growth opportunities in these markets. This means companies will want to increase their presence by hiring talents from, and deploying talents to, these emerging markets. The better a company understands the people risks related to each local market, the better equipped they will be to realize the business opportunities.

## Appendix

### Aon Hewitt People Risk™ Services

At Aon Hewitt, we believe that understanding people risk factors and taking steps to mitigate these risks, is crucial to the sustainability of an organization. Aon Hewitt People Risk™ Services equip companies with the tools needed to make informed decisions that address the risks related to human resource management.

*The first and only instrument to measure human capital risk*, Aon Hewitt offers the following People Risk™ Services:

**People Risk™ Index Ratings** that provides a quick comparative overview of risks associated with recruitment, employment and relocation in 90 cities worldwide. These ratings enables companies to quickly compare risk by location, identify the reasons for the risks, and determine actions to address these risks.

**People Risk™ City Reports** feature valuable analysis and commentary for each city on the 25 factors covered by the People Risk™ Index. The reports enable users to analyze their company's human resource-related risk profile in a detailed and systematic manner across all the locations in which they operate.

A **People Risk™ Portal** ([www.aon.com/peoplerisk](http://www.aon.com/peoplerisk)) that includes the People Risk Index Ratings, city reports, customized regional comparative analysis and an online tool for calculating and customizing the Index. Users can change the weighting of the risk factors according to their own needs and thus to identify the specific risk vulnerabilities for each location where they currently operate, or are considering new investments.

A **People Risk™ Map** that graphically displays the people risk levels across 90 cities worldwide and highlights areas of high risk for each city. The Map provides a valuable communication tool for management to quickly review their risk vulnerabilities.

**Regional Comparative People Risk™ Analysis** of cities is available by region, (i.e., the Americas; Europe, Middle East and Africa; and Asia Pacific), by country (i.e., cities in China or the US) and by level of development. (i.e., Emerging Markets, Developed Markets).

**Detailed People Risk™ Research** into the risks of selected locations based on the unique requirements of individual companies. We interpret the data and deliver our results, conclusions and recommendations through discussions, reports and presentations.

For more information on the Aon Hewitt People Risk Services, you can visit [www.aon.com/peoplerisk](http://www.aon.com/peoplerisk) or contact us at [peoplerisk@aon.com](mailto:peoplerisk@aon.com).

## People Risk™ Ratings: Overall Scores and Rankings

Ranking	City	Rating	Ranking	City	Rating
1	Toronto	70	46	Tel Aviv	118
2	New York	73	47	Santiago	119
3	Singapore	74	48	Lisbon	125
3	London	74	49	Milan	126
5	Montreal	77	49	Warsaw	126
6	Zurich	78	51	Kuala Lumpur	128
6	Stockholm	78	52	Beijing	129
8	Copenhagen	79	53	Shanghai	130
8	Amsterdam	79	54	Sao Paulo	135
10	Los Angeles	80	54	Bangkok	135
11	Chicago	81	56	Rome	136
12	Tokyo	82	56	Riyadh	136
13	Vancouver	83	58	Johannesburg	137
13	Boston	83	59	Mumbai	138
15	Melbourne	84	60	Shenzhen	141
16	Sydney	85	60	Rio de Janeiro	141
16	San Francisco	85	60	Delhi	141
16	Hong Kong	85	60	Buenos Aires	141
19	Philadelphia	87	64	Guangzhou	142
20	Dublin	88	64	Athens	142
20	Taipei	88	64	Manila	142
22	San Diego	89	67	Jakarta	144
22	Dallas	89	68	Mexico City	147
22	Atlanta	89	69	Tianjin	148
25	Houston	90	70	Istanbul	149
25	Osaka	90	71	Chennai	150
27	Miami	91	72	Bangalore	151
28	Washington DC	92	72	Wuhan	151
28	Minneapolis	92	74	Bogota	152
30	Phoenix	93	75	Dalian	153
30	Denver	93	75	Kolkata	153
30	Seattle	93	77	Chengdu	154
30	Paris	93	78	Moscow	157
34	Manchester	94	79	Xi'an	161
35	Vienna	95	80	Lima	164
36	Auckland	96	80	St. Petersburg	164
36	Brussels	96	82	Cairo	169
38	Frankfurt	97	83	Colombo	171
38	Berlin	97	84	Hanoi	175
40	Detroit	98	85	Nairobi	177
41	Dubai	99	86	Tehran	178
42	Madrid	103	87	Karachi	180
43	Seoul	105	88	Lagos	182
44	Barcelona	106	89	Phnom Penh	189
45	Prague	117	90	Dhaka	190

## References and Information Sources

The People Risk™ Index Ratings is a composite rating covering 25 risk factors. Assessment of each risk factor is based on both quantitative and qualitative measures. Quantitative measures are based on various well established sources. Country-level information is used where city-specific information is not available, subject to the review of a panel of local experts. The qualitative measures are based on the assessments from Aon Hewitt's analysts and a panel of local experts.

### References

A list of data sources is available at [www.aon.com/peoplerisk](http://www.aon.com/peoplerisk).

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## About Aon Hewitt

Aon Hewitt is the global leader in human capital consulting and outsourcing solutions. The company partners with organizations to solve their most complex benefits, talent and related financial challenges, and improve business performance. Aon Hewitt designs, implements, communicates and administers a wide range of human capital, retirement, investment management, health care, compensation and talent management strategies. With more than 29,000 professionals in 90 countries, Aon Hewitt makes the world a better place to work for clients and their employees.

For more information on Aon Hewitt, please visit [www.aonhewitt.com](http://www.aonhewitt.com).

## About the Aon Hewitt Global Research

Aon Hewitt's Global Research Center develops products and services that are founded on innovative thought leadership specifically designed to meet the practical needs of our clients. The Center is based in Singapore and relies on Aon Hewitt's global network of consultants for expert advice around the world. We are able to develop and offer unique, creative solutions to pressing issues in human resource management by building upon the strength of our capabilities:

- **Aon Hewitt's team of experienced researchers:** Our researchers have strong, solid experience and educational backgrounds to develop thought leadership on the HR aspects of corporate governance, risk and reward management, and globalization.
- **Global reach:** Aon Hewitt has a presence in 90 countries, thus giving us insights into strategic HR practices globally. We are able to perform cross-regional analyses and develop benchmarks on emerging market HR practices.
- **An integrated suite of tools, systems and processes:** We have established processes, which, accompanied by our range of web-based survey and marketing tools, effectively support our research activities.



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