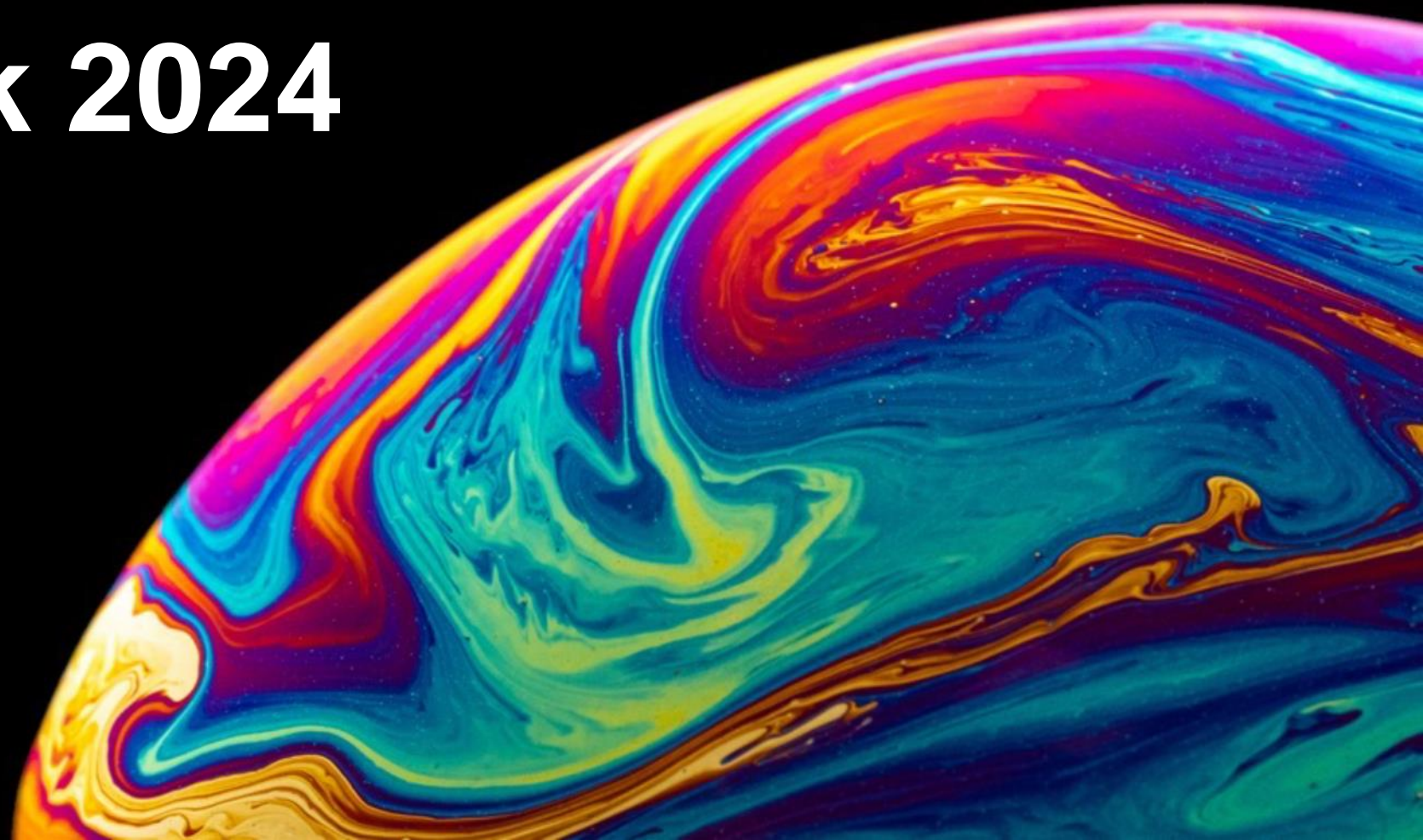


People Risk 2024

Investing in your people,
protecting your business



About the survey

People can be an organization's most important strength, but they can also bring significant risk to a business if they're not properly managed. People Risks are business risks generated by your workforce and how you manage, equip and motivate this critical asset.

What

The report captures the greatest People Risks facing organizations and how risk managers and human resources can collaborate to limit organizational exposure and mitigate risk.

Who

4,575
respondents

2,283
HR professionals

2,292
Risk professionals

Respondents represented both a wide range of industries and cross-section of employer sizes.

Where

26 countries across Asia, Europe, Latin America, the Middle East and Africa, North America, the Pacific, and the United Kingdom.

When

Fielded October-November 2023



Top 10 People Risks by Risk Rating Score

We grouped 25 key threats into five pillars of people risks. HR and Risk managers assessed the likelihood and severity of these risks for their organization.

Ranking	Global	Asia	Canada	Europe	Latin America	Middle East & Africa	Pacific	United Kingdom	United States
1	Increasing health and benefit costs	Increasing health and benefit costs	Increasing health and benefit costs	Labor shortages	Increasing health and benefit costs	Increasing health and benefit costs	Changing legislation and scrutiny	Labor shortages	Ineffective leadership
2	Labor shortages	Disparities in executive/worker rewards	Tech skills shortages	Increasing health and benefit costs	Mental health deterioration	Natural disasters and extreme weather	Labor shortages	Tech skills shortages	Improper rewards decision making
3	Disparities in executive/worker rewards	Uncompetitive talent strategies	Suboptimal HR technology	Disparities in executive/worker rewards	Pandemics	Inadequate personal catastrophe coverage	Inadequate personal catastrophe coverage	Mental health deterioration	Increasing health and benefit costs
4	Tech skills shortages	Tech skills shortages	Inadequate personal catastrophe coverage	Ineffective leadership	Lack of cybersecurity knowledge	Mishandling of data/IP	Uncompetitive talent strategies	Disengaged workforce	Lack of cybersecurity knowledge
5	Changing legislation and scrutiny	Labor shortages	Pandemics	Changing legislation and scrutiny	Changing legislation and scrutiny	Tech skills shortages	Improper rewards decision making	Changing legislation and scrutiny	Misconduct
6	Uncompetitive talent strategies	Mental health deterioration	Poor management of benefit exposure	Unsafe working conditions	Disparities in executive/worker rewards	Improper rewards decision making	Increasing health and benefit costs	Disparities in executive/worker rewards	Tech skills shortages
7	Ineffective leadership	Disengaged workforce	Improper rewards decision making	Misconduct	Tech skills shortages	Disengaged workforce	Mishandling of data/IP	Ineffective leadership	Disparities in executive/worker rewards
8	Mental health deterioration	Ineffective leadership	Absence of HR in decision-making	Lack of cybersecurity knowledge	Uncompetitive talent strategies	Uncompetitive talent strategies	Mismanagement of AI	Poor management of benefit exposure	Poor management of benefit exposure
9	Lack of cybersecurity knowledge	Mishandling of data/IP	Labor shortages	Pandemics	Suboptimal HR technology	Weak benefits administration	Absence of HR in decision-making	Pandemics	Unsafe working conditions
10	Disengaged workforce	Lack of cybersecurity knowledge	Changing legislation and scrutiny	Mental health deterioration	Disengaged workforce	Lack of DE&I	Ineffective leadership	Improper rewards decision making	Mishandling of data/IP

Risks Ranked by Risk Rating Score (likelihood x severity of impact on their organization in the next one to two years)

Risk pillar ● Technological change and disruption ● Talent, leadership and workforce practices ● Health, well-being and safety ● Governance, compliance and financial ● Environment, sustainability and protection

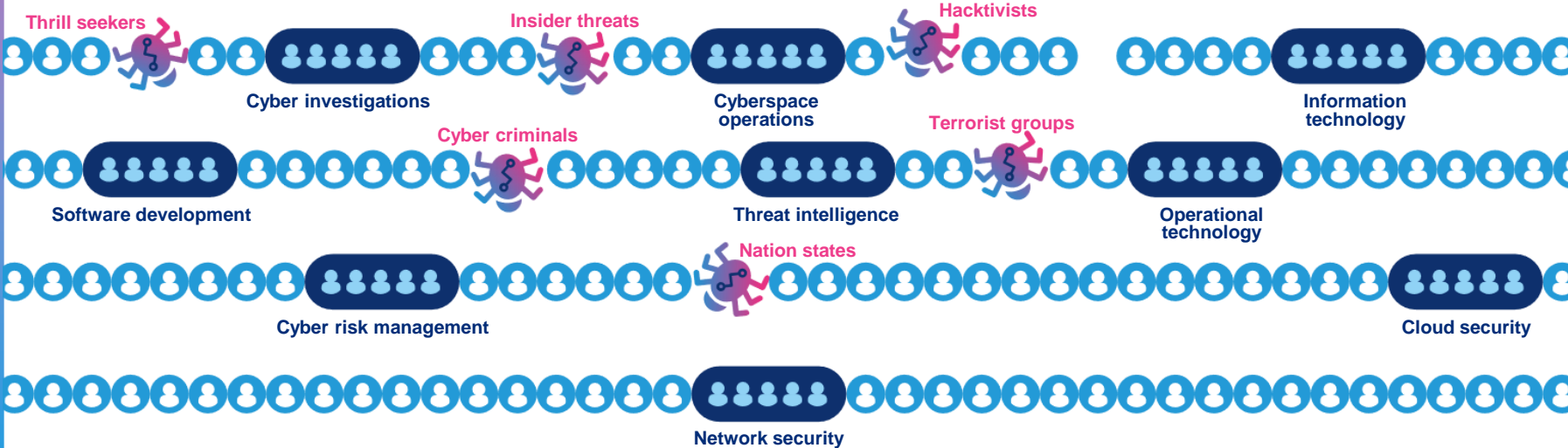
Five pillars shaping people risks



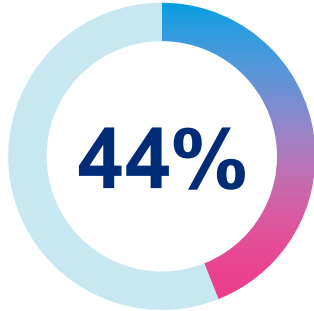
Technological change and disruption

Technology is forging new jobs, delivery channels and products, but it is also introducing new risks and deepening existing ones.

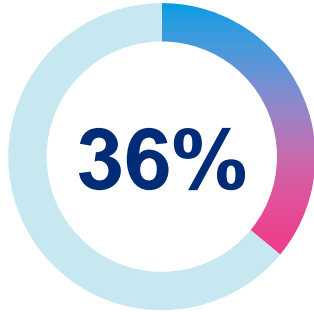
Managing these risks means creating a culture that is committed to protecting the organization from cyber threats, data breaches and intellectual property theft, as well as one that is genuinely addressing AI and other disruptive technologies both as an opportunity and a threat.



The cyber workforce and the full workforce must protect against cyber threats



Are concerned about the increased risk of cyber-attacks due to lack of cybersecurity awareness, organizational design and/or culture



Are concerned with employees' over-reliance and complete trust in AI-generated content without proper verification



Talent, leadership and workforce practices

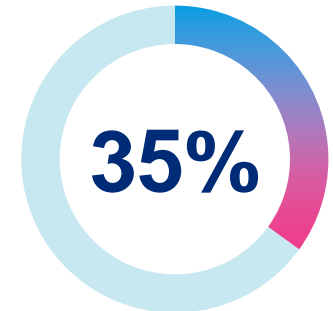
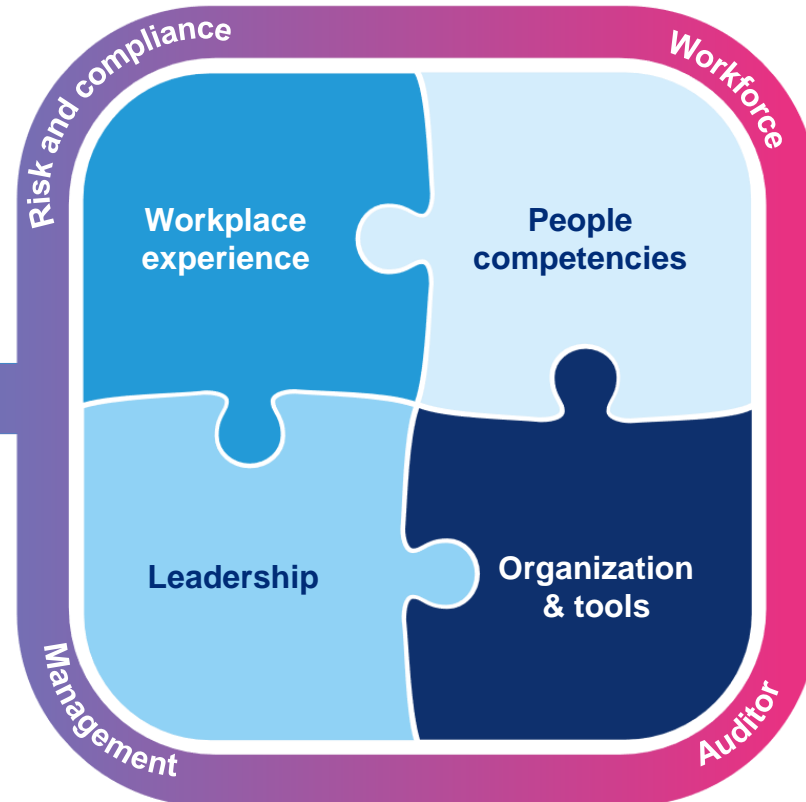
Organizations can only remain competitive if they can recruit and develop the right skills, talent and leadership. However, equally as important is ensuring employees' needs are met in order to promote thriving and productivity.

Leadership needs to be able to recognize employee needs, inspire engagement and loyalty and take action on supporting their people through critical moments in their lives and in moments of company crises. These actions engender trust and are critical in supporting a culture of risk management.

Risk management culture

Involving all stakeholders in risk management

Be proactive.
Be predictive.
Be disciplined.



Are concerned with negative organizational culture or work environment, tense team dynamics and mistrust associated with ineffective leadership



Health, well-being and safety

Employee health and safety is a staple of any people risk agenda, but organizations must broaden the scope of how they define well-being at work.

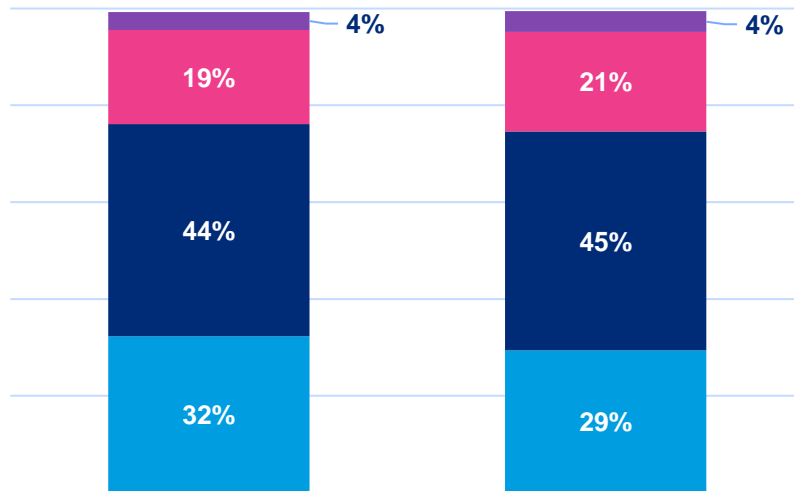
As suicide, conflict and burnout trend in the wrong direction, psychological health and emotional well-being now demand equal recognition with physical safety in terms of risk mitigation.

Employers have a unique opportunity to advance health support for their employees and fill gaps within traditional systems of healthcare.

Mitigation measure

Strong systems, controls, and culture to ensure safety and prevent workplace injuries and illnesses

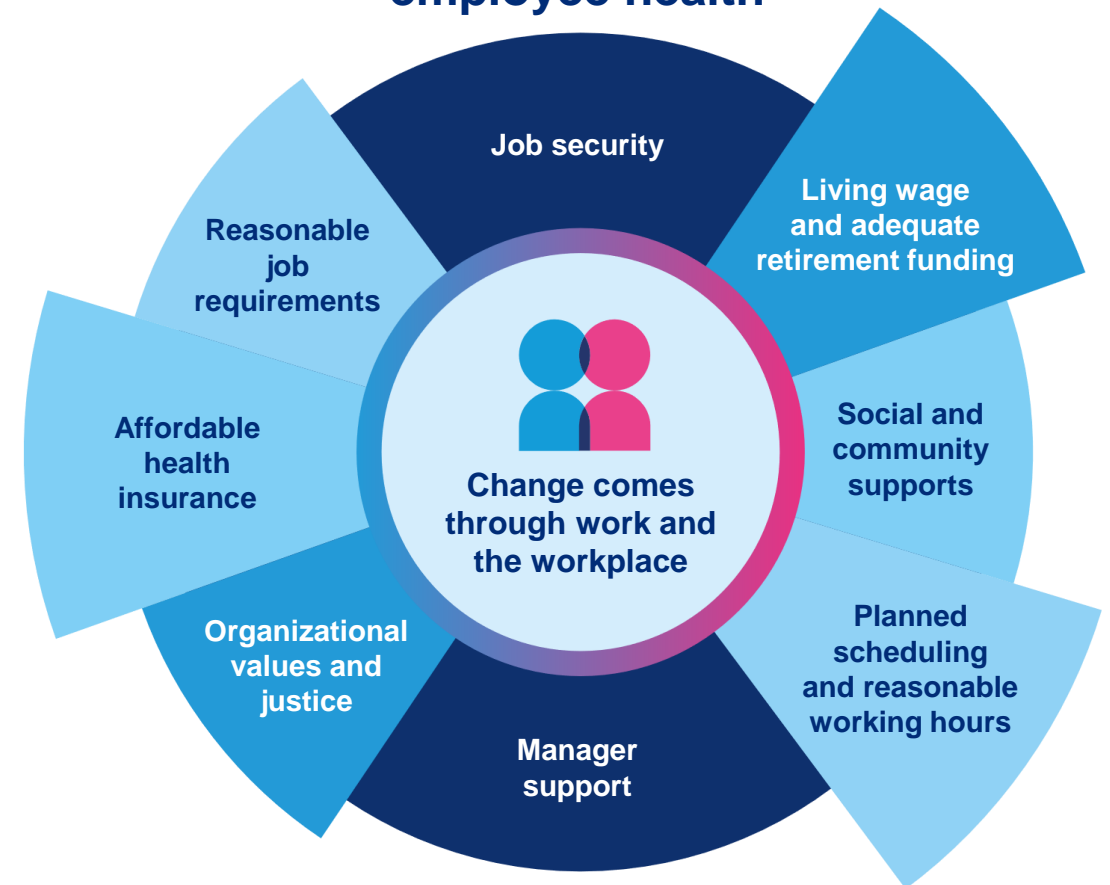
Initiatives to create a psychologically-safe workplace and address work-related causes of mental distress



- Not in place
- Not in place but will be in next 1-2 years
- In place but needs improving
- Currently in place and is effective

Excludes those who do not have visibility into the measure

Work factors impact employee health



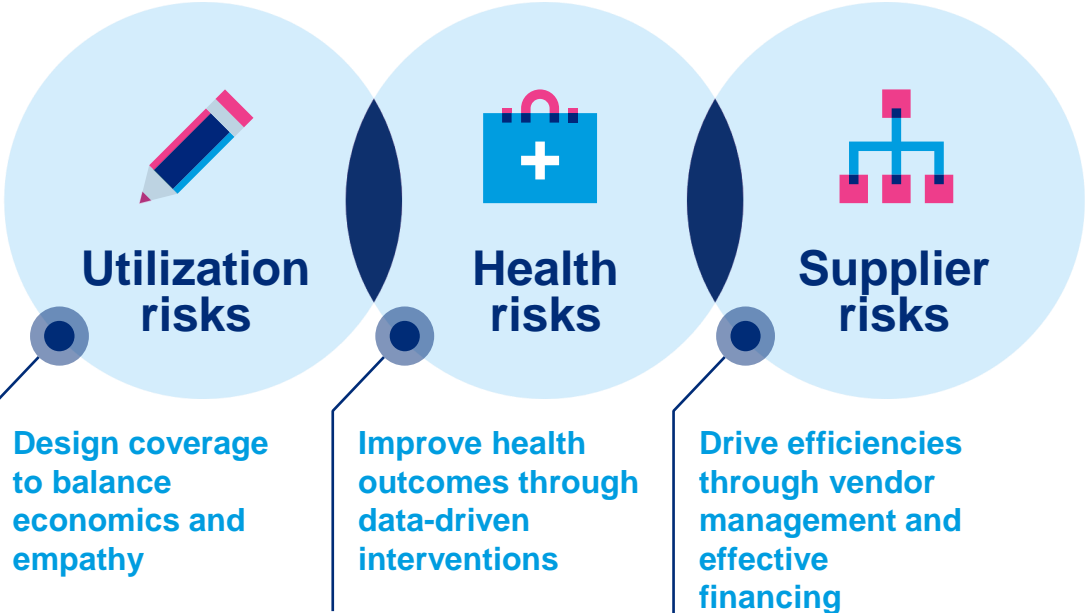


Governance, compliance and financial

Inflationary pressures on benefit costs persist, and organizations must plan for changes to their benefit programs now. Managing underlying risks and keeping focus on ensuring employees remain well can help to manage claims costs.

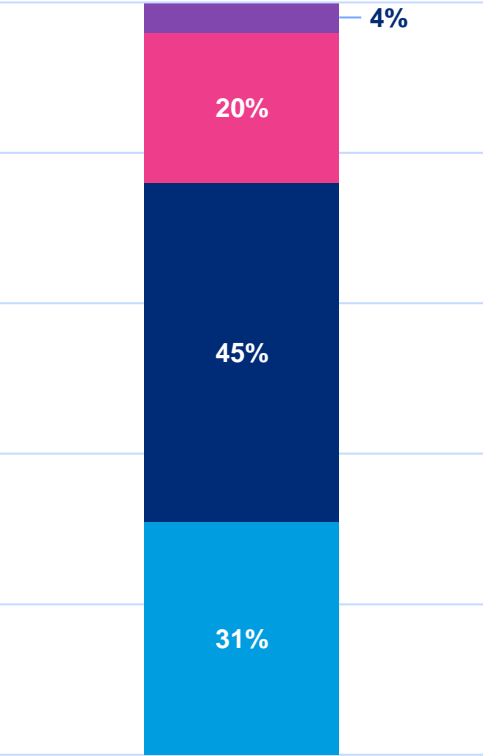
As it relates to people risks more broadly, increasing stakeholder scrutiny, litigation and legislative activity across different regions means that identifying and getting ahead of emerging governance gaps is crucial.

Three elements of an effective health and benefit cost management strategy



Mitigation measure

An articulated cost containment strategy encompassing plan design, health risk management, and insurance placement to manage benefit cost



- Not in place
- Not in place but will be in next 1-2 years
- In place but needs improving
- Currently in place and is effective

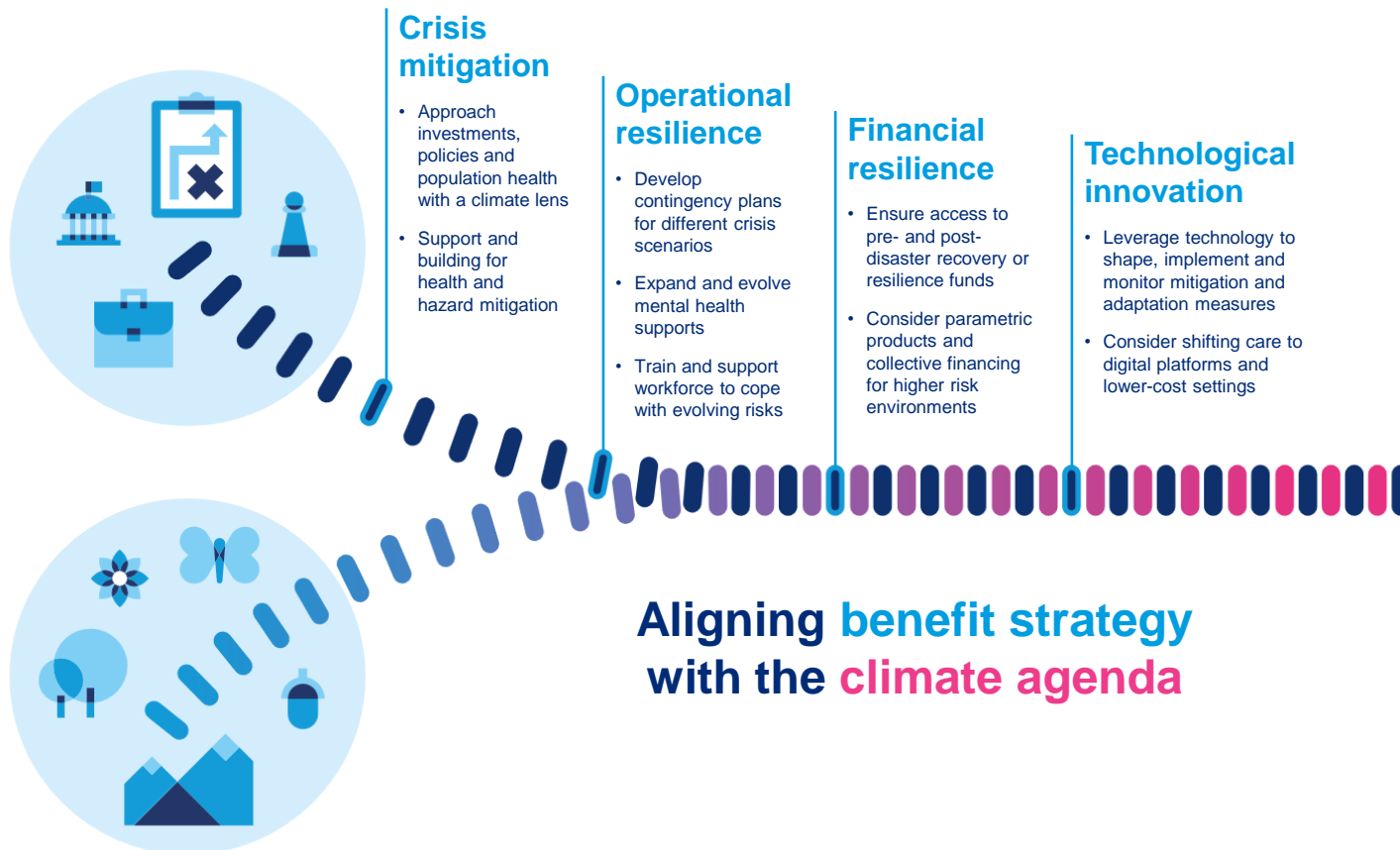
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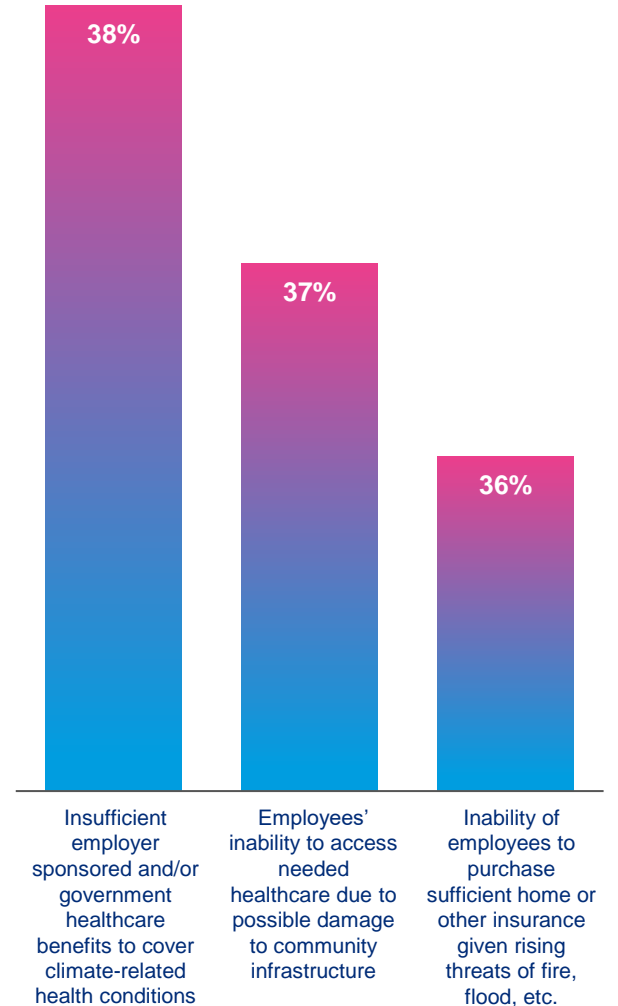
Environment, sustainability and protection

Environmental risks have traditionally been interpreted as related to property, but the potentially catastrophic impact of extreme weather events and natural disasters on the health and well-being of employees and their families is an imminent threat.

Issues such as the cost-of-living crisis have compounded hardships for many employees over this decade. Widening disparities between executive and worker rewards as well as values are now having an impact on workplace dynamics as well as labor relations.

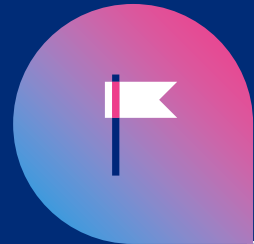


Regarding natural disasters and extreme weather, what are you concerned about in your role?



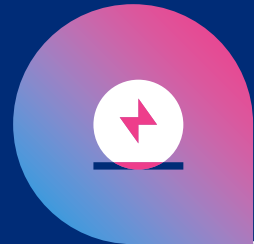
Three key takeaways

Take a proactive, predictive and disciplines approach to people risk management



Be proactive

- Tackle future challenges today
- Set measurable goals
- Empower individuals across the organization



Be predictive

- Embrace predictive analytics and modelling
- Identify and track people related measures and insights



Be disciplined

- Continually improve governance through monitoring and audits
- Reinforce accountability
- Be proactive over cost control and active management



Learn more by reading our 2024 People Risk Report now.

For further information, please contact your local Mercer Marsh Benefits office.

Mercer Marsh Benefits provides a range of solutions to help you manage workforce health and well-being, including:

- Brokerage of core employee benefits as well as plan design.
- Advice and support for health and well-being, including telemedicine, mental health support, diversity and inclusion, environmental/social/governance, flexible benefits, and plan member communications.
- Digital solutions to engage plan members in their health and benefits.

About Mercer Marsh Benefits™

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