

# What Could Go Wrong?



## The Question Every HR Pro Should Ask

If you're an HR practitioner, you may not be aware of how much of your job involves **risk management**. True HR management means thinking ahead to mitigate future risks that could cost your company thousands or even millions of dollars in liabilities or lost productivity. From hiring to firing, here are the HR risk related questions you should be asking every day.

### What Are The Risks?



#### POOR HIRING

**41%** of managers say they are "too busy" to implement diversity initiatives.

(Source: Society for Human Resource Management)

### What Could Go Wrong?



#### DISCRIMINATION LAWSUIT

### Did I...?



- + Follow fair hiring practices?
- + Educate the staff on fair hiring practices?
- + Ask only appropriate interview questions?
- + Calculate the cost of the time and energy spent in the hiring and enrollment process?



**80%** of employee turnover is due to bad hiring decisions.

(Source: The Harvard Business Review)



#### YOU HIRE THE WRONG PERSON FOR THE JOB



- + Screen the candidate thoroughly?
- + Conduct a background check?
- + Verify that the candidate has the right skills for the job?



#### LOW MORALE

The costs of employee turnover range from **30% to 150%** of the employee's salary.

(Source: American Management Association)



#### DISENGAGED EMPLOYEES



- + Encourage recognition programs?
- + Offer competitive wages?
- + Provide professional development training?
- + Demonstrate appreciation for good work?



#### UNSAFE WORK ENVIRONMENTS

The most disabling workplace injuries amount to nearly **\$62 billion/year** in direct U.S. workers' compensation costs.

(Source: Liberty Mutual 2016 Workplace Safety Index)



#### AN EMPLOYEE IS INJURED ON THE JOB



- + Provide training and safe working conditions?
- + Conduct regular safety checks?
- + Provide the appropriate safety equipment?
- + Establish adequate policies and procedures?



#### INAPPROPRIATE EMPLOYEE CONDUCT

**48%** of American adults have reported experiencing workplace bullying.

(Source: Workplace Bullying Institute)



#### AN EMPLOYEE IS ABUSED OR HARASSED



- + Issue an employee handbook and conduct proper training?
- + Provide comprehensive policies and procedures?
- + Consistently remind employees about proper conduct?



#### POOR PERFORMANCE

More than half of employers report difficulty retaining high-potential employees (**56%**) and top performers (**54%**).

(Source: Towers Watson)



#### QUALITY OF WORK AND PRODUCTIVITY DECLINES



- + Implement a system for performance reviews and improvement?
- + Offer ongoing feedback to employees?
- + Provide access to ongoing training?



#### FIRING

**46%** of new hires fail and are let go from their jobs within 18 months of being hired.

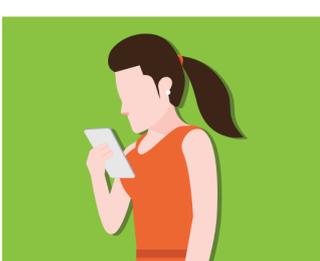


#### TERMINATED EMPLOYEE FILES A WRONGFUL TERMINATION LAWSUIT



- + Document all complaints filed?
- + Retain written records of performance issues?
- + Consistently offer opportunities for employee to be successful?

### Remember to...



**Do your homework** – Make sure you're in compliance with employment regulations.



**Be prepared for the worst** – Don't wait until it's too late to have an action plan for any potential crisis.



**Ask for help** – Your insurance broker is a great resource who can offer counsel and provide HR knowledge tools and services.