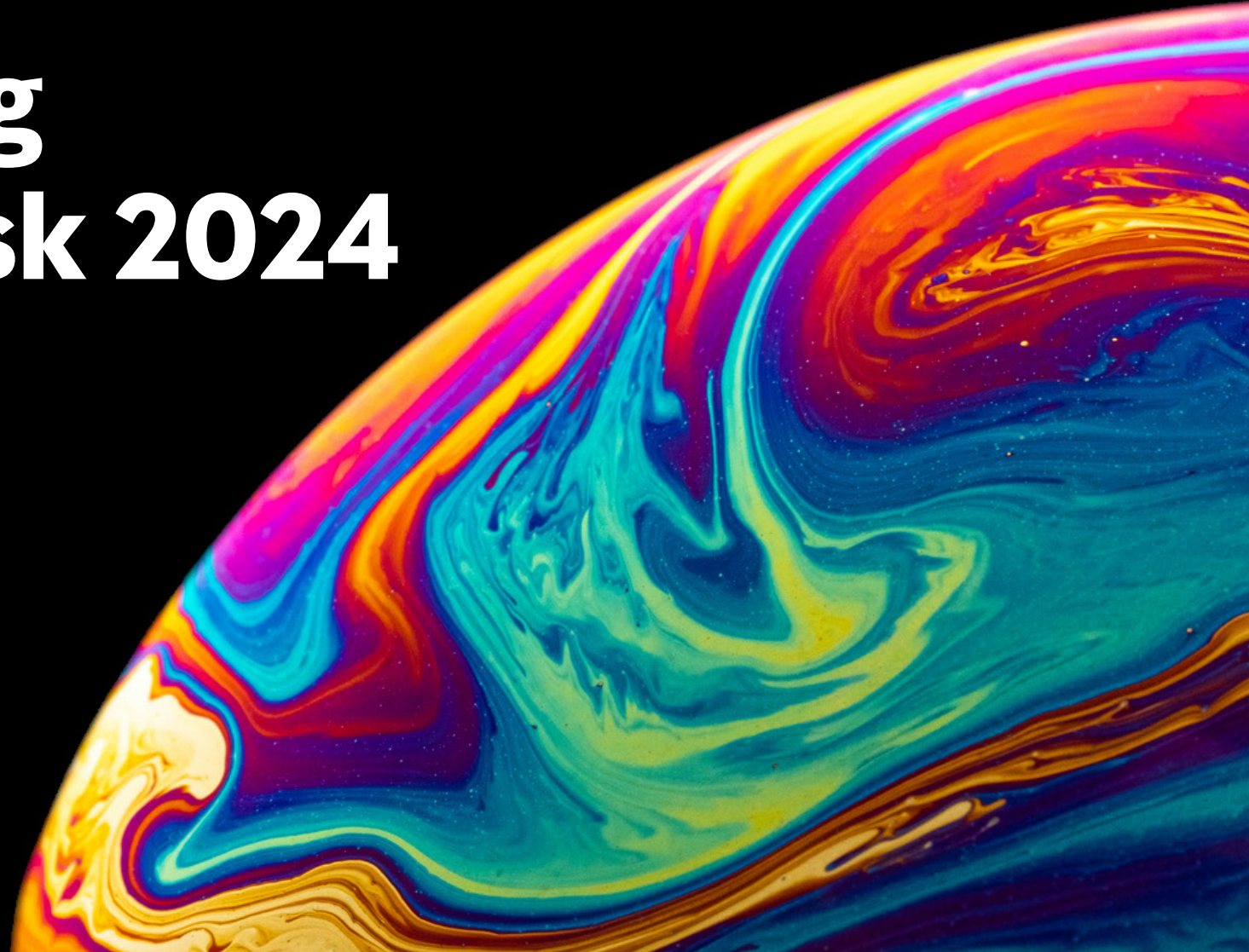


Hong Kong People Risk 2024

Investing in your people,
protecting your business

benefits that truly benefit



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

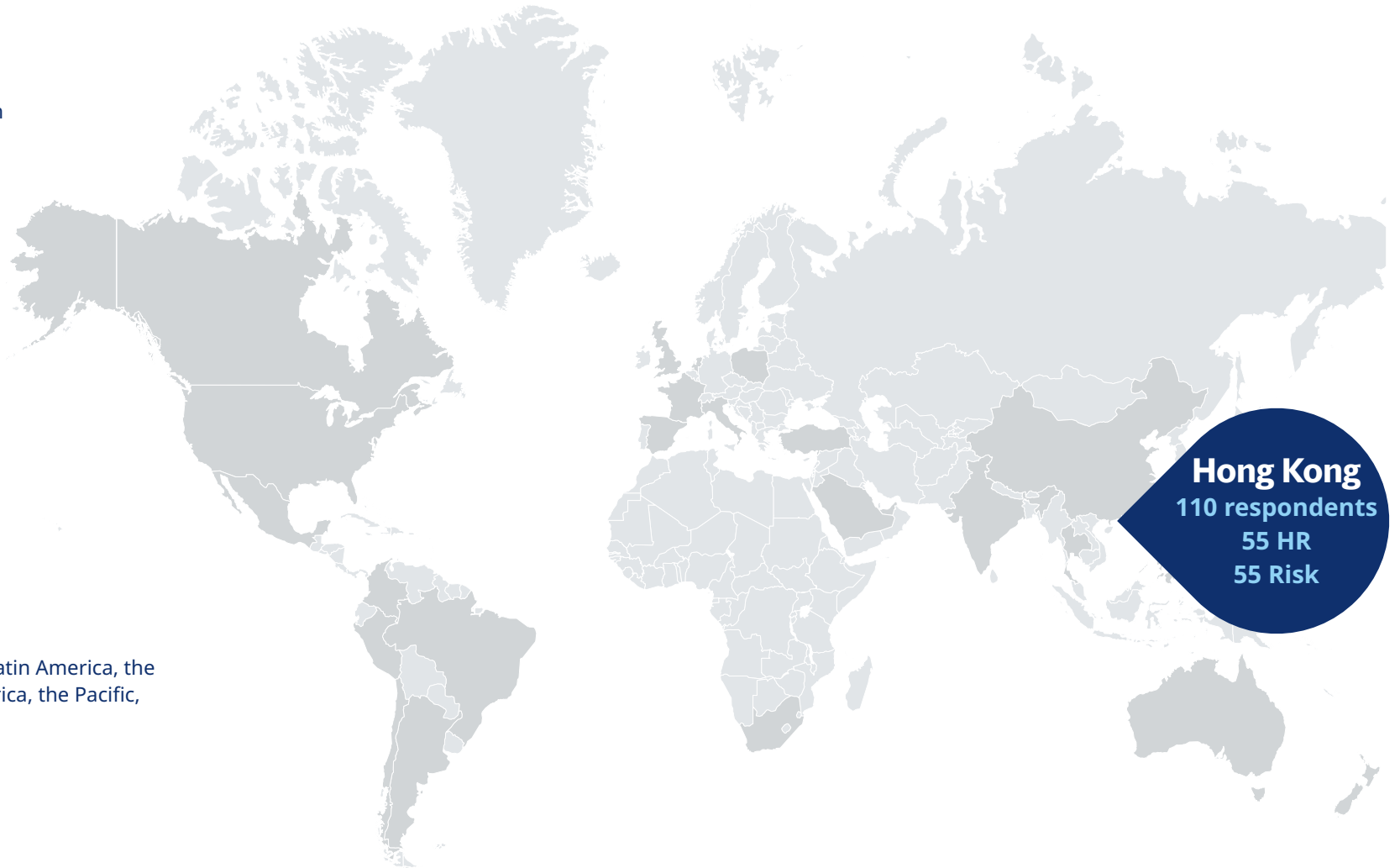
Respondents represented both a wide range of industries and cross-section of employer sizes.

Where

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

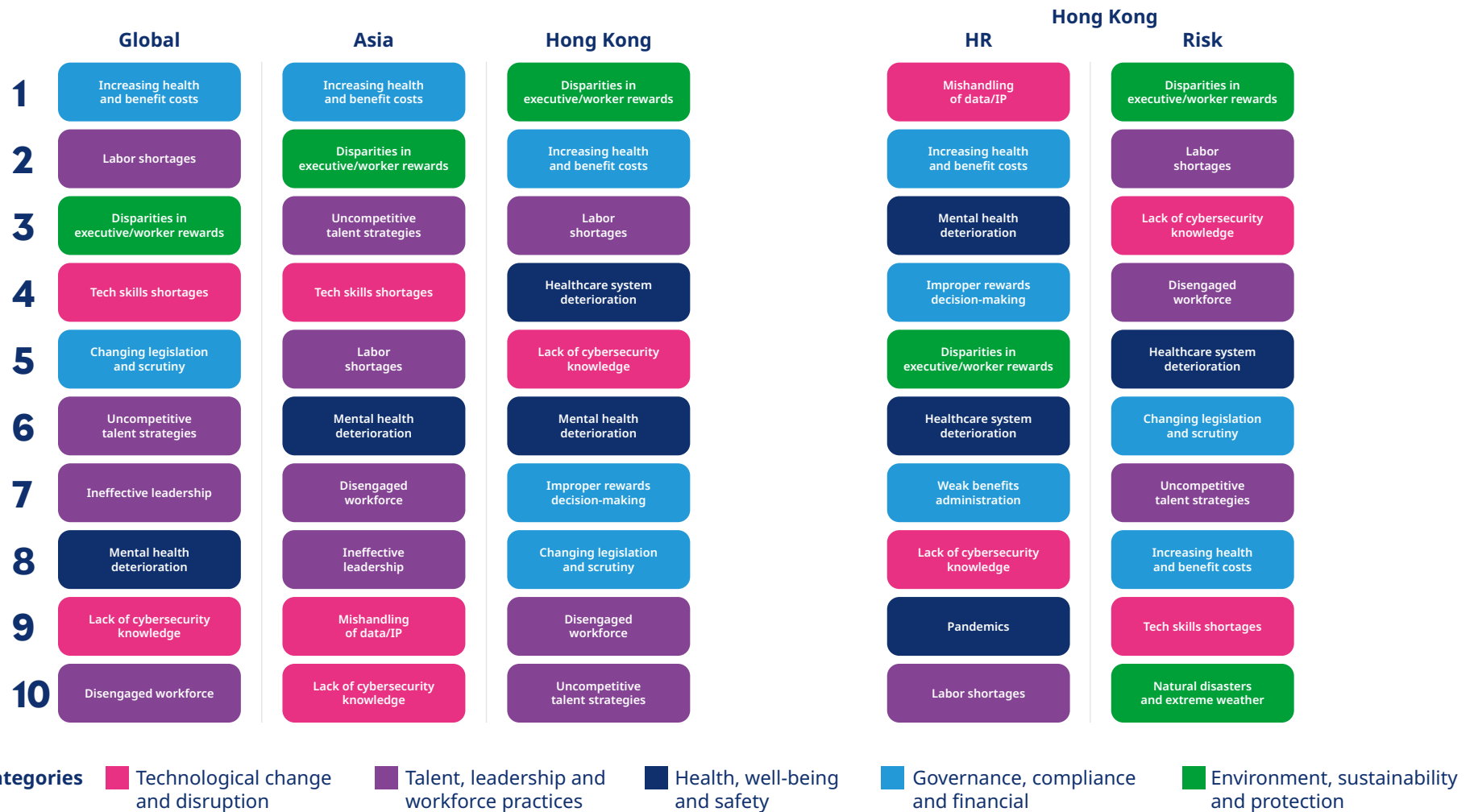
When

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.



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

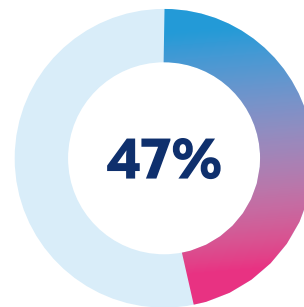
Five pillars shaping people risk



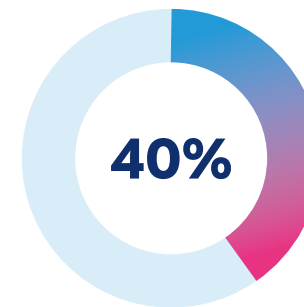
Technological change and disruption

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

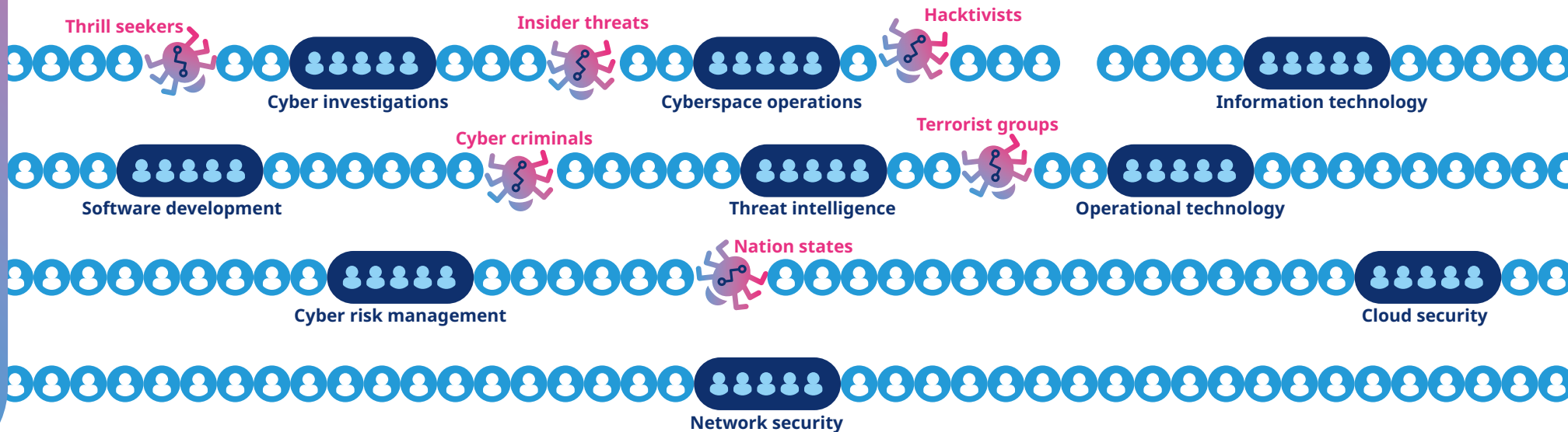
Managing these risks means creating a culture that is committed to protecting the organization from cyber threats, data breaches and intellectual property theft, as well as one that is genuinely addressing AI and other disruptive technologies both as an opportunity and a threat.



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



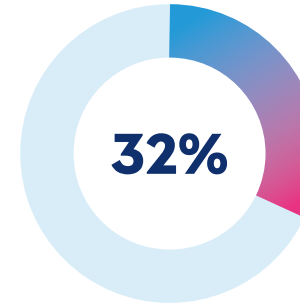
The cyber workforce and the full workforce must protect against cyber threats



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.

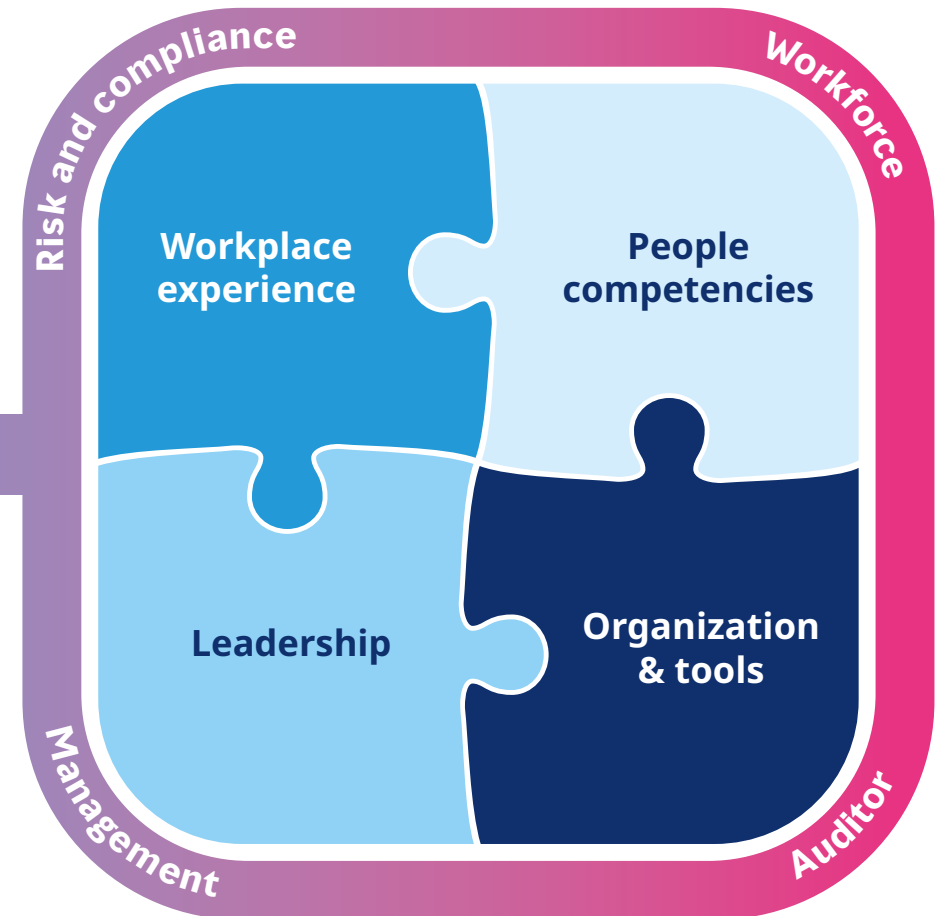


Are concerned with negative organizational culture or work environment, tense team dynamics and mistrust associated with ineffective leadership

Risk management culture

Involving all stakeholders in risk management

Be proactive.
Be predictive.
Be disciplined.



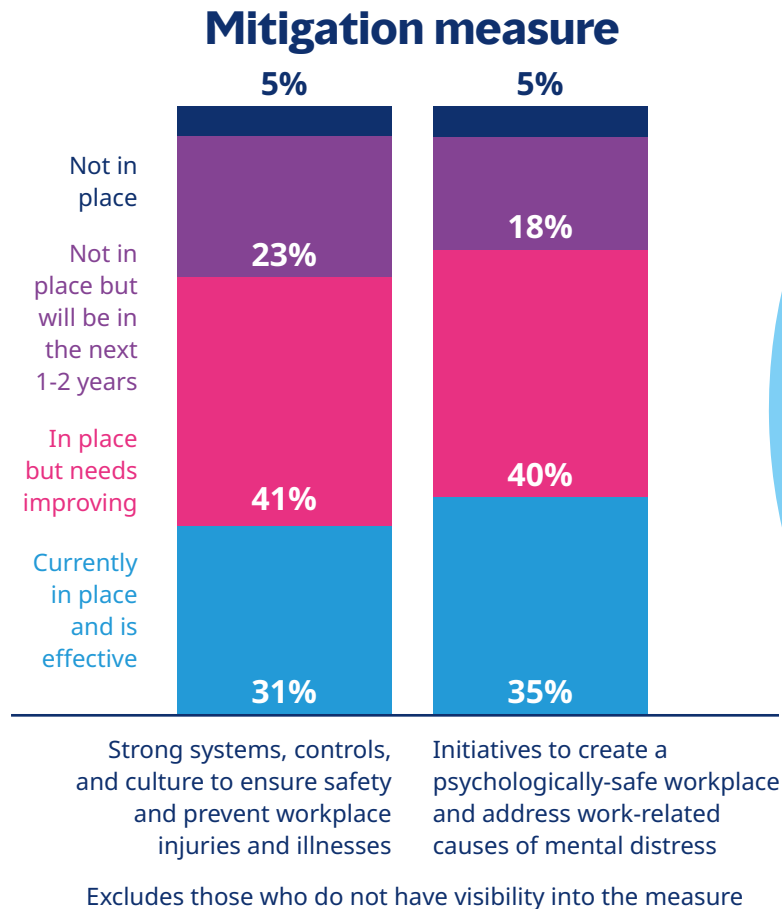


Health, well-being and safety

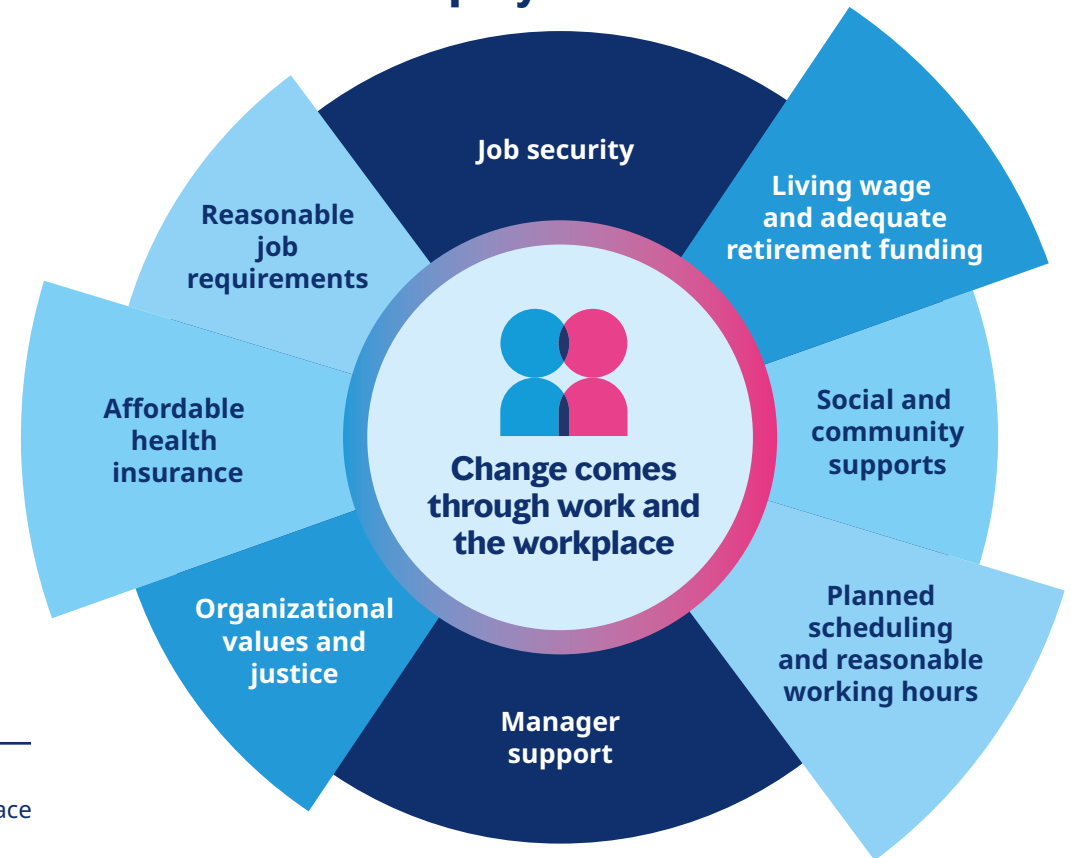
Employee health and safety is a staple of any people risk agenda, but organizations must broaden the scope of how they define well-being at work.

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.



Work factors impact employee health



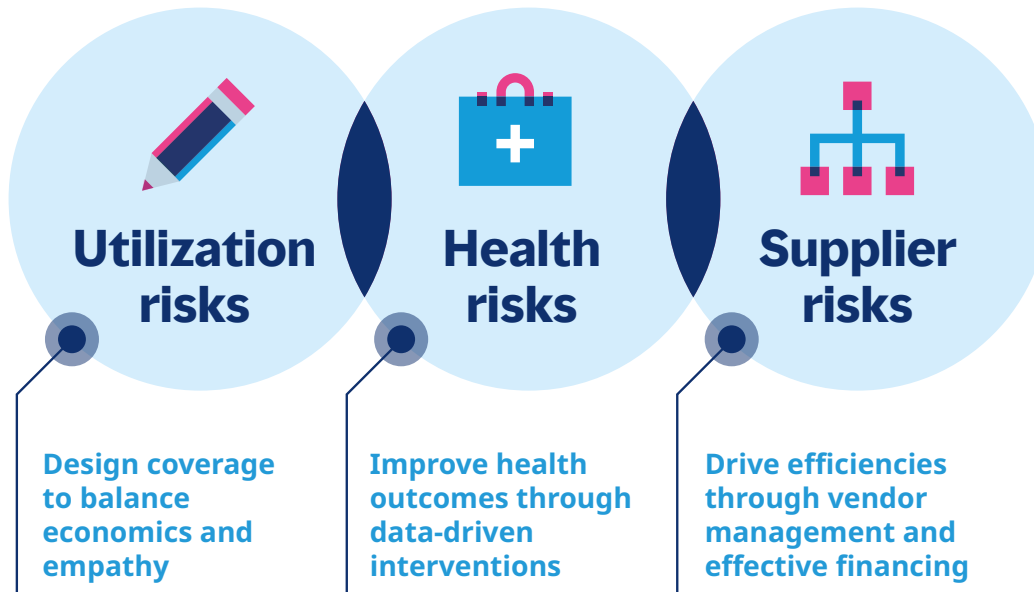


Governance, compliance and financial

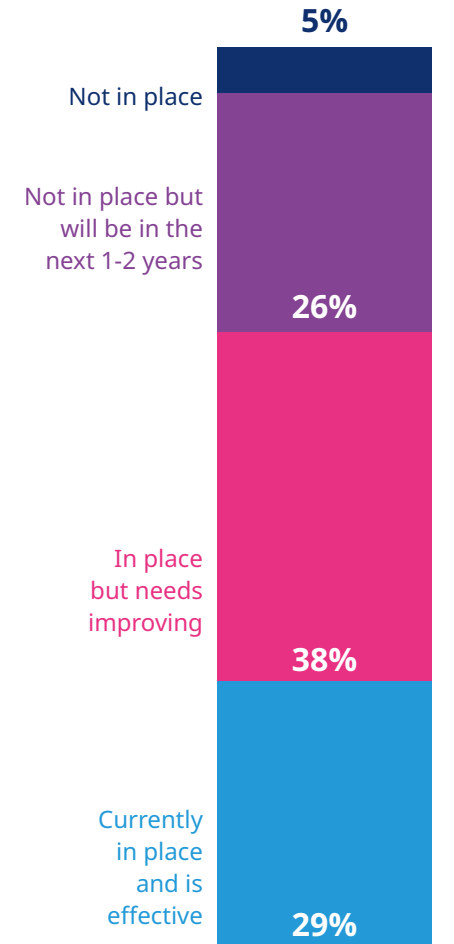
Inflationary pressures on benefit costs persist, and organizations must plan for changes to their benefit programs now. Managing underlying risks and keeping focus on ensuring employees remain well can help to manage claims costs.

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

Excludes those who do not have visibility into the measure



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.



Crisis mitigation

- Approach investments, policies and population health with a climate lens
- Support and building for health and hazard mitigation

Operational resilience

- Develop contingency plans for different crisis scenarios
- Expand and evolve mental health supports
- Train and support workforce to cope with evolving risks

Financial resilience

- Ensure access to pre- and post-disaster recovery or resilience funds
- Consider parametric products and collective financing for higher risk environments

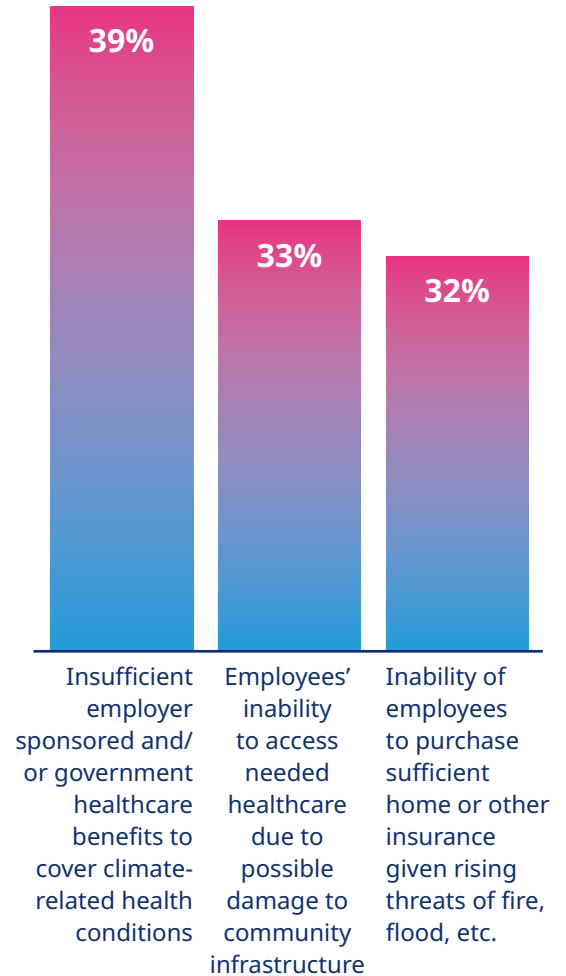
Technological innovation

- Leverage technology to shape, implement and monitor mitigation and adaptation measures
- Consider shifting care to digital platforms and lower-cost settings



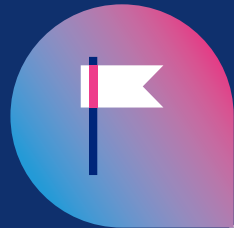
Aligning benefit strategy with the climate agenda

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



Three key takeaways

Take a proactive, predictive and disciplined 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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