



MARSH

Italy People Risk 2026

The Human Edge: Transforming
Risk into Strategic Advantage

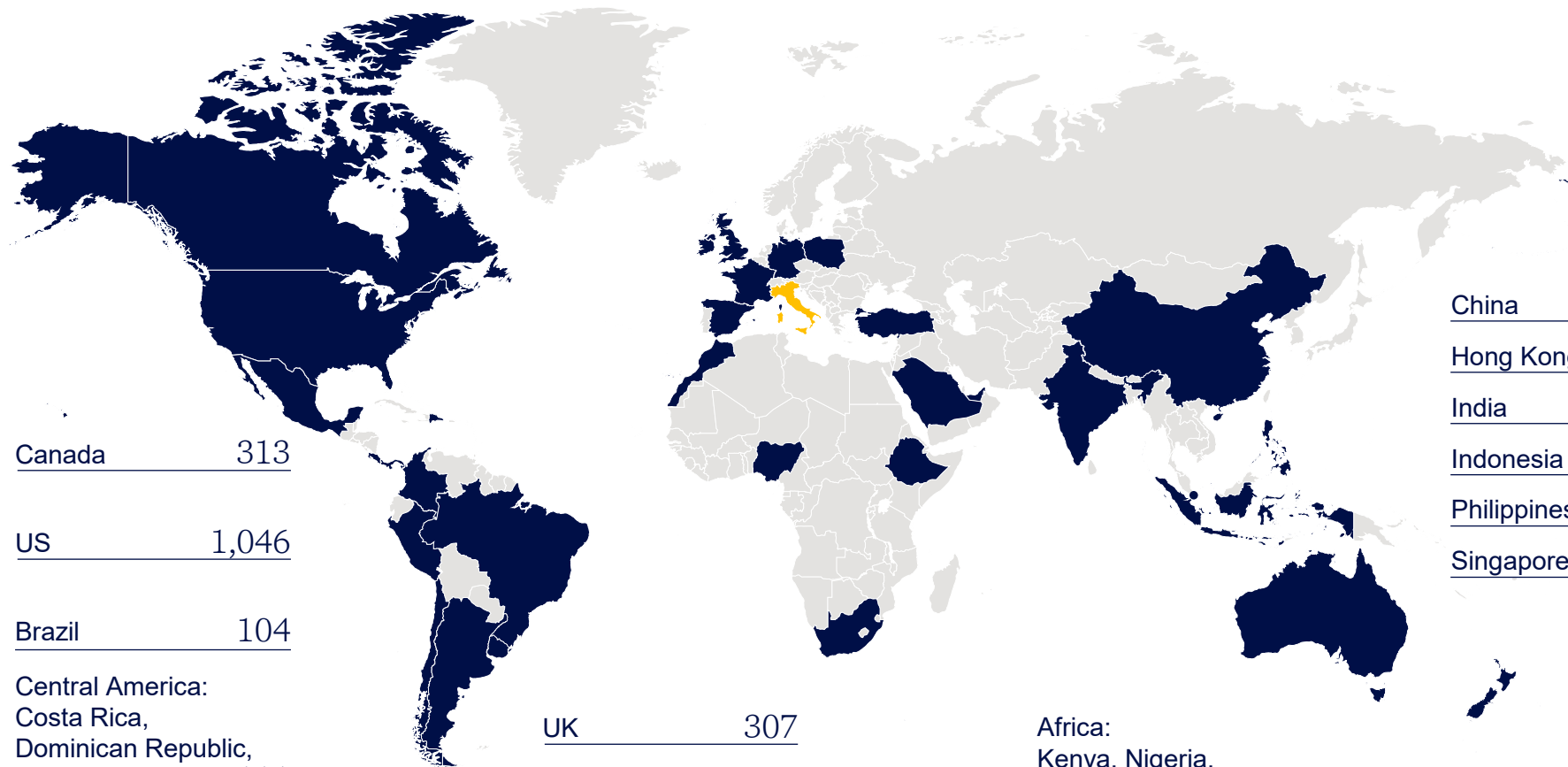
Infographic

People Risk 2026

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: Total 4,517 respondents, 2,258 Risk professionals, 2,259 HR professionals

Where: 26 markets across Asia, Europe, Latin America & the Caribbean, the Middle East & Africa, North America, the Pacific, and the United Kingdom



Canada 313

US 1,046

Brazil 104

Central America:
Costa Rica,
Dominican Republic,
Panama 111

Colombia 103

Mexico 103

Peru 103

Southern Latin America:
Argentina, Chile,
Uruguay 109

UK 307

France 104

Germany 102

Italy 104

Poland 103

Spain 104

Turkey 103

Africa:
Kenya, Nigeria,
Morocco,
South Africa 139

KSA 105

UAE 103

China 315

Hong Kong, SAR 105

India 311

Indonesia 104

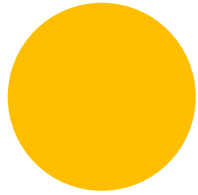
Philippines 104

Singapore 104

Australia 104

New Zealand 104

25 People Risks in 2026



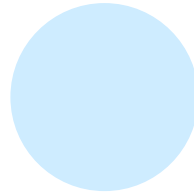
Technological change and disruption

- 1. Inadequate cyber threat literacy
- 4. Technology skills shortages
- 8. Mishandling of data and IP
- 14. Mindset barriers to AI adoption
- 20. Ineffective HR and benefits technology



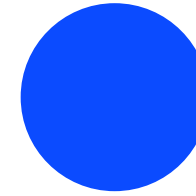
Talent, leadership, and workforce practices

- 3. Uncompetitive talent strategies
- 5. Labor shortages
- 9. Inadequate leadership skills
- 13. Rapidly changing locations
- 18. Misconduct



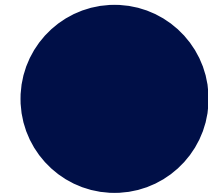
Protection, environment, and sustainability

- 2. Employee financial insecurity
- 16. Inadequate coverage for life events
- 17. Divergence of expectations
- 22. Lack of transparency and fairness
- 23. Severe weather/environment



Governance, compliance, and financial

- 6. Increasing health and benefit costs
- 7. Poor management of investment risk
- 15. Changing regulatory environment
- 21. Improper rewards decision-making
- 24. Inadequate M&A due diligence



Health, well-being, and safety

- 10. Physical health deterioration
- 11. Infectious/ novel diseases
- 12. Mental health deterioration
- 19. Unaffordable/ inaccessible healthcare
- 25. Unsafe working conditions

The number next to each individual risk is its ranking (out of 25 risks) by Risk Rating Score (RRS). This is a numeric score that captures the likelihood of the risk impacting the organization in the next one to two years and the severity of its impact on the business if the risk were to occur.

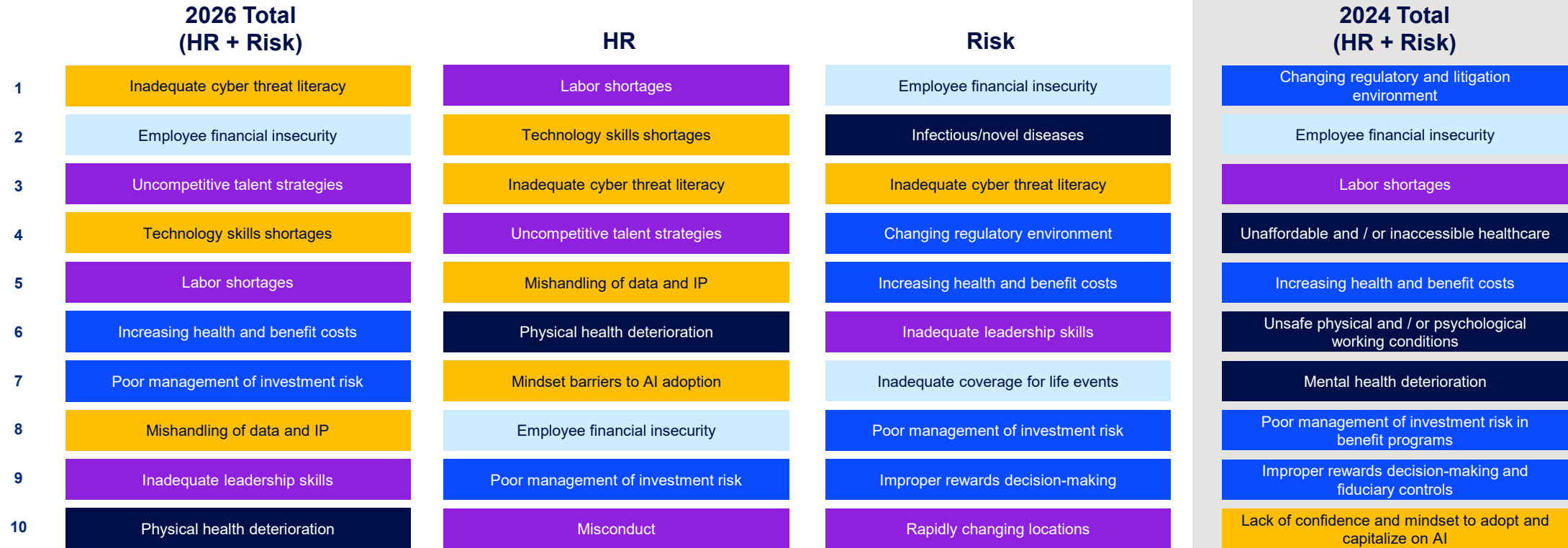
Top-ranked risks by region (RRS): Europe

| Risks ranked by RRS | Global | Europe | Italy | Spain | Germany | France | Turkey | Poland | Risk pillar |
|---------------------|-------------------------------------|-------------------------------------|-------------------------------------|--|--|--|--|--------------------------------------|---|
| 1 | Inadequate cyber threat literacy | Labor shortages | Inadequate cyber threat literacy | Divergence of expectations | Labor shortages | Labor shortages | Increasing health and benefit costs | Employee financial insecurity | Technological change and disruption |
| 2 | Labor shortages | Inadequate cyber threat literacy | Employee financial insecurity | Inadequate cyber threat literacy | Mental health deterioration | Unsafe working conditions | Labor shortages | Labor shortages | Talent, leadership, and workforce practices |
| 3 | Technology skills shortages | Technology skills shortages | Uncompetitive talent strategies | Mental health deterioration | Unsafe working conditions | Inadequate cyber threat literacy | Inadequate cyber threat literacy | Technology skills shortages | Talent, leadership, and workforce practices |
| 4 | Employee financial insecurity | Increasing health and benefit costs | Technology skills shortages | Mishandling of data and IP | Technology skills shortages | Mental health deterioration | Technology skills shortages | Changing regulatory environment | Protection, environment, and sustainability |
| 5 | Increasing health and benefit costs | Employee financial insecurity | Labor shortages | Inadequate leadership skills | Inadequate cyber threat literacy | Increasing health and benefit costs | Ineffective HR and benefits technology | Poor management of investment risk | Governance, compliance, and financial |
| 6 | Mindset barriers to AI adoption | Uncompetitive talent strategies | Increasing health and benefit costs | Labor shortages | Infectious/novel diseases | Employee financial insecurity | Severe weather/environment | Inadequate M&A due diligence | Governance, compliance, and financial |
| 7 | Mishandling of data and IP | Physical health deterioration | Poor management of investment risk | Ineffective HR and benefits technology | Ineffective HR and benefits technology | Technology skills shortages | Improper rewards decision-making | Unsafe working conditions | Health, well-being, and safety |
| 8 | Changing regulatory environment | Poor management of investment risk | Mishandling of data and IP | Mindset barriers to AI adoption | Physical health deterioration | Physical health deterioration | Inadequate cover for life events | Infectious/novel diseases | Health, well-being, and safety |
| 9 | Mental health deterioration | Mishandling of data and IP | Inadequate leadership skills | Physical health deterioration | Misconduct | Uncompetitive talent strategies | Poor management of investment risk | Uncompetitive talent strategies | Talent, leadership, and workforce practices |
| 10 | Uncompetitive talent strategies | Mental health deterioration | Physical health deterioration | Employee financial insecurity | Mishandling of data and IP | Ineffective HR and benefits technology | Lack of transparency and fairness | Unaffordable/inaccessible healthcare | Health, well-being, and safety |

People Risk 2026
Over the short term (1-2 years), what is the potential impact of each of these risks on your organization?
What is the likelihood of the risk occurring in your organization in the next 1-2 years?

Top People Risks by Risk Rating Score

25 key risks fall into five pillars of people risk. HR and Risk professionals assessed the likelihood and severity of these risks for their organization in the next one to two years. The product of these scores was used to produce a risk rating score (RRS):



In 2026 **Technology** and **Talent** are taking the priority over the rest of the pillars.

Risk pillar

- Technological change and disruption
- Talent, leadership, and workforce practices
- Protection, environment, and sustainability
- Governance, compliance, and financial
- Health, well-being, and safety

Technological change and disruption

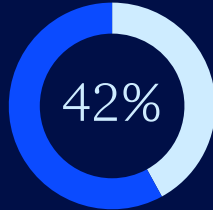
AI adoption is reshaping workforce and HR technology risk

As organizations accelerate AI adoption, they are facing growing challenges related to workforce readiness, HR technology transformation, employee experience and operational risk management.

Capability is control: navigating AI technology risks

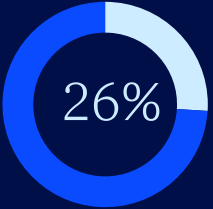


HR and Risk concerns regarding HR and benefits technology



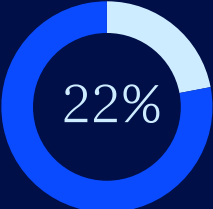
Weak communication and change management around new technology

Unclear communication and inconsistent change management create confusion, slow adoption, and resistance to new HR technologies – limiting employee engagement and transformation success.



Fragmented platforms, processes, or data limiting AI-driven transformation of HR systems

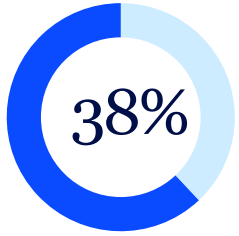
Disconnected systems and siloed data reduce visibility, complicate workflows and prevent organizations from fully leveraging AI-enabled HR capabilities.



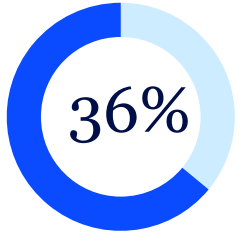
Employee frustration and poor employee experience

Complex and inefficient HR tools create frustration, lower trust in digital solutions, and negatively impact the overall employee experience.

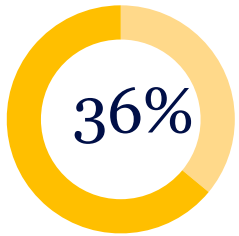
Top AI priorities in Italy



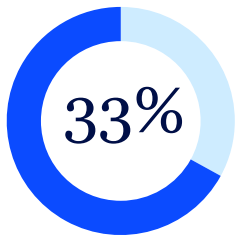
Training employees to identify malicious AI-generated misinformation or disinformation



Preventing data privacy or confidentiality breaches through AI



Managing safety risks from AI systems failures or poorly paced adoption



Addressing cybersecurity vulnerabilities linked to AI adoption

-  Technological change and disruption
-  Health, well-being, and safety

Towards an AI mindset: redesigning work, not digitizing inefficiency

AI can unlock immense potential when organizations intentionally redesign how work gets done. By simplifying processes, strengthening communication and empowering people, companies can create the conditions for AI to drive meaningful business impact.



Communicate and engage

Build clarity, align stakeholders, and create change readiness



Connect and simplify

Break down silos, streamline processes and unify data



Empower and elevate

Enhance experiences, upskill teams, and design work that AI can amplify.



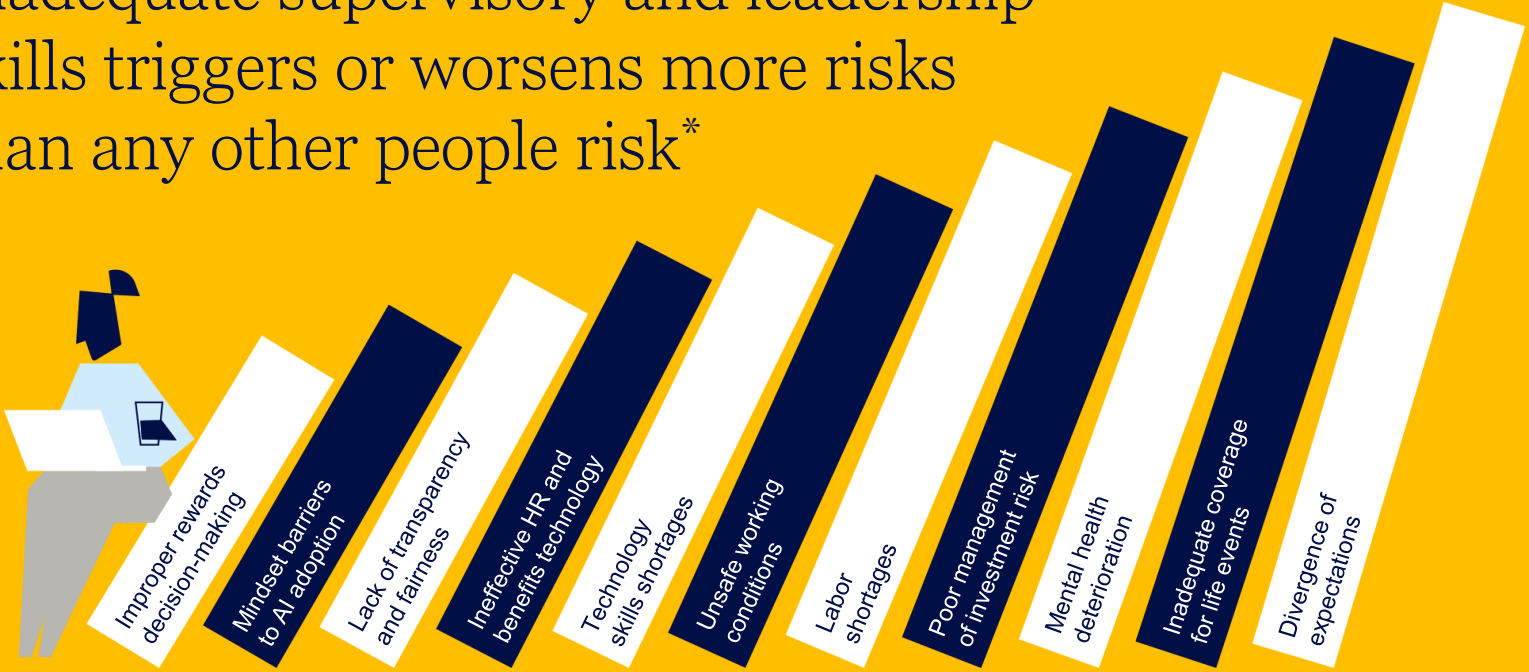
Better work, Better outcomes

Talent, leadership, and workforce practices

Surviving the fast lane: the new leadership challenge

Organizational risk is evolving, placing leaders at the center of a volatile world and their organization's response. As pressures grow, leadership skills and digital fluency are increasingly crucial for effective risk management. Without these skills, risks spread quickly amid ambiguity.

Inadequate supervisory and leadership skills triggers or worsens more risks than any other people risk*



Organizational risk is rapidly changing, and leaders are positioned at the intersection of a volatile world and their organization's response. Leadership capability has become a critical control for effective risk management. When leaders lack the skills to adapt quickly, inspire a diverse workforce, and create understanding amid ambiguity, risks spread quickly across the organization. Inadequate leadership acts as a multiplier of risks, leading to poor decision-making, weak communication, lack of trust, labor and skills shortages, unsafe working conditions, deteriorating mental health, and flawed investment decisions—putting productivity, performance, and reputation at risk.

*Results based on Global data

Labor shortages: a structural risk, not a temporary cycle

Labor shortages remain one of the most persistent risks facing organizations. They rank as the #5 people risk for Italy (#2 global) and are the #1 concern for HR. The pressure is particularly acute in aging and super-aging societies, where shrinking working-age populations are colliding with a rising demand for skills.

Top concerns related to labor shortages

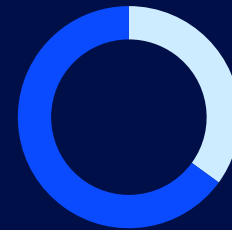
- 1 Losing employees due to inflexible schedules (e.g., caregivers, people with disabilities)
- 2 Employee burnout due to overburdened existing staff
- 3 Significant dependencies on key people

Despite widespread hiring freezes, layoffs and the growing use of AI, pressure on workforce capacity remains high in the quest for scarce skills. Fewer employees are reporting positive experiences at work, while intentions to leave are rising. When combined with tighter migration policies and aging populations, labor shortages are likely to become a lasting challenge in many regions.

Uncompetitive attraction, retention and engagement strategies

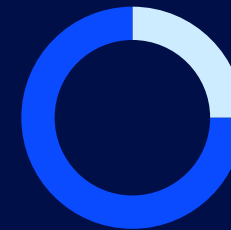
Uncompetitive talent strategies rank as the #3 people risk for Italy (#2 global) and are one of the main concern for HR.

Top concerns related to uncompetitive talent strategies



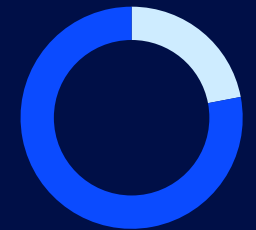
35%

Limited growth, skills development, or career advancement opportunities



25%

Uncompetitive flexible work policies (e.g., hybrid, remote, etc.)



22%

Benefits not tailored to unique workforce needs

HR and Risk professionals recognize that employees highly prioritize professional growth and skill development. While competitive flexible work policies and customized benefits are important, fostering career advancement opportunities and continuous learning is critical to driving long-term engagement, reducing turnover risks, and ensuring organizational resilience

Protection, environment, and sustainability

Frayed loyalty: the growing risk of employee financial insecurity

Employee financial insecurity has become a material organizational risk, directly affecting productivity, retention, and behavior.

Employee financial insecurity

According to HR and Risk, is most likely to trigger or worsen these people risks:*

Uncompetitive attraction, retention, and engagement strategies and labor shortages

Rewards and program gaps become more impactful to the employee, leading them to look elsewhere for better compensation, benefits, development paths and working conditions.

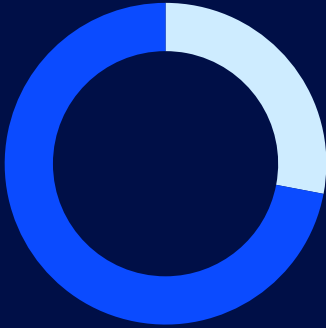
Misconduct and detrimental culture

Employees may make decisions or take actions that are out of character or unethical, reflecting the strain they are under.

Financial insecurity may also increase distrust and competition, normalizing self-protective behaviors over collaboration.

Inadequate cyber threat literacy and security minded actions

Employees may be less likely to follow security best practices due to stress or distraction, making them more vulnerable to mistakes and exploitation.

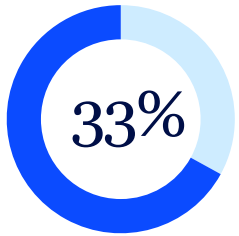


28%

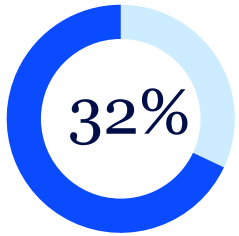
Of HR and Risk Professionals are concerned about making benefit decisions without considering the health and financial impact on employees

*Results based on global data

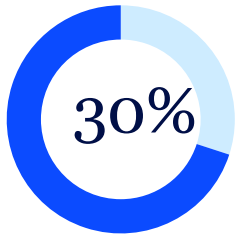
Lack of transparency, fairness and inclusion concerns



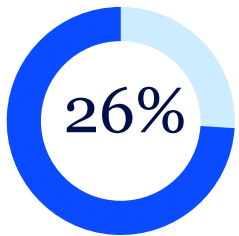
Outdated well-being and benefit programs that don't meet the needs of modern workforce



Opaque processes for career progression and employee promotion



Managers unable to have clear conversations with employees about career, pay, and benefits



Lack of genuine inclusion or representation in leadership and decision-making

The Financial Stress Cycle: How Misaligned Benefits Amplify Insecurity

Our research reveals a strong connection between employee financial insecurity and poorly aligned rewards, creating a feedback loop that quietly escalates organizational risk.

When pay and benefits fail to keep pace with rising living costs—which have outpaced wage growth in many regions—financial strain on employees intensifies.

According to HR and Risk managers, top concern are:

1. employees' dissatisfaction with work-life balance,
2. managing pay expectations amid inflation or economic uncertainty.

The growing financial pressure leads employees to scrutinize their rewards more critically, becoming less tolerant of gaps in compensation, limited flexibility, or unclear career progression.

As a result, disengagement rises and turnover increases, with organizations facing higher costs to replace talent. This turnover cycle further constrains their ability to invest in competitive rewards and benefits, perpetuating the cycle of financial stress and insecurity.

Addressing this challenge requires organizations to realign compensation and benefits with employee needs, improve transparency, and offer flexible, meaningful rewards that reflect the evolving economic realities employees face.

Governance, compliance, and financial

Quest for clarity: regaining control in a time of complexity

Managing rewards and benefits is becoming significantly more complex. Rising costs, shifting regulations, transparency demands, and growing cyber risks challenge Risk and HR teams to do more with fewer resources and less margin for error.

Complexity is consuming capacity

Rising complexity in benefits programs is consuming operational capacity and increasing cost, compliance, and fraud risks. Simplifying benefit structures, strengthening governance, and leveraging higher-quality data enable better decision-making, reduce administrative burden, and capture economies of scale (for example, through bundled retirement solutions).

Sample Metrics of Today & Tomorrow

Making decision-making more streamlined and supported by clear, compelling data points

Metrics of today

- Percentage of employees enrolled
- Average cost per employee
- Rate of absenteeism

New data opportunities

- Predictive AI models
- Synthetic data
- Web harvesting

Metrics of tomorrow

- Use of high-quality, value-based healthcare
- Benefit needs sentiment
- Impact of benefits on employee financial security

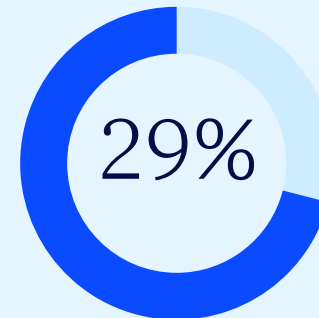


Regaining control: clarity, governance and benefits optimization

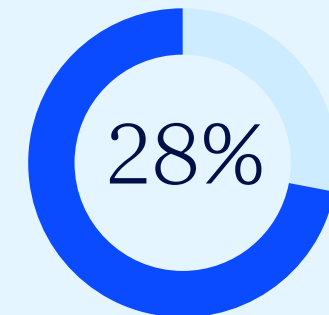
Rising benefits complexity, cost pressures and tighter regulation are stretching HR and Risk teams. Moving from short-term cost containment to benefits optimization — through simpler plan design, vendor consolidation, stronger governance and higher-quality data to guide employees to high-value care — reduces administrative burden, protects employee outcomes and delivers sustainable savings.

A strategic shift to benefits optimization requires ongoing oversight, disciplined budgeting and better data to understand cost drivers and steer utilization toward effective care. This approach improves decision-making, lowers operational and compliance risk, and captures economies of scale over time.

Regarding increasing health and benefit costs, what are organizations most concerned about?



Of HR and Risk Professionals are concerned about the inability to measure return and /or value on benefits investments.



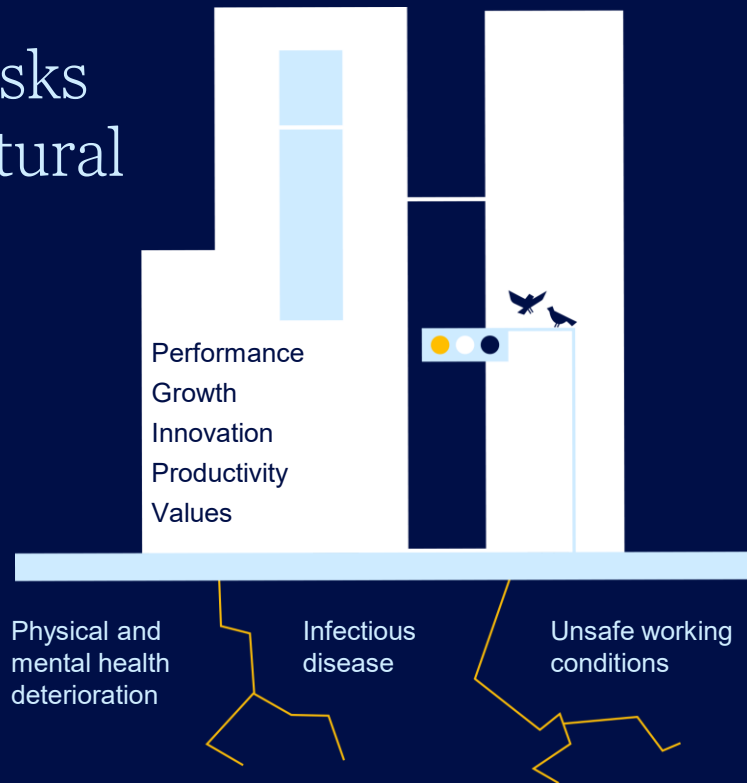
Of HR and Risk Professionals are concerned about the inability to continue to provide the existing level of company-funded private medical benefits.

Health, well-being, and safety

Hidden health risks: emphasizing what really matters

Workforce health and safety provides the foundation of organizational performance. Employees cannot perform, adapt or innovate if they are injured or unwell or feel unsafe at work. Yet, health-related risks and the importance of prevention appear to be receding from view – overshadowed by more immediate concerns such as cyber threats, AI disruption and geopolitical instability.

Health risks are structural



Workforce productivity

Rising healthcare costs, delayed access to care, and growing mental health challenges are increasingly impacting productivity and long-term performance. Employees experiencing unmanaged health issues are more likely to face absenteeism, presenteeism, and reduced ability to adapt in rapidly changing work environments.



Organizational resilience

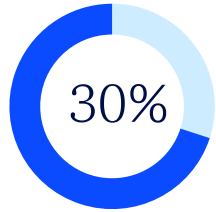
Organizations that prioritize health, safety and well-being as are better positioned to strengthen resilience and respond effectively to future workforce challenges. Strong collaboration between HR and risk functions improves prevention, preparedness and mitigation capabilities.



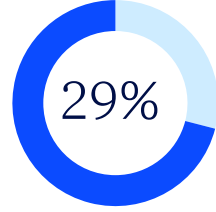
Workforce sustainability

Mental health challenges, absenteeism, and chronic conditions are becoming long-term strategic workforce risks. Organizations that invest in sustainable workforce health strategies are more likely to support retention, workforce stability, and long-term organizational performance.

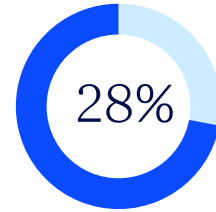
Top concerns regarding inaccessible/unaffordable healthcare



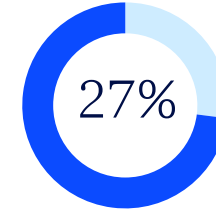
Increased severity and / or frequency of sickness absence and disability claims



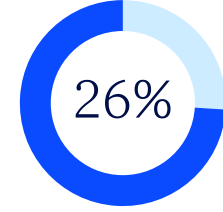
Decreased employee productivity from time spent looking or traveling for care



Growing inequities between employees who can and cannot afford / access healthcare



Increased absenteeism from employees' taking time off to care for ill family members



High employee out-of-pocket costs (e.g., deductibles, copays, prescriptions)



Decreased employee productivity from time spent looking or traveling for care

Long waiting lists, regional disparities in specialist and primary-care access, and rising out-of-pocket costs force workers to use work hours for appointments or to defer care — increasing absenteeism, presenteeism and longer-term health-related performance declines. Employers can mitigate this by improving access to care (telemedicine, near-site or mobile clinics, occupational health services), offering flexible schedules, and targeting support for workers in underserved areas.



Increased absenteeism from employees' taking time off to care for ill family members

An aging population, limited community care, and more chronic illness are increasing informal caregiving demands, causing unplanned leave, disrupted team capacity, and greater use of overtime or temporary staff. The burden falls unevenly—particularly on lower-paid, frontline, and caregiving-age workers—while many remaining employees suffer presenteeism. Employers can mitigate this by offering flexible and paid caregiving leave, remote-work and schedule adjustments, caregiver support or subsidies, and manager training to handle requests compassionately and plan staffing contingencies.



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