

24.6: Managing Risk in Human Resources

Learning Objectives

- Describe the process of managing Human Resources–related risks



Managing HR-related risks involves addressing the five critical areas mentioned above, including workplace violence and risk of international travel. The points that Lowers & Associates recommends for addressing turnover are applicable to all five risk areas and represent basic block-and-tackle elements of HR management, including:

- Use pre-employment screening
- Establish fair benefits and compensation and review relative to market annually
- Pay attention to employees' needs
- Increase employee engagement
- Create a positive work environment
- Create clear, challenging career paths

Specific recommendations to address:

- Occupational fraud
 - Establish and enforce a code of conduct
 - Develop a fraud prevention strategy
 - Implement prevention and detection processes, including risk assessment and internal audits; evaluate fraud controls on a regular basis
 - Conduct fraud awareness training and provide a means of reporting fraud online
 - Screen suppliers and third party providers
- Workplace violence
 - Understand risk factors and develop and implement training and prevention programs. OSHA states that “in most workplaces where risk factors can be identified, the risk of assault can be prevented or minimized if employers take appropriate precautions.”^[1]
 - OSHA also emphasizes that establishing a zero-tolerance policy toward workplace violence—applicable to all who come in contact with employees or alternative workers—is one of the best protections.
 - For related resources, including risk assessment, training and prevention, refer to [OSHA's Workplace Violence page](#).

Perspective Point

Lowers & Associates notes that although the probability of catastrophic workplace events is low, the potential damage to people, brands and profits justifies risk mitigation.

Practice Question

<https://assessments.lumenlearning.co...essments/18231>



Meng Wanzhou at Russia Calling! Investment Forum.

Although geo-political risks have always been a part of conducting business internationally, trade tensions have recently escalated into economic warfare, increasing the stakes in both financial and human terms. The attempt in 2019 to extradite and prosecute Chinese technology firm Huawei's CFO Meng Wanzhou has resulted in retaliatory arrests and harassment of American business executives and Canadians in China.

In an article for Risk Management magazine associate editor Adam Jacobson notes that "companies have a legal obligation, known as a 'duty of care,' to prepare employees and address potential risks they may face while traveling."^[2] Pre-trip preparation and planning is key, including evaluating the risks, setting up tracking systems, establishing communication processes and identifying sources of support in the event of crisis. Jacobsen notes that there are also a range of insurance options that can mitigate some of the risk of travel.

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1. "[Workplace Violence](#)." Occupational Safety and Health Administration, United States Department of Labor. Accessed August 20, 2019. ↩
 2. Jacobson, Adam. "Preparing Employees for Travel Risks." Risk Management. Accessed August 20, 2019. ↩

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