

The Executive's Guide to People Risk

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Why People Risk Belongs on the Executive Agenda

Your people are your largest investment and, left unmanaged, one of your largest exposures. People risk is any gap in how you hire, manage, pay, develop, or protect your workforce that could cost the business money, momentum, or reputation.

These risks rarely announce themselves. They build quietly in an outdated handbook, an inconsistent pay decision, a manager who was never trained, or a key role with no successor. By the time they surface, they often arrive as a claim, a resignation, or a stalled initiative.

People risk is not only legal or operational. Healthy, well-supported employees show up more often, work more productively, and stay engaged longer. Burnout and chronic stress quietly erode all three.

This guide helps you spot those gaps early, while they are still inexpensive to fix.

How to Use This Guide

1. Read the seven risk areas below to understand where exposure typically hides.
2. Complete the self-assessment honestly. Answer based on how things actually work today, not how they are written on paper.
3. Tally your score and review what it suggests about your current risk level.
4. Use your results to prioritize the one or two areas that would benefit most from attention.

The assessment takes about 10 minutes. It works best when completed by a senior leader alongside whoever manages HR day to day.

The Seven Areas of People Risk

1. Compliance and Policy

Employment laws change often and vary by state. Outdated handbooks, missing postings, misclassified employees, and unclear policies create legal exposure that grows as you add headcount or expand into new states.

2. Hiring and Onboarding

Inconsistent interviews, undocumented offers, and informal onboarding lead to poor-fit hires, early turnover, and avoidable compliance gaps from day one.

3. Leadership and Management

Managers carry most of your people risk. Those without training in feedback, documentation, and difficult conversations can unintentionally create engagement problems and legal exposure.

4. Employee Relations and Culture

When employees lack a trusted way to raise concerns, small issues escalate. Unaddressed conflict, inconsistent discipline, and low trust erode productivity and increase the risk of claims.

5. Compensation and Total Rewards

Pay decisions made case by case, without clear ranges or rationale, create equity concerns, retention risk, and growing scrutiny under pay transparency laws.

6. Retention and Succession

When critical knowledge sits with one person, every departure is a disruption. Unclear growth paths and no succession plan put continuity and performance at risk.

7. Employee Well-Being

Healthy employees show up more often, are more productive, and stay more engaged in their work. Burnout, chronic stress, and unsustainable workloads quietly drive absenteeism, mistakes, and turnover, often long before anyone names the problem.

Self-Assessment

Check each statement that is true for your organization today. Each checked box earns one point.

Compliance and Policy

- ☐ Our employee handbook has been reviewed and updated within the last 12 months.
- ☐ We are confident every employee is correctly classified as exempt or non-exempt, and as an employee or contractor.
- ☐ We know the employment requirements in every state where we have employees.
- ☐ Required postings, notices, and personnel files are complete and current.

Hiring and Onboarding

- ☐ Every role has a current, accurate job description.
- ☐ Interviews follow a consistent, structured process.
- ☐ New hires go through a defined onboarding plan for at least their first 90 days.
- ☐ Offer letters and new-hire paperwork are standardized and reviewed.

Leadership and Management

- ☐ Managers have been trained on giving feedback, documenting performance, and handling difficult conversations.
- ☐ Performance expectations are clearly defined and reviewed regularly.
- ☐ Managers know when to escalate an employee issue and to whom.
- ☐ We invest in developing current and future leaders.

Employee Relations and Culture

- ☐ Employees have a clear, trusted way to raise concerns.
- ☐ Complaints are investigated promptly, consistently, and documented.
- ☐ Discipline is applied consistently across teams and levels.
- ☐ We gather employee feedback at least once a year and act on it.

Compensation and Total Rewards

- ☐ We have defined pay ranges for our roles.

- ☐ We can explain how any employee's pay was determined.
- ☐ We have reviewed pay for equity within the last two years.
- ☐ Our benefits are competitive for our industry and location.

Retention and Succession

- ☐ We know which roles would be hardest to replace, and we have a plan for each.
- ☐ Critical knowledge is documented and not held by a single person.
- ☐ We track turnover and understand why people leave.
- ☐ Employees can see a clear path for growth within the organization.

Employee Well-Being

- ☐ Leaders model healthy work habits, including reasonable hours and real time off.
- ☐ We offer wellness resources or programming beyond standard health benefits.
- ☐ We monitor absenteeism and workload, and address signs of burnout early.
- ☐ Employees feel comfortable using their time off and wellness benefits without stigma.

Interpreting Your Results

Add up your checked boxes (out of 28), then note any single area where you scored 2 or fewer. A low area score deserves attention even if your total looks strong.

Total score	Risk level	What it means
24–28	Well positioned	Your foundation is solid. Focus on keeping practices current as laws and your business evolve.
17–23	Moderate exposure	Core practices exist, but gaps could become costly as you grow. Prioritize your lowest-scoring areas.
10–16	Elevated risk	Several areas need attention. A structured review can help you address the highest-impact gaps first.
0–9	High risk	Your people practices may be exposing the business to significant legal, financial, or cultural risk. Act soon.

Your Next Step

Identifying gaps is the first step. Closing them with the right priorities, in the right order, is where the real value lies.

Elevare Consulting partners with organizations to strengthen their people practices through fractional HR, leadership development, and corporate wellness, delivered with boutique-level care and enterprise-level expertise.

The right people strategy creates room for your business to thrive.

Request your complimentary consultation to walk through your results and identify your highest-impact priorities.

Sydnei Davis, MSHR, SPHR | Founder and Principal Consultant, Elevare Consulting
sydnei@theelevarehr.com | www.theelevarehr.com

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