

When was the last time you audited your

PEOPLE RISK MANAGEMENT?



Leading organisations like yours are increasingly reviewing their employee benefits programmes.

When you take this collaborative approach toward your overall People Risk, we find it:

- Improves risk management practice
- Can positively impact premiums, claims and liability (for both employees' benefits and wider general insurances)
- Highlights any gaps or duplication in cover

Issues we commonly uncover through this approach include:

- Gaps in coverage creating potential liability risks
- Missed opportunities to aggregate cover and carriers
- Inability to influence underwriters by evidencing risk management practices
- Employee benefits costs rising out of proportion with their positive impact
- Non-compliance with current legislation and regulations
- Duplication leading to inefficiency and wasted expense
- Issues around business continuity plans for catastrophic events

There are four key areas we see as being most relevant to both you as a risk manager and your HR and Reward teams:



Health and Wellbeing



Talent Management



Financial Liabilities



Business Expansion

Auditing your people risk

We can provide a comprehensive people risk audit to understand how effectively you're mitigating the true people risk your business faces.

Your audit will highlight how well your current employee benefits provision is (or isn't) working in line with your overall people risk strategy. **We'll review your full benefits suite, highlight any risks or liabilities we see, and outline improvements for you to consider, all at no cost to your business.**



Health and Wellbeing

Employee absence and productivity

Areas of concern: The longer an employee is absent from work, the less likely they are to return. As an employer, you should ensure a robust framework from day one of absence is in place. This reduces the likelihood of a prolonged period of absence and helps support employees returning to the workplace. This will also mitigate the impact of absence on productivity and ultimately, your bottom line.

You could consider...

- Reducing the delay of return to work with cover that ensures a swift treatment pathway.
- Lower-cost alternatives that still support an employee who is off work: eg. a cash plan or occupational health services.

Stress management

Area of concern: Unwell employees may be less productive and more likely to make mistakes. Lower productivity affects your bottom line and any mistakes increase the chance of workplace accidents and liability claims.

You could consider...

- Ensuring both your risk managers and HR teams are aware of the steps needed to deliver relevant and meaningful wellbeing support and tackle workplace ill health.



Talent Management

Attracting and retaining staff

Area of concern: Employee benefits play a key role in making sure top talent joins, and stays with you. Lost knowledge, experience, productivity and recruitment comes with a financial cost when staff leave.

You could consider...

- Steps to mitigate the intellectual property (IP) risk when an employee leaves to join a competitor.
- Reviewing how your employee benefits compare with your competitors.
- Benchmarking regularly to make sure you're ahead of the recruitment curve.

ESG and DE&I considerations

Area of concern: Your business may have committed to specific ESG and DE&I strategies, but are your employee benefits aligned? Employees are increasingly looking for more from their employers in these areas. Working for a company that aligns with personal values is a growing priority for many.

You could consider...

- Reviewing your benefits to ensure they support all employees, regardless of their demographic, sexuality, or gender.
- Looking at sustainable options for staff, including green pension funds, EV vehicles and low carbon heating initiatives.



Financial Liabilities



Workplace safety

Area of concern: Occupational health can be costly. But if an employee was to become sick or injured, are you confident you have the right employee benefits in place to support them back into work?

You could consider...

- An income protection scheme. These can include occupational health support from the first day of absence at no additional cost.
- Introducing manager handbooks. These can provide information about supporting team members on a day-to-day basis to deal with absence effectively.
- Targeted health and wellbeing initiatives to drive ill health prevention.

Rising costs

Area of concern: Employee benefits can account for a significant proportion of your people budget. Healthcare benefits in particular have seen above-inflation cost increases in recent years.

You could consider...

- Carrying out regular reviews of your provider to make sure you're getting value for money and are making use of all value added benefits.
- Putting multi-year arrangements in place to protect your future budgets.
- Exploring alternative funding vehicles like trusts, captives or pooling arrangements to achieve greater economies of scale and oversight.

Business Expansion



M&A due diligence

Area of concern: Going through a merger or acquisition? Make sure you don't forget about employee benefits. If you haven't carried out appropriate due diligence well ahead of the transition date, you could miss potentially costly pension liabilities or Transfer of Undertakings (TUPE) requirements.

You could consider...

- An onboarding model for new entities coming under your remit.
- Aligning your TUPE benefits with your existing benefit provision, where contractual obligations permit.

Global growth

Area of concern: While some policies operate on a global scale, most employee benefits are unique to local compliance and legislative requirements. This means it's important to aggregate policies and source more appropriate funding options where possible.

You could consider...

- Reviewing how your benefits benchmark against the local market, as cases of under or over-insurance are common.
- Combining strong governance with a joined-up approach to global and local benefits to improve your risk management practices and oversight of global people risk.



Want to find out more? Talk to your Lockton consultant today.

New to Lockton? Get in touch!

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