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# What are the top people risks for employers?

**New report highlights need for greater collaboration between risk, HR professionals**



BY [Dexter Tilo](#) / 24 May 2024 / [Share](#)



Increasing health and benefit costs has emerged as the top people risk facing many employers, according to HR and risk managers in a new report.

Mercer and Marsh surveyed over 4,575 HR and risk professionals across the world to determine the top people risks for organisations.

"Both HR and Risk professionals view increasing health and benefits costs as their most pressing concern. This is driven by its high likelihood, as its severity score is further down the list," the report read.

But it noted that the result is not too surprising given that the global medical trend is expected to rise by 11.7% in 2024, with healthcare costs also expected to remain high in coming years.

It also said the risk is a "manageable" one if organisations focus on active plan management.

"Cost optimisation through active plan management can help organisations budget for future increases, evolve the rewards mix, and optimise spend to maximise ROI. But this takes time, effort, and discipline," said John Deegan, Multinational and Darwin Leader, Mercer Marsh Benefits, [in the report](#).

## **Other major people risks**

Meanwhile, the second biggest people risk for the respondents is labour shortages, followed by disparities in executive/worker rewards.

[Tech skill shortages](#) placed fourth, followed by changing legislation and scrutiny, according to the report.

"[Changing legislation and heightened scrutiny](#) has jumped from the 12th to fifth most highly ranked risk due to an explosion in regulation impacting rewards to investments to use of AI," [Mercer said](#).

According to the report, the top 10 risks for HR professionals are dominated by talent, leadership, and workforce practice concerns, such as labour shortages. Risk professionals place a slightly greater focus on technological change and business disruption.



Figure 2: Top risks for HR and Risk professionals

Source: People Risk 2024 report