



People Risk – ignore it at your peril!

by Margaret Ferns

“The ability to manage people risk is a key component of success or failure. You have been warned.” Eliane Fuchs, President, POG

Wednesday 25th June saw the Luxembourg Chamber of Commerce host a well attended half-day conference organised by PRiM (the association of Risk Management Professionals in Luxembourg) in association with POG (the Personnel Officers’ Group) and Hudson on a topic which is becoming of increasing importance – People Risk.

Michael May, President of PRiM opened the conference by saying, *“Basel II defines operational risk as ‘the risk of loss resulting from inadequate or failed processes or systems, **human factors** or external events.’”* He continued that, *“We tell our staff that they are our greatest assets, and then forget that ALL management should demonstrate awareness of this fact – not just the HR department.”* Indeed, 74% of those who attended the half-day conference were members of POG (i.e. HR managers); proof that the message still need to get out there. *“The aim of this conference,”* said May, *“is to bring the subject out into the open and show that, although people risk measurement may be difficult, it must be integrated into our understanding and treatment of our business risk.”*

The subject of people risk is vast, and so the gathering on the 25th June focused on four key aspects –recruitment, health, fraud and change. Four keynote speakers, with specific expertise were followed by a panel discussion; lead by John Li, Managing Partner of KPMG Luxembourg and including Nicola Buck (Qatena), Elmar Follman (m.e.g.a. performance), Klaus Froehls (eBay International), David Hagen (CSSF) and Nigel Plumpton (Harvey Weston).

Els-Katrin Renard of Hudson Luxembourg took the podium first. *“Is recruitment a risky business?”* she asked. *“Most certainly yes. Recruitment can result in financial risk and reputation risk, as well as the fact that misfits can put an organisation under significant pressure. This is further complicated by today’s tense recruitment market – HR facing increased operational pressure, a scarce employee market (especially in Luxembourg) and the demographic challenges of our ageing population.”* In short recruiters can’t afford to get it wrong.



Dr Patrizia Thiry-Curzietti of ASTF was up next to discuss the physical wellbeing of employee and the risks of stress and weight problems. She encouraged companies to, *“Consider employee health as part of their business strategy.”* Although she admitted that it was also up to each individual to care for themselves, she nevertheless felt that, *“Employees need to make it possible for them to do so. How is anyone going to find time for exercise if they don’t stop work until after 9pm?”*

Laurent Denayer and Julien Benomar of E&Y looked at people risk from the point of view of fraud. They discussed the fact that, *“Fraud is a result of the interplay of several components; socialization, corporate culture, pre-employment screening and personal enrichment,”* and emphasised the importance of engaging each and every employee at all levels in order to prevent it.

Anne Bayart of Accenture talked of change management and the importance measuring change and people risk. *“We must take change management very seriously,”* she concluded. *“It is not an art form, but a process that should be actively measured at all stages.”*

The half-day conference was closed by François Biltgen, employment minister who said, *“I am delighted that you have brought this issue forward.”* He congratulated the organisers for their choice of subjects and looked forward to attending more such meetings in the near future. Indeed PRiM, POG and Hudson all expressed their interest in bringing people risk to the fore again...

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