## HR LIABILITY AND RISK MANAGEMENT POLICY

[Organization Name] recognizes that while it is impossible to eliminate all risks from an organization's operations, it is vital to ensure the safety and well-being of all stakeholders by having a process in place to mitigate risk as much as possible. This policy focuses on the HR risk management process.

In terms of liability for the organization, [Organization Name] will reach out to the appropriate third parties (e.g., legal firms, occupational health and safety experts, etc.), when necessary to ensure that it is controlling risks as much as practicable.

SCOPE

This policy cannot cover every potential risk area. However, it does outline 6 broad categories for potential risk. They are the following:

1. Compensation and benefits,
2. Hiring,
3. Occupational health and safety,
4. Employee supervision/leadership/management,
5. Employee conduct, and
6. Exiting employees (both voluntarily and involuntarily).

POLICY

[Organization Name] believes that risk management is not a one-time task--it is a cycle of constant activities. This section presents the steps that HR must follow in its risk management process.

**Identify Risks**

HR must initially ascertain potential risks in all six focus areas. This includes:

* Considering what could go wrong;
* Brainstorming and documenting the possible risks (discussions with team members, volunteers, or other stakeholders as needed);
* Investigating both the general risks (which are those that could happen in all organizations), and the risks that specific to [Organization Name];
	+ This includes a look at the industry and sector in which the organization provides its services
	+ Can also include the field of practice/scope of work or service of the organization
* Researching a variety of factors that could affect the six focus areas, including:
	+ Abuse that is either a one-time occurrence or a continuing occurrence (physical, emotional, psychosocial, sexual, financial)
	+ Injuries to persons
	+ Medical risks
	+ Environmental risks
	+ Property risks
	+ Financial risks
	+ Reputation/goodwill risks
* Categorize risks into likelihood/frequency, and severity.

**Develop Strategies**

Once risks are identified, along with their likelihood of occurring or the possible frequency of occurrence, as well as the possible severity of consequences, HR must develop strategies to address the risks discovered.

Depending on the findings, the HR may choose to apply any of the following strategies:

* **Avoidance:** cease doing the activity or providing the service.
* **Acceptance:** accept risk if risky activities are vital to [Organization Name]’s goal or mission.
* **Modification:**  alter the activity to reduce risk and/or the severity of consequences.
* **Transfer or sharing:** Purchase insurance or partner in a risk-sharing agreement with other organizations.

When planning their strategy, HR should also consider the following:

* Available resources and budget;
* Individuals who will take the lead and define the roles they play; and
* Outlining the steps or procedures to follow when dealing with the different risks.

**Implementation**

Once the strategies are identified and outlined, HR must do the following:

* Explain the steps and who is responsible for each step in the risk management plan to the [Organization Name] management and other individuals concerned.
* Outline and explain the plan and secure everyone's support and involvement (staff, volunteers, other relevant stakeholders, etc.).
* Enforce the risk management plan with all employees, assigning tasks to every individual taking a lead role in it.
	+ This also includes following up on action items to ensure the tasks were completed and documented.
	+ Another part of this is documenting the results and ensuring the records are maintained appropriately according to type of document (e.g., health and safety records, personnel records, medical records, etc.).

**Monitoring**

HR should update and re-evaluate the risk management framework annual. It should consider the following:

* Effectiveness of the strategic plan;
* Any changes in the risks;
* Changes or updates needed on the plan;
* Compliance of employees;
* Re-training of employees regarding plan details; and
* Potential need for better communication of the plan.