Research on Risk Identification in Human Resources Management

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Abstracts: With the further development of the market economy, human resources have become the key to the competitive advantage of enterprises, and the achievement of corporate business goals must be achieved through human resources. However, market competition is becoming increasingly fierce, and the challenges faced by enterprises in the human resources management process have become extremely severe. With the application of information technology in human resources, various information such as basic talent data, salary benefits, job positions, career levels, and development opportunities have become transparent. This makes human resource management in enterprises particularly important, as the risks faced by human resource management are increasing rapidly. Risks are also gradually increasing. The identification of human resource management risks is the key to dealing with risk management. Therefore, this article adapted the questionnaire method to verify and analyze 33 risks obtained from the literature. The data analysis results showed that among the 33 risks investigated, 2 had low importance scores and 13 had high importance scores importance score. This article also provides a detailed summary and discussion of the identified risks from six aspects of the human resources management process. This study provides a basis for further research on risk management and risk analysis, and provides reference for corporate human resource managers.

1. Introduction

The success and functioning of a business depend on the actions of its employees, and the enterprise's strategic objectives and growth strategies must be achieved through its workforce. People are the most essential asset for the development of a company, and the skill level and expertise of its staff significantly impact the enterprise's competitiveness in the market. Human resource management is the key to the stable development of an enterprise and the achievement of strategic goals. In the past, enterprises often ignored the risk control of human resources during their development and failed to realize the importance of human resources management. Human resources risk management is extremely important in the strategic development of enterprises. Neglecting it can lead to the emergence of various risk issues, thereby affecting the normal operation of the enterprise. Proper risk control can strengthen the core competitiveness of an

enterprise and improve its human efficiency.

This article centers on examining risk management within human resource management. It utilizes a questionnaire survey to gather risk factors related to human resource management from employees in companies, conducts quantitative analysis, and provides recommendations for addressing the identified risks.

2. An overview of theories related to enterprise human resource management risks

Regarding the definition of human resources management risks, there are currently two mainstream opinions. The first view is that, human resource management risks are caused by the uniqueness of human resources and the failure of managers to effectively manage them and fully stimulate people's potential, resulting in low effectiveness of people, or the abnormal loss of talents to the organization. Unpredictable dangers are present in every area of human resource management[1]. The second view is that, human resource management risk refers to the management of many key links such as specific job analysis, plan sorting, employee selection, performance appraisal, training, and promotion due to managers' insufficient understanding and control of all aspects of human resource management. The potential for experiencing losses while going through the process[2]. The first definition focuses on risks introduced by individuals, while the second definition emphasizes risks introduced by the management of each stage. This article uses the second type to identify and Manage risk.

In recent years, some literature has focused on the study of corporate human resource management risks. Zhou [3] investigates how data mining technology can be used in corporate digital human resource management to enhance strategic competitiveness and human resource management effectiveness by applying risk management theory. Yakob et al.[4] investigate the impact of Enterprise Risk Management (ERM) practices on Small and Medium Enterprises (SMEs) performance, highlighting how risk management can enhance firm value and profitability. Zhang Li [5] developed an index system to assess human resources management risks at a coal mine, focusing on organizational, management, and credit risks. The evaluation was conducted using the support vector machine technique. According to the evaluation results, the human resources of the coal mine Provided effective suggestions for management risk management and control. Bao Deming [6] examined various signs and reasons for recruitment risks, focusing on private enterprise recruitment. Zhao Qiang[7] categorized and explained qualitative and quantitative evaluation methods for managing human resources risks, analyzing their strengths and weaknesses and suggesting their appropriate uses.

Overall, current research primarily covers the incorporation of risk management theories and methods, with a predominant focus on qualitative studies and limited analysis using real-world enterprise cases.

3. Enterprise human resources management risk identification

Risk identification is the basic work of enterprise human resources management risk management. Risk identification involves using scientific methods and tools to thoroughly analyze research objects after conducting on-site surveys in order to identify potential risks[8]. This process aims to pinpoint risk events that could negatively impact the objects or result in property losses, and to understand their trends in order to facilitate risk assessment and control[9].

3.1 Research methods and processes

This article divides human resources management risks into six major categories of risks according to the six major links involved in the human resources management process, namely planning, recruitment, training, performance, salary, and employee relations [10]. This article designs a human resources management risk identification questionnaire. The survey is organized into six sections based on the six human resource management processes, with 33 evaluation items derived from risk points identified in the literature. A five-point Likert scale was used to set the options into five levels: completely disagree, do not agree, not sure, basically agree, and strongly agree, and assign scores of 1, 2, 3, 4, 5 points respectively.It ppublishes questionnaires to corporate human resources practitioners and employees through the questionnaire applet, process the questionnaire data and conduct score rate analysis.

3.2 analysis of research results

A survey on human resources management risks was distributed to a WeChat group in the human resources industry consisting of 178 members, resulting in 105 responses. Statistical analysis using SPSS software was conducted to calculate the mean, standard deviation, and importance score rate of the survey data. A recognition threshold was set at an importance score rate of 0.8, where scores above this value indicated a high level of risk recognition by the participants, while scores below 0.8 indicated a lower level of risk recognition.

Table 1 Human resources management risk data statistics

Process	Risk	Mean	Standard Deviation	Importance Score
planning	the overall development strategy of the enterprise is ignored	4.228	0.895	0.849
	Inaccurate analysis of corporate environment and current situation	4.486	0.695	0.864
	Talent inventory information is inaccurate	4.482	0.649	0.897
	Wrong talent management planning decisions	4.278	0.876	0.841
recruitment	Insufficient research on recruitment needs	4.503	0.714	0.916
	Recruitment team capabilities and integrity issues	4.487	0.639	0.887
	Recruitment process issues	4.178	0.866	0.821
	Recruitment channels and recruitment scope are unreasonable	4.613	0.708	0.923
	Issues with the assessment mechanism of the recruitment team	4.487	0.639	0.887
	Recruiters do not match job requirements	4.635	0.746	0.935
	Ignore psychological testing	4.487	0.639	0.887
training	Training topics do not match employee needs	4.491	0.703	0.895
	Not enough emphasis on training	4.169	0.859	0.834
	Waste of training resources	4.576	0.724	0.865
	Training methods and content are unattractive	4.657	0.757	0.933
	The training purpose is unclear	4.208	0.898	0.842

	Lack of training related to career planning	4.613	0.712	0.928
	Lack of training on employee awareness and ideas	4.599	0.698	0.909
performance	The performance appraisal system is unreasonable and unscientific	4.633	0.732	0.965
	Performance metrics fail to motivate employees	4.629	0.782	0.957
	Performance measures focus on punishment	4.487	0.639	0.887
	There are loopholes in performance implementation	4.175	0.868	0.836
Salary	The salary system is unreasonable	4.508	0.733	0.942
	The gap between employee expectations and actual pay	4.653	0.725	0.928
	Salary payment process issues	3.973	0.979	0.791
	Single welfare subsidy method	4.487	0.639	0.887
Employee Relations	Irregular employee management system	4.574	0.708	0.931
	The employee contract signing process or content is not standardized	4.167	0.857	0.823
	Timeliness and rationality of social security payment	3.837	0.966	0.784
	The vacation system is imperfect	4.487	0.639	0.887
	Issues regarding leave application and leave cancellation process	4.476	0.642	0.889
	Employees resign, dismissal and management are chaotic	4.638	0.719	0.942
	Lack of employee care	4.592	0.683	0.923

According to the table1, the importance score of "Salary payment process issues" and "Timeliness and rationality of social security payment" are lower than 0.8, so these two risks can be considered to be of lower importance to the surveyed subjects. Both of these items are closely tied to employees' earnings and perks, follow established procedures, and are overseen by government agencies. Therefore, the risk of these two items is low.

According to the table1, there are 13 risk items with importance scores higher than 0.9, of which the top 5 are:

(1) The performance appraisal system is unreasonable and unscientific.
(2) Performance metrics fail to motivate employees.
(3) The salary system is unreasonable.
(4) Employees resign, dismissal and management are chaotic.
(5) Recruiters do not match job requirements.

These risks have a high degree of recognition. Among these 5 risks, 2 are related to performance, 1 is related to compensation, 1 is related to employee relations, and 1 is related to recruitment. These are factors related to each employee and involve their vital interests, so they are prone to risks.

3.3 Enterprise human resources management risk

According to the findings of the survey provided, the risks associated with human resource

management are examined through the lens of six different human resource management processes.

Planning

Enterprises face risks in human resources planning when: ①The planning is not aligned with the enterprise's overall development strategy; ②The enterprise's development environment is not thoroughly analyzed; ③The human resources department staff fail to conduct a comprehensive and preliminary analysis of the enterprise's current situation, resulting in inaccurate talent inventory information [11]. ④ Corporate managers make wrong human resource planning decisions. Among these 4 risks, the 3rd has the highest importance score.

(1) Recruitment

Recruitment risks primarily manifest in several ways: ①Recruited personnel may lack the necessary knowledge or skills for the position due to various factors; ②Inefficient recruitment due to inappropriate recruitment platforms, channels, and candidate pools; ③Inadequate research on recruitment demand before launching the process; ④Recruitment team's insufficient capabilities or lack of familiarity with the process, leading to integrity issues and potential recruitment failures; ⑤Problems with the assessment mechanism focusing solely on the number of interviews rather than the alignment of individuals with positions[12]; ⑥Psychological tests are ignored in the recruitment review process; ⑦The recruitment process is too long and there are too many review links, resulting in the loss of candidates. Among these risks, the 7th has the highest importance score.

(2) Training

Many companies do not pay attention to training, resulting in risks in the training process. Mainly reflected in: ①Lack of systematic planning of training, outdated training methods, and lack of attractive training content; ②Insufficient training and career planning support for employees; ③Inadequate training on employee awareness and ideological concepts; ④Failure to thoroughly assess employee needs leading to training topics that do not align with what employees require[13]; ⑤Training is organized just to cope with the training, resulting in a waste of training resources, time and money; ⑥The purpose of the training is not clear and the employees' support is not obtained Recognition; ⑦The management and organizers do not pay enough attention to training, and the training work becomes a mere formality. Among these risks, the 1st has the highest importance score.

(3) Performance

Performance management risk is the potential for negative outcomes in performance management due to inappropriate performance appraisal content and methods [14]. Common factors contributing to this risk include: ①The employees do not widely accept the performance appraisal model due to its unreasonable and unscientific methods; ②The performance indicators used do not align with management goals and fail to inspire employees; ③Companies mistakenly equate performance management with performance appraisal, turning it into a tool for punishment and salary reduction; ④There are flaws in setting performance targets, evaluations, and performance bonus payments, resulting in employee disengagement. Among these risks, the 1st and 2rd has the highest importance score.

(4) Salary

Salary and benefits risks pertain to the challenges faced by a company's human resources management as a result of an unfair salary system and job grading, along with significant disparities in welfare benefits compared to industry standards. These issues can create internal inequities and reduce the company's competitiveness, ultimately leading to employee discontent [15]. Mainly reflected in: ①The design of the salary system is unreasonable and cannot attract and stably

cultivate key talents; ②There is a gap between the actual salary or salary increase and employees' expectations, causing employees to have negative emotions; ③The welfare subsidy method is single, Unattractive; ④The salary payment time, payment method and payment process are unreasonable. Among these risks, the 1st has the highest importance score. And the importance score of the 4th point is less than 0.8.

(5) Employee Relations

The primary concern of an organization's employee relations risk is centered on whether the organization complies with existing labor laws and labor contract laws in managing labor relations [16]. The main risks that may occur are: ①The management process of layoffs and resignations is chaotic and there are management loopholes; ②The systems and regulations related to employee relationship management are not comprehensive or standardized; ③The lack of employee care-related measures; ④ There are issues or gaps in the implementation of the process that are inconvenient or ineffective; ⑤There is a lack of a vacation system or the vacation system is imperfect; ⑥There are irregularities and imprecision in the signing of labor relations contracts; ⑦Employees' social security contributions are not enough Timely or unreasonable problems. Among these risks, the 1st has the highest importance score. And the importance score of the 7th point is less than 0.8.

4. Conclusion

This study summarizes the research theory of human resource management and identifies the risks of human resource management through questionnaire survey. This study collected a total of 105 valid questionnaires and verified and analyzed 33 risks. Among them, 31 risks have an importance score higher than 0.9, and 2 risks have an importance score lower than 0.8. Therefore, after removing these 2 risks, a total of 31 risk items are obtained. Finally, the identified risks are discussed and summarized according to the six classifications of the human resources management process. To sum up, this study has completed the identification of risk factors in human resource management, providing a foundation for the next steps of research on risk assessment and risk response strategies. It also serves as a reference for companies to strengthen the control of human resource risks. Companies must fully recognize the importance of controlling human resource management risks, conduct identification, evaluation, and analysis of human resource management risks, and develop effective response and prevention measures to reduce the occurrence of human resource management risks in order to achieve success in an increasingly competitive environment.

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