



WORKFORCE RISK ASSESSMENT

A Guide by Diverse Staffing



Identify Hidden Workforce Risks
Before They Impact Your
Operation

www.DiverseStaffing.com

INTRODUCTION



Workforce challenges rarely appear overnight.

More often, they develop gradually through attendance issues, turnover, staffing shortages, overtime dependency, and declining workforce reliability. Left unaddressed, these challenges can impact productivity, employee morale, customer satisfaction, safety, and profitability.

This Workforce Risk Assessment Guide is designed to help employers identify potential workforce risks, understand their impact, and evaluate opportunities for improvement.

Use this guide alongside the Workforce Stability Scorecard and Turnover Cost Calculator to gain a clearer picture of your workforce health.



WORKFORCE RISK CHECKLIST

Review the following indicators and check any that apply to your operation.

Attendance Risks

- ☐ Frequent call-offs impact production
- ☐ Increased absences over the past 12 months
- ☐ Overtime is regularly used to cover attendance
- ☐ Managers spend significant time filling shifts
- ☐ Attendance policies are inconsistently enforced

Recruiting Risks

- ☐ Qualified applicants are difficult to find
- ☐ Time-to-fill positions continues to increase
- ☐ Candidate no-show rates are rising
- ☐ Recruiting efforts produce inconsistent results
- ☐ Applicant quality has declined

Turnover Risks

- ☐ New hires frequently leave within 90 days
- ☐ Positions remain unfilled for extended periods
- ☐ Exit interviews reveal recurring concerns
- ☐ Employee referrals have declined
- ☐ Supervisors report increasing turnover

Workforce Reliability Risks

- ☐ Production schedules are frequently adjusted
- ☐ Staffing levels fluctuate significantly
- ☐ Customers are affected by labor shortages
- ☐ Cross-training opportunities are limited
- ☐ Key positions have no backup coverage

Overtime Dependency Risks

- ☐ Overtime is used weekly to maintain operations
- ☐ Employee fatigue is becoming a concern
- ☐ Overtime costs continue to increase
- ☐ Supervisors struggle to maintain staffing levels
- ☐ Burnout is impacting retention

0-5 Checked Items



Low Workforce Risk

6-10 Checked Items



Moderate Workforce Risk

11+ Checked Items



Elevated Workforce Risk



FIVE HIDDEN WORKFORCE RISKS

EMPLOYERS OFTEN MISS

#1 Early New-Hire Turnover

High turnover during the first 90 days often signals issues with sourcing, screening, onboarding, expectations, or job fit.

Warning Signs

- High first-month resignations
- Frequent job abandonment
- Consistent replacement hiring

#2 Overtime Dependency

Many organizations view overtime as a short-term solution. Over time, it can become a hidden workforce risk.

Warning Signs

- Routine overtime scheduling
- Rising labor costs
- Increased absenteeism

#3 Attendance Instability

Attendance issues often develop gradually before becoming operational disruptions.

Warning Signs

- Increased call-offs
- Frequent schedule changes
- Reduced shift reliability

#4 Recruiting Bottlenecks

A weak talent pipeline can significantly impact workforce stability.

Warning Signs

- Longer hiring cycles
- Low applicant flow
- Difficulty filling key positions

#5 Workforce Concentration

Operations become vulnerable when critical knowledge is concentrated among a small number of employees.

Warning Signs

- Limited cross-training
- Key employee dependency
- Lack of succession planning

UNDERSTANDING THE COST OF WORKFORCE CHALLENGES

Many employers underestimate the true cost of workforce instability.

While turnover, absenteeism, and staffing shortages are often viewed as operational challenges, they can have a significant impact on productivity, workforce morale, customer satisfaction, and profitability. The financial impact extends far beyond the cost of replacing an employee.

Direct Costs >>

- Recruiting expenses
- Job advertising and sourcing costs
- Candidate screening
- Onboarding and orientation time
- Training and certification costs
- Administrative and HR processing
- Background checks
- Compliance requirements

Indirect Costs <>

- Lost productivity during vacancies
- Increased overtime expenses
- Supervisor and management time
- Reduced quality and efficiency
- Production delays and missed deadlines
- Increased safety risks
- Customer service disruptions
- Employee burnout and low morale

Even small workforce issues can create significant operational impacts when left unaddressed. Understanding the potential risks and costs associated with workforce instability is an important step toward building a more reliable, productive, and resilient operation.



WORKFORCE STABILITY SELF-EVALUATION

Use this quick self-assessment to evaluate the overall health and stability of your workforce. By rating each category, you can identify strengths, uncover potential risks, and prioritize areas for improvement.

Rate each area from 1 to 5.

1 = Significant Concern | 5 = Strong Performance

Category

Employee Retention
Attendance Reliability
Recruiting Effectiveness
Workforce Flexibility
Fill Rate Performance
Overtime Management
Employee Engagement
Workforce Planning

Score

32-40



Strong
Workforce Stability

24-31



Moderate
Workforce Stability

Below 24



Weak
Workforce Stability



BEST PRACTICES FOR IMPROVING WORKFORCE STABILITY



Strengthen Candidate Screening

Hiring the right people from the beginning reduces turnover and improves workforce reliability.



Improve Onboarding

The first few weeks often determine long-term success.



Monitor Workforce Metrics

Track turnover, attendance, fill rates, overtime usage, retention trends



Build Workforce Flexibility

The first few weeks often determine long-term success.



Evaluate Staffing Partnerships

A workforce partner should contribute more than simply filling positions. Look for:

- Candidate quality
- Workforce analytics
- Retention strategies
- Operational support
- Customized workforce solutions

NEXT STEPS

Workforce challenges can impact productivity, employee morale, customer satisfaction, safety, and profitability.

By identifying risks early and understanding their potential impact, employers can make more informed workforce decisions and create a stronger, more reliable operation.

How Diverse Staffing Supports Workforce Stability

Organizations facing workforce challenges often benefit from a strategic approach that combines:

- **Customized staffing solutions tailored to operational needs**
- **Proactive workforce management and workforce planning**
- **Employee engagement and retention initiatives**
- **Industry expertise in manufacturing, warehousing, and logistics**
- **Strong compliance and safety standards**

Ready to Discuss Your Workforce Challenges?

Schedule a 15-minute staffing strategy call with a Diverse Staffing workforce expert to explore solutions designed to improve workforce reliability, retention, and productivity.



Empower • Connect • Excel

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