



EXECUTIVE ADVISORY REPORT

SME People Risk Advisory Report

A boardroom-ready diagnostic to identify people risks, cost leakages, compliance exposure, and priority interventions for growing SMEs.

PREPARED BY

Metley Human Capital Solutions

LEAD ADVISOR

Mr Saravanan Thangavel, Chief Consultant

USE CASE

Client diagnostic / proposal / advisory engagement

01

Risk visibility

Translate informal HR problems into management-level risk themes.

02

Business impact

Connect people issues to cost, disruption, productivity, and growth readiness.

03

90-day action plan

Prioritise actions that stabilize, institutionalise, and scale HR practices.

SME PEOPLE RISK ADVISORY REPORT

How to use this report

This version is designed as a reusable SME advisory template. Client-specific facts, scores, and findings should be inserted after diagnostic interviews and document review.

What this report is

A structured diagnostic of people risks that can directly affect growth, compliance, productivity, continuity, and leadership control in an SME.

- Executive narrative for founders and CEOs
- Risk scoring model for HR and business leaders
- Issue-specific observations and advisory actions
- 30-60-90 day implementation roadmap

What it is not

It is not a statutory legal opinion, payroll audit, forensic investigation, or employee engagement survey by itself. Those can be added as specialised modules when required.

- No claims without evidence
- No one-size-fits-all policy dump
- No over-engineered enterprise HR model for SMEs

Recommended usage: Issue this after a 7-10 day diagnostic involving document review, leadership interviews, HR data analysis, and sample employee discussions.

SME PEOPLE RISK ADVISORY REPORT

The report moves from risk visibility to execution discipline

Each section is written for SME owners who want practical decisions rather than generic HR theory.

01**Executive summary**

Headline findings, priority risks, and CEO actions.

02**Risk dashboard**

Scoring model, risk heatmap, and priority matrix.

03**Risk themes**

Seven diagnostic areas from key-person risk to HR data.

04**Business impact**

Cost leakage, disruption, and growth-readiness implications.

05**Action plan**

30-60-90 day roadmap and governance cadence.

06**Appendices**

Data request, interview guide, questionnaire, scoring rubric.

SME PEOPLE RISK ADVISORY REPORT

The SME people-risk agenda is not an HR agenda - it is a business-control agenda

For many SMEs, the biggest people risks are not visible until growth slows, founders get pulled into escalations, or a compliance/documentation issue becomes costly.

CORE FINDING

People risk typically concentrates in five zones: founder dependency, weak documentation, inconsistent managers, poor productivity discipline, and fragile hiring pipelines.

Priority CEO actions

1. Establish minimum HR documentation controls within 30 days.
2. Identify critical roles and key-person dependencies.
3. Introduce simple performance goals and review cadence.
4. Train managers on conduct, feedback, and accountability.
5. Build a small monthly people-risk dashboard for leadership.

RISK POSTURE

Moderate to high

Typical in fast-growing SMEs without formal HR governance.

TIME TO STABILIZE

30 days

Critical controls and documentation can be addressed quickly.

TIME TO INSTITUTIONALISE

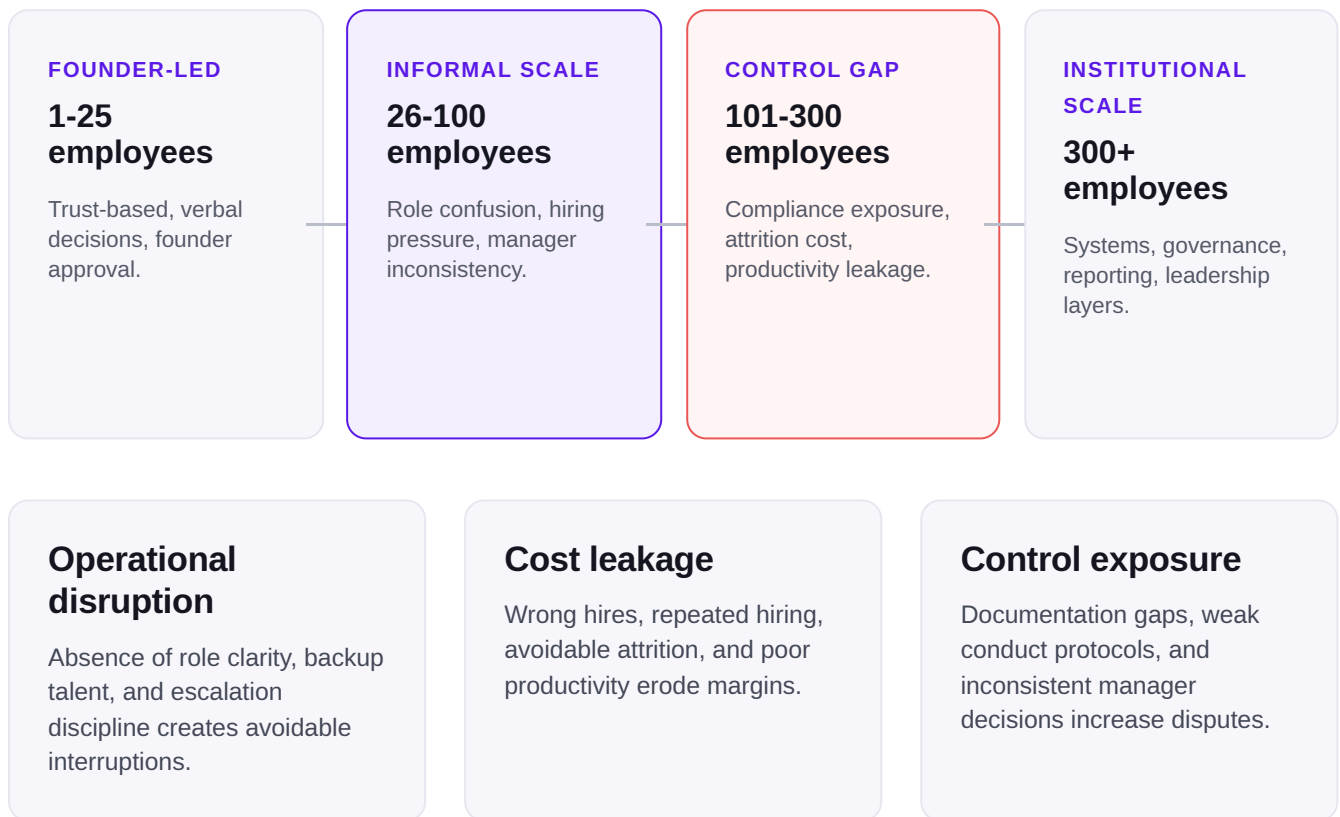
90 days

Performance, managers, and dashboards require cadence.

SME PEOPLE RISK ADVISORY REPORT

People risk increases when growth outpaces management systems

As headcount expands, informal people practices that worked at 25 employees start creating risk at 75, 150, or 300 employees.

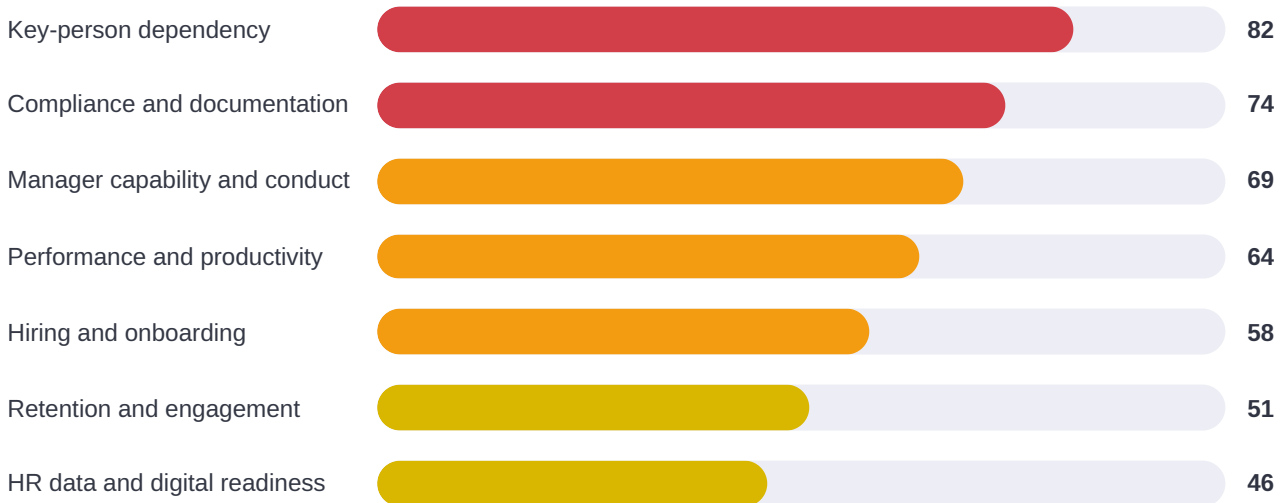


SME PEOPLE RISK ADVISORY REPORT

An SME people-risk scorecard converts scattered HR symptoms into leadership decisions

The dashboard below is illustrative. Replace scores after the diagnostic based on evidence and interviews.

<p>OVERALL PEOPLE RISK SCORE</p> <p>68 / 100</p> <p>Moderate-high risk requiring leadership attention within 30 days.</p>	<p>CONTROLS MATURITY</p> <p>2.1 / 5</p> <p>Basic practices exist but are not consistently embedded.</p>	<p>PRIORITY RISKS</p> <p>5</p> <p>Require immediate governance or process intervention.</p>
-----------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------



SME PEOPLE RISK ADVISORY REPORT

Metley assesses SME people risk across seven practical business themes

The taxonomy is designed for owner-managed and founder-led SMEs where HR maturity varies widely by department.

Key-person and succession

1

Dependency on founders, senior employees, or one-person process owners.

Compliance and documentation

2

Contracts, policies, POSH readiness, wage records, exits, and HR evidence.

Hiring and onboarding

3

Hiring quality, time-to-fill, early attrition, candidate experience, role fit.

Performance and productivity

4

Goal clarity, review discipline, incentive alignment, underperformance handling.

Manager capability and conduct

5

Supervisory behaviour, fairness, feedback, escalation, and workplace discipline.

Retention and engagement

6

Attrition hotspots, morale signals, career friction, compensation pressure.

HR data and digital readiness

7

Record quality, dashboards, HRMS readiness, reporting cadence, data privacy basics.

SME PEOPLE RISK ADVISORY REPORT

The diagnostic combines evidence, interviews, and risk scoring

Scores should be based on observed practices, not leadership perception alone.

01

Document review

Appointment letters, policies, payroll records, leave data, exits, role descriptions, performance records, and statutory files.

02

Leadership interviews

CEO/founder, function heads, HR, finance, operations, and representative managers.

03

Data triangulation

Attrition, hiring funnel, attendance, productivity indicators, complaints, escalations, and manager-level patterns.

04

Risk scoring

Likelihood x impact x control weakness, translated into a 100-point people risk index.

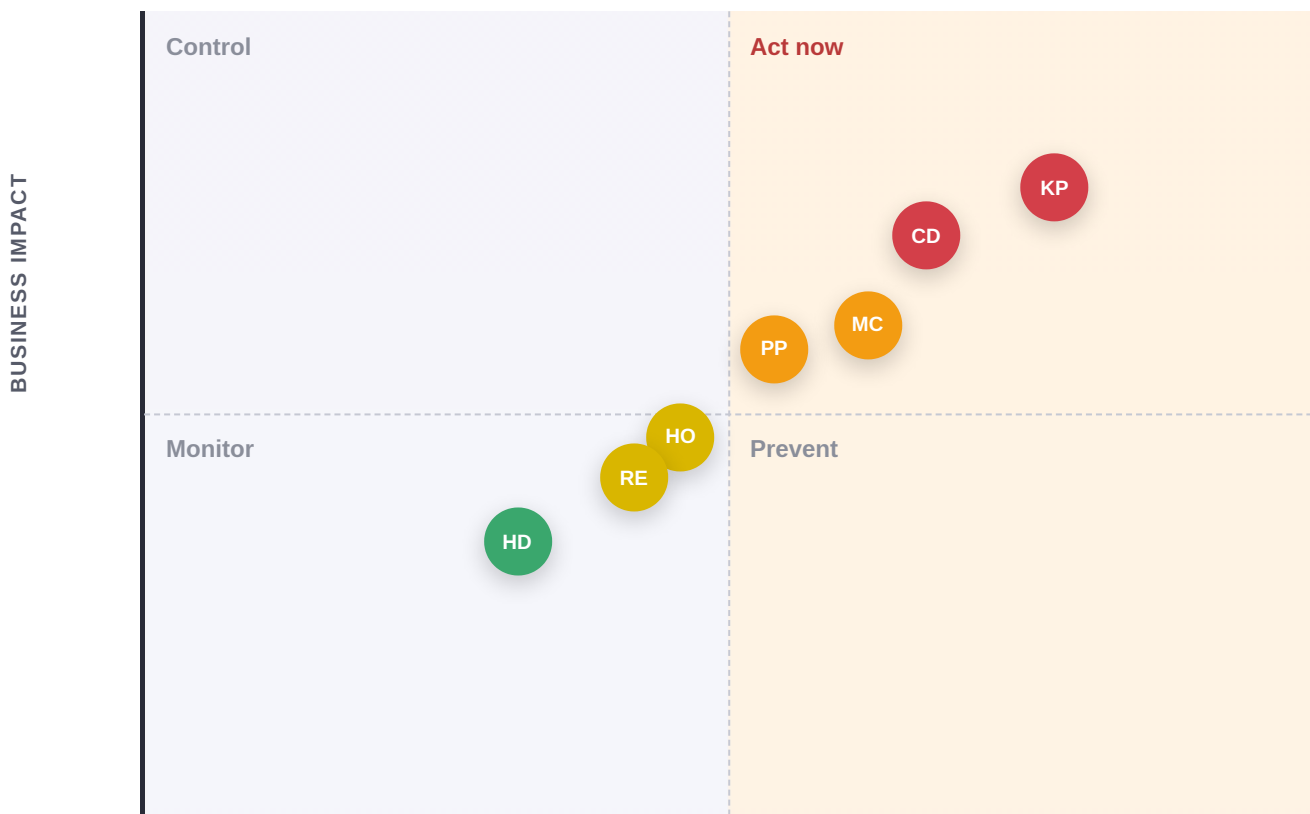
Scoring logic

Risk score = Likelihood + Impact + Control weakness + Business criticality adjustment. Ratings are then grouped into Low, Moderate, High, and Critical.

SME PEOPLE RISK ADVISORY REPORT

The CEO agenda should start where business impact and likelihood intersect

The matrix helps avoid two common SME errors: treating every HR issue as urgent, or ignoring risks until they become disputes.



KP Key-person dependency
 CD Compliance/documentation
 MC Manager capability
 PP Performance/productivity
HO Hiring/onboarding
RE Retention/engagement
HD HR data

SME PEOPLE RISK ADVISORY REPORT

Illustrative priority heatmap for SME people risk

Use this page as the client-facing risk register summary after diagnostic completion.

Risk theme	Owner	Likelihood	Impact	Rating	Primary action
Key-person dependency	CEO / Business Heads	High	High	High	Map critical roles and introduce backups
Compliance and documentation	HR / Finance	High	High	High	Close contract, policy, and evidence gaps
Manager capability and conduct	Business Heads	Medium	High	Medium	Train managers and set escalation rules
Performance and productivity	CEO / Function Heads	Medium	Medium	Medium	Define KPIs and review cadence
Hiring and onboarding	HR / Hiring Managers	Medium	Medium	Medium	Standardise selection and onboarding
Retention and engagement	HR / Managers	Medium	Medium	Medium	Track hotspots and retention drivers
HR data and digital readiness	HR / IT / Finance	Low	Medium	Low	Create basic HR dashboard

SME PEOPLE RISK ADVISORY REPORT

Risk 1: key-person dependency is the hidden continuity risk in most SMEs

The issue is not only whether people leave; it is whether the business can run without a few individuals acting as the operating system.

Key-person risk

Knowledge concentration

Processes and customer context are held by individuals, not systems.

Decision bottlenecks

Founder or senior manager approval is required for routine decisions.

No backup coverage

Critical roles do not have trained deputies or documented handovers.

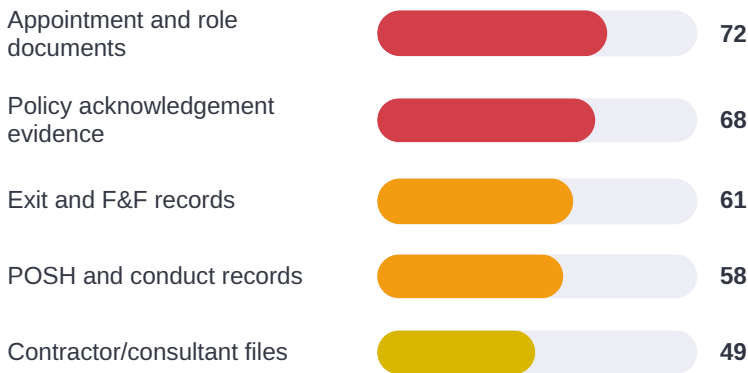
Advisory position

Every SME should maintain a critical-role register, name a backup owner for each role, and document minimum operating procedures for roles that can interrupt sales, production, service, finance, or compliance.

SME PEOPLE RISK ADVISORY REPORT

Risk 2: documentation weakness converts routine employee matters into disputes

SMEs often underestimate documentation because issues appear small until an exit, complaint, wage dispute, or performance action occurs.



Typical symptoms

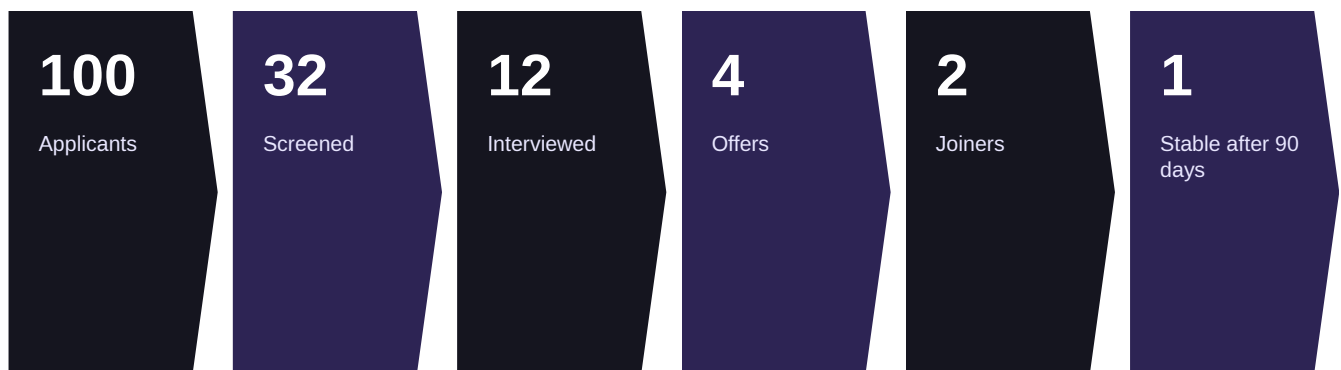
- Offer letters exist but appointment letters are incomplete.
- Policies are present but employees have not acknowledged them.
- Leave, overtime, and deductions are handled informally.
- Exit conversations are not documented with evidence.
- Performance actions lack prior feedback records.

Metley recommendation: Create a minimum HR evidence pack for every employee: appointment terms, JD, policy acknowledgements, salary records, leave records, performance notes, and exit documentation.

SME PEOPLE RISK ADVISORY REPORT

Risk 3: hiring risk is not a recruiter problem - it is a role-definition problem

SMEs that hire urgently without role clarity frequently experience rework, early attrition, salary pressure, and manager frustration.



Root cause

JDs describe activities, not outcomes, skills, reporting lines, or performance expectations.

Business effect

Hiring cycles repeat, managers lose time, and new joiners receive conflicting expectations.

Priority fix

Mandate role scorecards for all recurring positions and review early attrition by source and manager.

SME PEOPLE RISK ADVISORY REPORT

Risk 4: productivity leakage rises when performance is discussed but not managed

The issue is rarely that SMEs do not value performance; the issue is that targets, reviews, and consequences are inconsistent.

Current-state pattern

- Broad job responsibilities
- Owner-led follow-up
- Performance discussed only when problems arise
- Incentives not linked to measurable outputs
- Underperformance tolerated until crisis

Recommended pattern

- Role-wise 3-5 core KPIs
- Monthly review rhythm
- Manager notes and performance evidence
- Incentives linked to quality and productivity
- Structured improvement plan

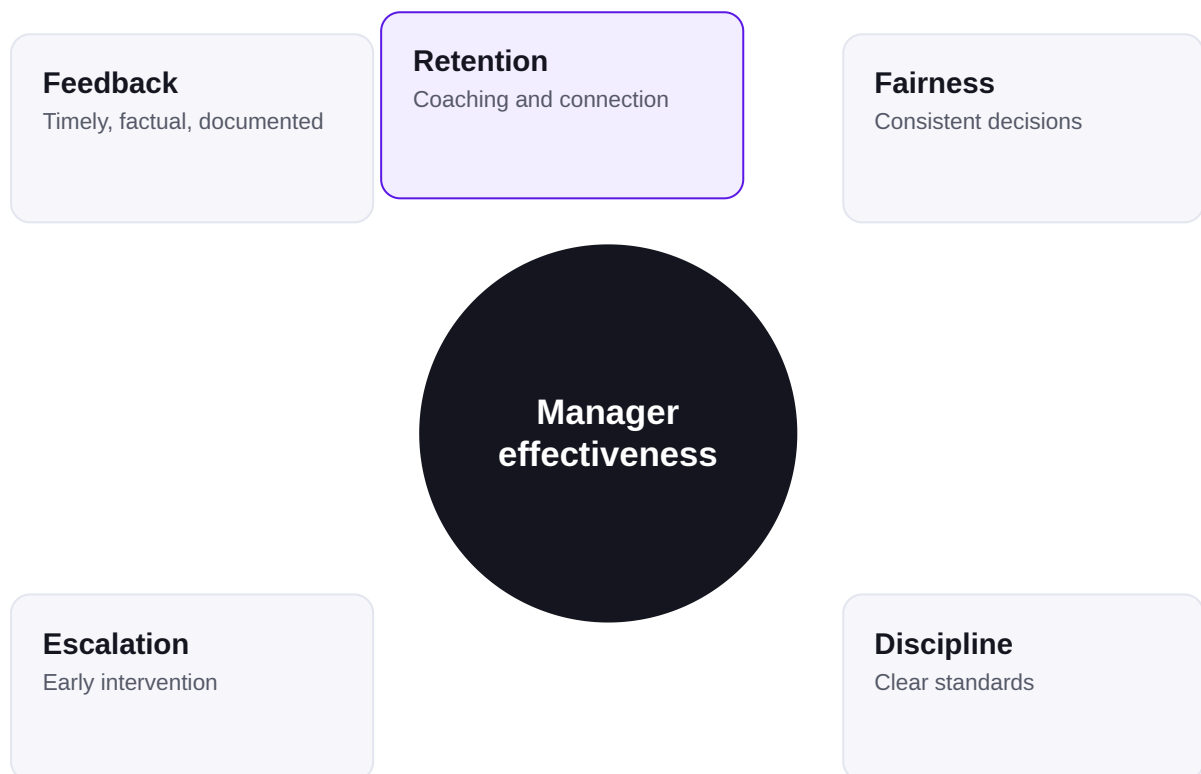
Advisory position

Metley recommends a lightweight performance architecture for SMEs: role scorecards, monthly reviews, manager calibration, documented feedback, and a clear route for underperformance management.

SME PEOPLE RISK ADVISORY REPORT

Risk 5: manager inconsistency is the multiplier behind many people risks

Employees often experience the company through their direct manager. Weak supervisory behaviour can create attrition, disputes, low morale, and productivity drag.



Priority intervention: Introduce a practical manager toolkit covering goal setting, feedback conversations, attendance discipline, behaviour escalation, documentation, and exit-risk sensing.

SME PEOPLE RISK ADVISORY REPORT

Risk 6: attrition must be analysed by role, manager, tenure, and reason - not just total percentage

A single attrition number can hide the real risk. SMEs should focus on critical-role attrition and preventable regretted exits.

Attrition questions that matter

- Which roles are hardest to replace?
- Which managers see repeated exits?
- What percentage of new hires leave within 180 days?
- How many exits are preventable?
- What is the replacement cost of one critical exit?

ILLUSTRATIVE COST EQUATION

Attrition cost = vacancy cost + replacement hiring cost + onboarding time + productivity loss + manager time

Even a small reduction in preventable exits can pay for HR process improvements.

Signal	What it may indicate	Action
Early attrition	Hiring or onboarding mismatch	Improve role scorecards and 30-day check-ins
Manager-specific exits	Manager behaviour or workload issue	Manager coaching and escalation review
Critical-role exits	Continuity and customer risk	Retention plan and backup coverage

SME PEOPLE RISK ADVISORY REPORT

Risk 7: HR data is a decision asset only when it is clean, regular, and owned

For SMEs, the first step is not complex analytics. The first step is reliable monthly data that leadership can use.

LEVEL 1**Employee master clean-up**

Accurate employee, compensation, role, department, manager, and joining data.

LEVEL 2**Basic HR controls**

Leave, attendance, payroll, contracts, policy acknowledgements, exits.

LEVEL 3**Monthly dashboard**

Headcount, attrition, hiring, absenteeism, productivity proxies, compliance actions.

LEVEL 4**Predictive signals**

Retention risk, capacity planning, training gaps, and performance patterns.

Practical advice: Do not automate broken processes. Stabilise data ownership and reporting discipline before selecting HRMS or AI-enabled tools.

SME PEOPLE RISK ADVISORY REPORT

People risk should be expressed in money, time, disruption, and control loss

Founders respond faster when HR issues are translated into business consequences.

01

Cost leakage

Repeated hiring, avoidable attrition, productivity drag, overtime, absenteeism, and rework.

02

Continuity risk

Critical work stops or slows when key employees leave or are unavailable.

03

Compliance exposure

Employee disputes, weak documentation, statutory gaps, and inconsistent decisions.

04

Leadership drag

Founder and senior management time gets consumed by preventable people escalations.

People issue

Operational symptom

Business impact

Leadership decision

SME PEOPLE RISK ADVISORY REPORT

A practical business-impact model helps prioritise interventions

This model is intended for estimation and prioritisation; actual values should be replaced with client data.

Risk area	Business driver	Example metric	Indicative impact lens
Attrition	Replacement and productivity loss	Regretted exits x average replacement cost	Cash + manager time
Hiring	Vacancy duration	Open days for revenue or production roles	Lost output
Performance	Underutilisation	Employees below target x monthly payroll	Productivity leakage
Compliance	Disputes and remediation	Open documentation gaps and claims	Risk reserve
Key-person	Continuity dependency	Critical roles without backup	Disruption exposure

Recommended output for client reports

Estimate a people-risk value-at-stake range rather than a precise number when data is incomplete. Use Low / Base / High scenarios.

SME PEOPLE RISK ADVISORY REPORT

Metley should recommend a sequenced portfolio, not a list of disconnected HR fixes

The right SME plan starts with controls and role clarity, then moves to manager capability and productivity rhythm.

STABILISE

Minimum HR controls

Appointment documents, policy acknowledgements, exit process, POSH basics, employee records.

CLARIFY

Roles and accountability

Role scorecards, reporting lines, critical-role register, backup ownership.

ENABLE

Manager toolkit

Feedback, performance notes, conduct handling, escalation protocol, retention signals.

MEASURE

People dashboard

Monthly metrics on headcount, attrition, hiring, attendance, performance, and risk actions.

Sequencing principle: Fix governance before technology. Automating informal practices will only make inconsistent practices faster.

SME PEOPLE RISK ADVISORY REPORT

First 30 days: stabilise controls and make risks visible

The first month should address the highest exposure items and create leadership visibility.

WEEK 1

Launch diagnostic governance

Confirm sponsor, HR owner, data request, interview schedule, and reporting cadence.

WEEK 2

Close evidence gaps

Review employment documents, policy acknowledgements, employee master, and compliance basics.

WEEK 3

Map critical roles

Identify critical roles, dependencies, backup gaps, and risk owners.

WEEK 4

Issue risk dashboard

Present heatmap, quick wins, management actions, and unresolved risks to leadership.

30-day deliverables:

Risk register

Documentation gap list

Critical-role map

HR controls checklist

CEO dashboard

SME PEOPLE RISK ADVISORY REPORT

Next 60 days: institutionalise role clarity, manager discipline, and performance rhythm

The second phase should move beyond fixing files and start changing how the business manages people.

1

Role scorecards

Define outcomes, KPIs, reporting lines, decision rights, and behavioural expectations for priority roles.

2

Manager routines

Introduce monthly team reviews, feedback notes, escalation rules, and attendance/performance handling protocols.

3

Hiring governance

Standardise JDs, interview scorecards, offer controls, onboarding check-ins, and new-hire risk review.

4

Retention focus

Identify critical employees, flight-risk signals, and manager-led retention conversations.

Decision checkpoint: By day 60, management should be able to say which people risks are reducing, which are unresolved, and which require investment.

SME PEOPLE RISK ADVISORY REPORT

By 90 days: scale the people-risk operating model and prepare for HR digitisation

By the end of 90 days, the SME should have a repeatable people governance rhythm rather than a one-time clean-up project.

MONTHLY**People risk review**

CEO, HR, finance, and business heads review dashboard and open risk actions.

QUARTERLY**Manager calibration**

Review performance quality, attrition hotspots, conduct issues, and role changes.

QUARTERLY**Compliance control review**

Check employee files, policy acknowledgements, statutory evidence, POSH updates, and exit documentation.

HALF-YEARLY**HR digital readiness review**

Assess readiness for HRMS, payroll integration, analytics, and AI-enabled HR use cases.

90-day outcome

Leadership moves from reactive HR firefighting to a disciplined people-risk governance system that supports scale.

SME PEOPLE RISK ADVISORY REPORT

Governance is the difference between a good report and sustained risk reduction

The report should end with clear ownership, cadence, and escalation rules.

Action owner	Role in governance	Monthly responsibility	Escalates to
CEO / Founder	Sponsor	Approve priorities, remove blockers, hold leaders accountable	Board / promoter group
HR lead	Program owner	Maintain risk register, document controls, dashboard, action tracker	CEO
Finance lead	Cost and compliance partner	Validate payroll records, cost impact, statutory evidence, settlements	CEO / CFO
Business heads	Risk owners	Own role clarity, productivity, manager actions, retention risks	CEO
Managers	Execution owners	Conduct reviews, document feedback, track attendance and team issues	Business heads

Metley cadence: A monthly 60-minute people-risk review is sufficient for most SMEs when supported by a focused dashboard and clear action tracker.

SME PEOPLE RISK ADVISORY REPORT

Data request and stakeholder interview plan

Use this checklist to collect enough evidence for a defensible advisory report.

Documents and data

- Employee master with role, department, manager, location, DOJ
- Appointment letters, JDs, salary structures, policy acknowledgements
- Leave, attendance, overtime, payroll, and statutory records
- Attrition data by department, manager, tenure, and reason
- Hiring funnel, open roles, offer acceptance, early attrition
- Performance records, warning letters, escalations, exit documents

Interviews

- CEO / founder
- HR lead or admin owner
- Finance lead
- 2-4 function heads
- 4-6 line managers
- Representative employees across tenure and function

Evidence standard: All findings should be tagged as Documented, Interview-based, Data-based, or Observation-based.

SME PEOPLE RISK ADVISORY REPORT

Diagnostic questionnaire for SME people risk

Use the questionnaire for leadership interviews and scoring calibration.

1. Continuity

Which roles would interrupt business if the person left tomorrow?

2. Role clarity

Do employees and managers agree on expected outputs for each role?

3. Documentation

Can the company evidence employment terms, policy acknowledgement, and performance feedback?

4. Hiring

Which roles are repeatedly difficult to hire or retain beyond 90 days?

5. Performance

How are underperformance, incentives, and manager reviews handled?

6. Manager conduct

Where do escalations, complaints, or repeated exits cluster?

7. Retention

Which exits were regretted and what could have prevented them?

8. Data

What people metrics are reviewed monthly by leadership?

SME PEOPLE RISK ADVISORY REPORT

Scoring rubric: convert observations into a consistent risk rating

The rubric helps Metley consultants score multiple SME clients consistently.

Score band	Rating	Typical condition	Advisory implication
0-25	Low	Controls are documented, owned, and routinely reviewed.	Monitor quarterly.
26-50	Moderate	Some practices exist but are inconsistent across teams.	Assign owners and standardise.
51-75	High	Evidence gaps, repeated issues, or weak manager discipline.	Act within 30-60 days.
76-100	Critical	Immediate business, compliance, continuity, or dispute exposure.	Leadership intervention required.

<p>LIKELIHOOD</p> <p>1-5</p>	<p>IMPACT</p> <p>1-5</p>	<p>CONTROL WEAKNESS</p> <p>1-5</p>	<p>BUSINESS CRITICALITY</p> <p>0-10</p>
-------------------------------------	---------------------------------	-------------------------------------------	------------------------------------------------



Metley Human Capital Solutions

AI-integrated HR transformation and practical people advisory for growth-focused SMEs.

WEBSITE

www.metley.in

CHIEF CONSULTANT

Mr Saravanan Thangavel

COMPANY LINKEDIN

linkedin.com/company/metley

CONSULTANT LINKEDIN

linkedin.com/in/saravanant

Copyright (C) 2026 Metley Human Capital Solutions. All rights reserved. No part of this report may be reproduced, distributed, or transmitted in any form without prior written permission.