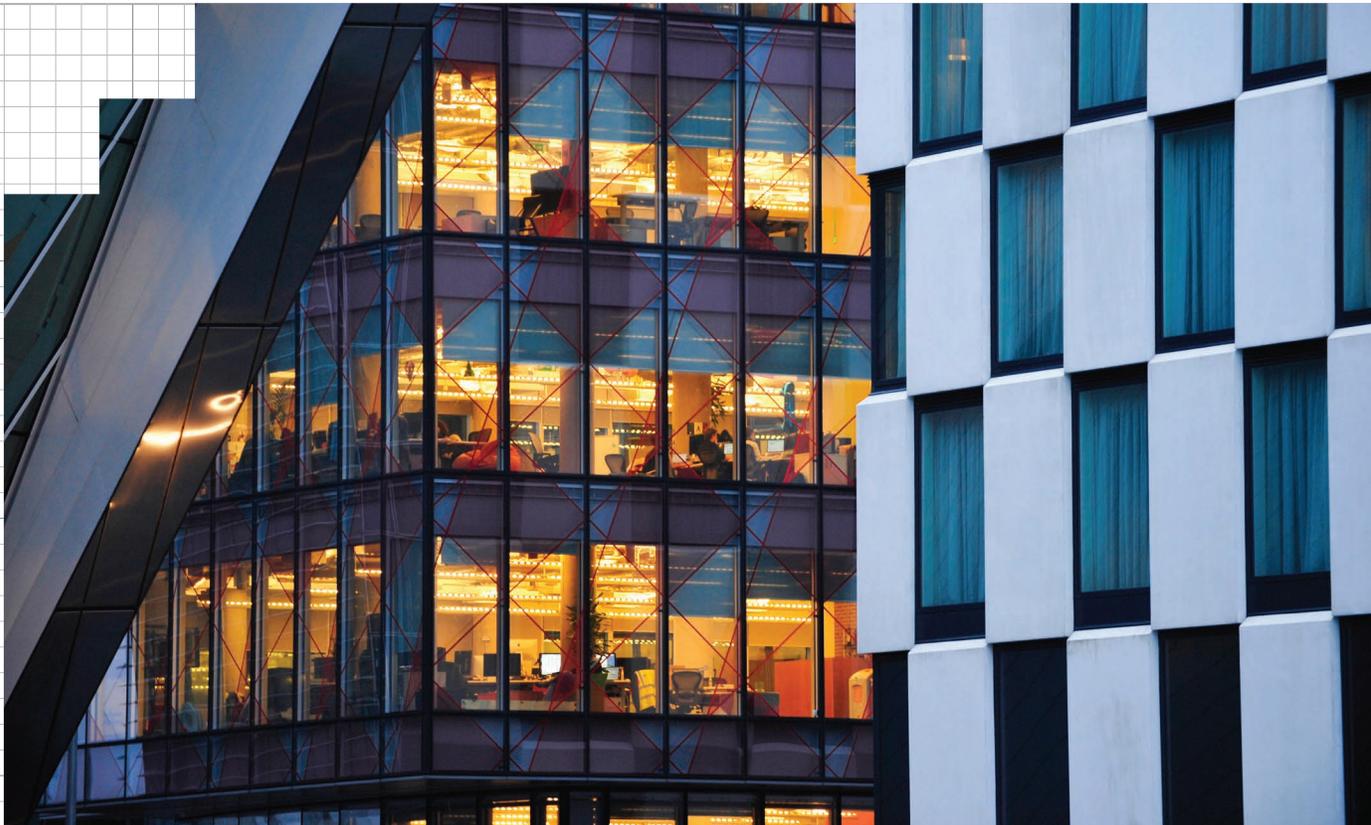




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Duty of Care and Travel Risk Management: Better Safe Than Sorry

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Pascal Michel consults with global companies on risk, security and crisis management. His operational experience includes the resolution of kidnappings, extortion cases and evacuations due to political unrest. A former member of a German government security organization, Pascal was the founder and head of a government hostile environment security training unit. He lived for four years in West Africa and has operated in many challenging environments, including Mexico, Colombia, Algeria, Libya, South Africa, Iraq and Pakistan. Pascal is a highly regarded speaker at conferences covering topics such as kidnappings, travel risk management and crisis management and is fluent in English, German and French.

The environment in which companies operate is becoming increasingly complex and volatile. This increased volatility requires that companies understand the environments where they are operating, implement preventive security measures and respond appropriately to safety and security incidents. Companies have a duty to ensure that they are not placing employees in harm's way when employees are sent to work overseas. HR managers in particular have an important role to play in the care of employees during travel and assignments abroad.

This paper presents the risks that employees and companies are exposed to during activities abroad, how these risks can be minimized and how companies should prepare themselves for crisis events. It also illustrates how companies should react when faced with critical events. This paper is designed to help HR managers and other executives who are responsible for employees and business interests in the development and implementation of a company-wide travel risk management. The term travel risk management refers to the risks in both short-term trips and longer term expatriate assignments.

Globalization and Development of Business Trips and Assignments

As markets become more global, the risk associated with traveling and living in foreign countries increases. Travel risk management is important for successfully managing businesses activities, employee travel and expatriate assignments. Since markets in industrial nations are highly saturated, companies are becoming increasingly active in countries with higher security risks. But even in the regions that are considered safe, such as the U.S. and Europe, terrorism is increasing the risk for companies and employees.

Hazards and Risks for Travellers and Expats

The hazards and risks of foreign travel are myriad. Table 1 below provides examples of the types of threats that exist. The threat of terrorism has increased significantly over the past couple of decades. In 2000 more than 3,000 people were killed in terrorist attacks worldwide while by 2015 deaths due to terrorist attacks had increased to over 30,000. But even with this increase in terrorism, traffic accidents remain the main risk for travellers. Traffic accidents cause the death of some 1.3 million persons and up to 30 million are injured every year. About 25,000 of those who die are travellers. The Foundation for the Automobile and Society estimates that the number of travellers who are killed in traffic accidents will increase to 75,000 by 2030.

Health threats are another one of the main causes of problems when travelling. This is followed by street crime risks, such as muggings.

Table 1: Types of threats while doing business overseas and examples

Political threats	Criminal threats	Health threats	Disasters
<ul style="list-style-type: none"> • Violent protest • Strikes 	<ul style="list-style-type: none"> • Theft • Fraud 	<ul style="list-style-type: none"> • Diarrhoea • Bites from insects and animals 	<ul style="list-style-type: none"> • Traffic accidents • Workplace accident
<ul style="list-style-type: none"> • Coup 	<ul style="list-style-type: none"> • Robbery 	<ul style="list-style-type: none"> • Tropical diseases 	<ul style="list-style-type: none"> • Aircraft crash
<ul style="list-style-type: none"> • Discrimination 	<ul style="list-style-type: none"> • Corruption 	<ul style="list-style-type: none"> • Sexually transmitted diseases 	<ul style="list-style-type: none"> • Floods
<ul style="list-style-type: none"> • Nationalization 	<ul style="list-style-type: none"> • Industrial espionage 	<ul style="list-style-type: none"> • Travel induced stress 	<ul style="list-style-type: none"> • Severe weather
<ul style="list-style-type: none"> • Espionage • Terrorist attack • Terrorist kidnap • Terrorist extortion • Civil war 	<ul style="list-style-type: none"> • Home invasion • Extortion • Threat extortion • Cyber extortion 	<ul style="list-style-type: none"> • Epidemics 	<ul style="list-style-type: none"> • Earthquake • Fire
<ul style="list-style-type: none"> • Military conflict 	<ul style="list-style-type: none"> • Kidnap for ransom • Murder 		

The extent to which a threat becomes a risk for the employee and company depends in particular on the employee's and company's level of vulnerability. Both the profile of the traveller and the company can influence this. For example, an American employee may not be at more risk than a Dutch employee in Latin America, but when travelling to the Middle East, this can be completely different because U.S. companies and their employees are more of a target for terrorism there.

Areas that were once considered relatively stable from a security standpoint are becoming

more dangerous. This applies not only to the North African region, but also to parts of Asia. As the increase in terrorist attacks in Western countries shows, even industrialized nations that were considered safe are increasingly becoming the focus of terrorists.

Table 2 illustrates the four major categories of risks that companies face.

Table 2: Risks facing companies

Risk Type	Description
Financial Risks	Financially, companies incur direct costs from an incident such as the cost of emergency management, medical treatment costs, personal injury and material damage, as well as indirect costs such as damage to reputation, loss of customers and business partners, and work loss.
Legal Risks	Companies face costs from liability due to neglect of the statutory duty of care, including the cost of litigation and potential fines or even imprisonment.
Personnel Risks	This is primarily about risks against life and health of the employee. Indirectly this also affects the members of the family of the affected employee and the workforce in general. Poorly managed crises can result in greater levels of employee turnover and performance problems.
Reputation Risks	Reputation risks relate to the internal and external perception of different stakeholders. This risk is frequently overlooked in connection with activities abroad, even in situations where top management considers reputation as one of the most important aspects of corporate capital. Without viable travel safety management, companies can be demonized in the media. Perception, not facts, plays an important role here.

Legal Duty of Care During Activities Abroad

The typical MNC has operations in and employees from several countries. The consequence is that even for the smallest global organization, the statutory duty of care can be based in numerous jurisdictions. Recently, several international cases have resulted from organizations not paying careful enough attention to their duty of care.

In one of the most spectacular cases, the Canadian employee of a Norwegian NGO, Steve Dennis, was kidnapped in Kenya for three days. After the organization and Dennis failed to reach an agreement on the payment of damages due to the incident, Dennis filed a lawsuit in Norwegian court. This was accompanied with an effective public crowdfunding action using YouTube videos that showed the organization in a very poor light.

The court decided against the NGO, in particular because:

- The type and extent of the risks on site were incorrectly assessed and

- The existing security guidelines, including protection by armed escort, among other things, were not implemented.

In addition to being required to pay a high-level of compensation (by European standards) to the plaintiff, the NGO's reputation was severely damaged.

In a separate case, family members of British workers who died during a 2013 hostage crisis in In Amenas (Algeria) filed a civil suit against BP in a UK court in 2016. The reason for their case was a possible failure to protect the workers who died in the terrorist attack.

Even companies that are not the direct employer may be at risk. After a fire in a Pakistani textile company, family members sued one of the clients, the German company "kik" that used the factory for the production of textiles. This case is particularly interesting because it is being argued before a German court but under Pakistani law and is not directed against the Pakistani textile company, but against the German company "kik." Since the Pakistani factory had produced almost exclusively for kik, and kik had repeatedly offered assurance that it visited and inspected all its suppliers on a regular basis, the business relationship between kik and the Pakistani factory was considered close and "near." The courts considered the company liable for the actions of the supplier because of a sufficiently close relationship between the two companies.

Despite increasing litigation against global companies for negligence in their duty of care, companies can protect themselves. In one recent case, the family members of four employees of an American oil company killed in a targeted terrorist attack in Pakistan brought a case against the company. The U.S. court found in favor of the company because it considered that the company had implemented the necessary safeguards for the security situation. Without well-founded protective measures, the verdict probably would have been different.

Travel Risk Management

Company-wide travel risk management helps companies comply with their legal obligations and protect the lives and health of their employees. In addition, effective travel risk management helps companies improve their chances for success in countries with higher levels of risk. Travel risk management when done well, therefore, has the potential to provide a competitive advantage.

To be effective, travel risk management must permeate all levels of the company: the headquarters office, branch offices, managers and employees. Travel safety consists of both preventive and reactive measures. Travel management activities can be divided into three phases: before, during and after the trip.

The objectives of travel risk management programs usually include:

- To prepare staff for security and safety risks in the target country by providing

- relevant information and strengthening employee capabilities.
- To promote responsible behaviors and responses for employees who are traveling and living abroad.
 - To track employee travel in such a way that at any time the company can pinpoint where traveling employees are located.
 - To provide employees with mechanisms to immediately report emergencies to the company.
 - To provide the company with the mechanism to immediately notify the traveller of any safety-relevant events at the destination.
 - To assist the traveller in a timely and professional manner in the event of incidents abroad.
 - To demonstrate that the company takes the legal duty of care seriously.

Components of Travel Risk Management

A travel risk management policy on the subject of travel security is the basis and should supplement existing travel guidelines. Such a policy should contain binding corporate instructions for the traveller and their supervisors. This document will provide indication that the company takes its duty of care obligation seriously. The policy determines the measures before, during and after travel that the company and employees should follow and assigns responsibilities for those measures.

Risk Analysis

Risk analysis is used to assess the dangers and risks at the destination prior to sending employees overseas and to monitor those risks while employees are abroad. Commercial country databases available online provide standardized information on risks in all countries of the world (including medical information) and, as a rule, provide assessments of the security situation in larger metropolitan areas. These systems constantly provide updates of the situation in these areas.

Frequently, these systems can be combined with travel tracking to provide real time data to employees as they book their travel. Travellers are provided with relevant information prior to, during and after the trip. Travel tracking also enables the company to immediately check for events that could affect employees based on their booking data and communicate with them via the system. Tracking employees with GPS is another option that is included in these types of packages. Often they include a panic button that employees can access if they find themselves in a dangerous situation.

Companies can also engage specialized analysts to assess risk. Specialized analysts should especially be considered when companies send employee to destinations outside of major cities since these areas are not widely covered via the commercial databases.

Lastly to ensure that business partners abroad are trustworthy, a due diligence and background check is highly recommended. Depending on the depth of the review, information about the reputation of the business partner, entanglement in criminal activities and corruption risks should be collected. Companies should also check if the person or company with whom they are engaging in business are on any sanctions lists.

Pre-departure Security Training

An important part of travel preparation is pre-departure security training that is provided by experienced travel security experts. In this type of training, employees are trained not only in preventive behaviors, but also the appropriate reactions during an incident. Proper behaviors can be modelled and practiced via role-playing games. Pre-departure training can also be supplemented by eLearning.

Site Security Surveys

Site Security Surveys are used to check how well protective measures have been implemented at company branches, construction sites, hotels as well as the residences of expatriates. Vulnerabilities in the security at the site are listed and possibilities for minimizing risks are presented.

Other Procedures

Since in many countries airports have become "hunting grounds" for criminal activity, the airport pickup, as well as long-distance transport, should be organized in advance. A standard meet and greet process with a reliable driver is the minimum. Depending on the risk situation in the country, personal protection (armed or unarmed) may also be appropriate.

Despite preventive measures, incidents during activities abroad cannot be ruled out, therefore, travellers and expatriates should be able to make an emergency call in crisis situations. For this purpose, an emergency hotline should be available that can be used by the employee to report any medical problems or incidents as they happen. This also ensures that the company is informed of any on-site difficulties at an early stage. Such emergency hotlines are usually offered by external service providers.

In order for the travel risk management of the company to be successful, all stakeholders must work together from the start of the project – ideally with the support of an external security consultant.

Crisis and Emergency Management

Since risks can only be minimalized, companies must also be prepared to react in the face of an emergency. How well a company is prepared to react and reacts is a direct function of their plan for crisis and emergency management. If a risk is foreseeable, the public, media, customers and judiciary will have little sympathy for the company that has not developed a plan and taken appropriate precautions.

In crisis and emergency management, we differentiate between the preparedness (to be prepared for the occurrence of damages) and the reaction (reaction to the occurrence of damages).

Crisis Preparedness

In particular, crisis preparedness covers:

- A regular reconciliation of risks to which a company might be exposed and verification of whether the existing defensive measures are adequate, e.g. in the form of a regularly meeting of the Risk Committee.
- An early warning system with short, but efficient reporting and alerting routes.
- The establishment of a company-wide crisis and emergency management program with a crisis management team, crisis handbook, crisis communication and designated crisis management room.
- The presence of local emergency teams at the sites.
- Regular training for crisis management and emergency teams in the form of workshops and scenario-based exercises.
- The ability to professionally manage and support employees and relatives in the event of a crisis.

However, local emergency plans, such as evacuation plans, may also be part of crisis preparedness so that employees can be evacuated out of the country quickly if the situation gets worse. Often this is not foreseeable, as can be seen in 2006 with the Israeli air raids in Lebanon or the advance of terrorist forces in Iraq. These events may have surprised even intelligence services. However, those who have taken the appropriate preparatory measures have a clear advantage and are more ready for action even when the company has not planned for the specific crisis.

Crisis Reaction

In reacting to a crisis situation, the first step is to move to isolate the crisis from the rest of the company. The goal is that the company can continue to meet its core tasks. A team takes care of the critical event without "infecting" the entire company.

In particular, a fast reaction is crucial. This is only possible if a crisis management plan has been previously implemented. For example, in a crisis situation of a European company in South America, the company headquarters was first informed of the event on the third day. Several serious mistakes were made at the local level. A clear reporting channel with corresponding triggers could have avoided some of the mistakes.

In today's world, a company does not have several hours to react. Since every person can become a journalist with a smart phone, it is only a matter of minutes until the public is informed of a crisis situation. In some cases this happens even before the affected company's management is aware of the incident.

The crisis response must take into account the needs of all stakeholders and address them according to priorities. Many companies concentrate on external crisis communication, but forget to communicate appropriately with their workforce.

Post-crisis Management

The crisis management team must debrief after the crisis. It is important to include learnings from the crisis experience to optimize the existing crisis management program. Questions such as: How well did the incident reporting work? Were the persons involved informed in a timely manner? Were the personnel and equipment appropriate and adequate?

Medium and long-term care of employees, family members, and members of the crisis and emergency management response staff also require follow-up care. Part of the reason that the Norwegian court found in favor of the plaintiff in the earlier described case is that the Norwegian NGO did not provide proper follow up support for the kidnapped employee who suffered from post-traumatic stress disorder.

Conclusion

Often companies miss opportunities abroad because they lack the knowledge of operating in difficult environments and have false ideas about conditions in certain countries. Interestingly enough, in recent years fewer people have been killed by terror attacks in Kurdish cities of Northern Iraq (Erbil and Sulaymaniyah) than in France. However, the subjective sense of security is different because Iraq is considered dangerous. Companies that do not consider regional differences in security in a country can miss business opportunities. A travel safety management program can help organizations analyze the situation free of subjectivity.

A professional travel risk and crisis management program has several advantages for companies and ensures their competitiveness:

- Through the company's active care, the company positions itself as a "nurturer" among the workforce and adds value to the company. This also potentially can lead to higher levels of workforce motivation and productivity.
- Risks, and therefore costs, are reduced.
- The lives and health of employees are protected and the risk of loss of work is reduced.
- An accurate risk assessment leads to the avoidance of too much or too little security and allows business activities to take place in regions with high risks.

Finally, a return on investment is quickly achieved in a company-wide travel risk management program, while protecting the company's reputation.

About SmartRiskSolutions

SmartRiskSolutions is a consultancy specializing in security management and crisis management. Former members of a government security agency and special forces units with many years of experience as consultants form our team. Our clients include multinational corporations as well as midsize companies and NGOs.

We have three main areas of services which we provide in different languages:

Travel Risk Management

- Development of a company-wide travel risk management and creation of travel risk policies
- Travel security awareness training for business travellers and expats
- Hostile environment security awareness training
- eLearning travel security for business travellers
- Country and city risk database, including travel tracking
- Due diligence and background checks
- Audits and site security surveys
- Secure transportation of business travellers at their destination
- 24/7 emergency hotline

Crisis Management

- Development and design of company-wide structures for crisis and emergency management
- Auditing of your existing crisis and emergency management
- Provision of a corporate emergency hotline
- Crisis response in actual crisis and emergency situations as well as

Executive Protection

- Low profile and discrete executive protection of top executives
- Risk assessments and development of security concepts for top executives and their families
- Planning of security measures for executive events

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