



Duty of Care and Travel Risk Management Global Benchmarking Study

Emergency in Philippines:

A Singaporean traveling to the Philippines on business falls and suffers a serious brain injury. His family fears he may die unless he is evacuated back home for medical care and rehabilitation.

Stranded due to ash cloud:

Thousands of employees are stranded on three continents as a result of the ash cloud, and corporate travel departments are flooded with requests for help.

Government contractor assigned to Iraq:

A 60-year-old engineer, sent for nine months to Iraq, experiences shortness of breath due to the extreme heat conditions after a few days on the job.

Expatriate family in Egypt during riots:

While accompanying her Australian husband on a one-year sabbatical to teach at an Egyptian university, the mother of two becomes very concerned for their safety as riots erupt in Cairo during the Arab spring revolution.

UN agency worker killed in Somalia:

A United Nations agency worker, assigned to hunger relief in Somalia, is killed in a car accident on his way to the food distribution area.

At-sea measles outbreak:

On an offshore oil rig in Bohai Bay, Northeast China, a measles outbreak infects three people. In this isolated environment, there is threat of the virus spreading to the 130 workers onboard, as well as a potential public health risk when workers leave the vessel.

Aid workers attacked:

Two people from an international aid organization are attacked by an armed gang in a central African country. They require an immediate evacuation flight to Europe.

Background

An employer's Duty of Care responsibility for employees who travel across borders on business is documented by Professor Lisbeth Claus of Willamette University in a 2009 White Paper entitled, *Duty of Care of Employers for Protecting International Assignees, their Dependents and International Business Travelers*, published by International SOS. The author's main recommendation is for companies to develop an integrated risk management strategy to assume their Duty of Care obligations.

After its publication, International SOS conducted a series of global roundtables and webinars to discuss an employer's responsibility for the health, safety, security and well-being of their globally mobile employees. In these sessions, it was evident that once employers assumed greater awareness of their Duty of Care responsibilities, they needed more research, tools and advice to follow up on the White Paper's recommendations.

In 2010, International SOS commissioned Dr. Claus to undertake a benchmarking study, exploring three fundamental Duty of Care questions:

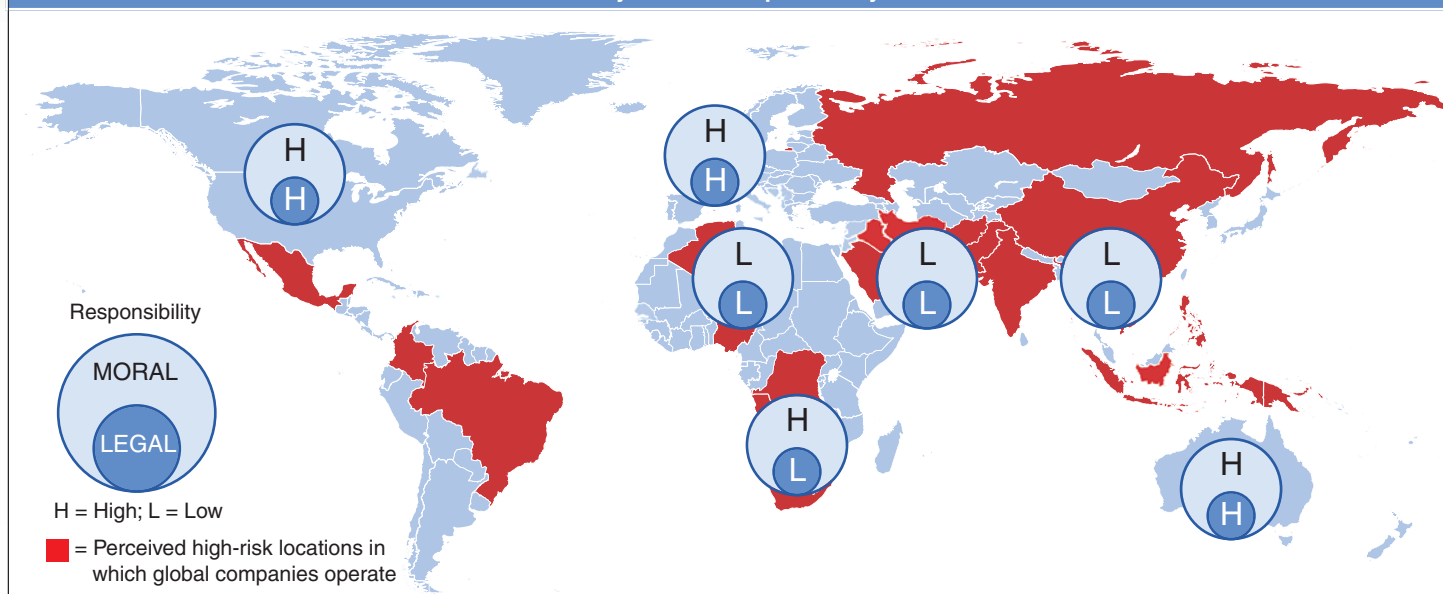
1. What types of activities are companies currently undertaking?
2. How do global companies benchmark against each other in regard to these activities?
3. What does this concept really mean to organizations needing to apply its obligations to employees?

This Duty of Care and Travel Risk Management Global Benchmarking Study is the first comprehensive and authoritative research publication on the topic.

As a result, measurement instruments were designed to benchmark (i.e., compare) employer practices, indicators and a baseline as it relates to Duty of Care, providing empirical support for the ideas presented in the 2009 Duty of Care White Paper.

The Global Benchmarking Study was conducted using information from 628 companies and 718 respondents worldwide from November of 2010 through February of 2011 to develop an initial Duty of Care baseline for the following topics:

Duty of Care Responsibility



- Perceived high-risk locations in which global companies operate;
- Risks and threats faced by employees;
- Awareness by company, industry, key stakeholders and departments;
- Primary, coordination and decision-making responsibilities within companies;
- Employer motivation for assuming responsibility;
- Legal and moral obligations; and
- Company and respondent characteristics.

From this benchmarking study came a report of 15 different Duty of Care indicators and plan-do-check steps for implementing a Duty of Care risk management model.

Key Findings

The information presented in this White Paper will allow global employers to:

- Benchmark their Duty of Care practices with others;
- Develop best practices to protect employees; and
- Support the global mobility of their employees and their dependents.

Below are the key findings:

The world can be a dangerous place and companies must apply their Duty of Care responsibilities for managing different staff

(business travelers, locals, expatriates, international assignees and dependents) and many different threats. The perception of risks associated with these threats—and their actual occurrence—vary widely by company and respondent.

Only an average level of awareness exists among organizations and key stakeholders. But there are various levels of awareness and familiarity within their different areas of responsibility.

Ownership of Duty of Care in terms of primary responsibility, coordination and decision-making currently (“as is”) lies within five functional groups:

1. Human Resources (HR);
2. Security;
3. Risk Management;
4. Senior Management; and
5. Travel.

Yet, respondents indicated that it “should be” everyone’s responsibility, and it is perceived that HR should own the deployment of Duty of Care within organizations.

Companies demonstrated a wide range of engagement when comparing their current Duty of Care practices against various stages of the Integrated Duty of Care Risk Management Model. For example, they scored high on the ‘Assessment’ but only average on the other indicators. Company size, headquarter (HQ) region and respondent function mattered the most. Overall, company baseline ranked high for the initial assessment, but dropped considerably thereafter. The Duty of Care baseline differs by company and respondent characteristics, allowing for benchmarking by industry, sector, company size and geography.

Ten findings from the Global Benchmarking Study are summarized by the following Duty of Care takeaways.

Ten Duty of Care Takeaways
1 All countries are potentially risky for employees
2 Organizations face unique risk challenges, but differ in how they cope with similar risks
3 Duty of Care is not just about natural and human-made disasters
4 Organizations are becoming more aware of Duty of Care responsibilities
5 There are five key stakeholders, but Duty of Care is everyone's responsibility
6 Organizations vary widely in Duty of Care practices
7 Company size matters most in Duty of Care, but other company characteristics also play a role
8 Most organizations fail to plan and implement a global Duty of Care strategy
9 Duty of Care is a Western concept
10 Corporate Social Responsibility is the main motivator for Duty of Care

Factors that differentiate companies on employer Duty of Care are both the size of the company and its geography (HQ and respondent location), but the factors that matter most are not always the same for different areas of Duty of Care responsibility. The survey finds that companies are learning to embrace Duty of Care as both a legal and moral responsibility, linking this relatively new concept closely to Corporate Social Responsibility (CSR).

Employee concerns are the most important Duty of Care motivator for companies. Yet, employers in their quest to be socially responsible, are challenged to balance cost containment against activities that protect their employees.

One of the biggest challenges facing companies is that Duty of Care is considered everyone's responsibility and cannot be relegated to just one functional group. Therefore, the greatest cost for Duty of Care lies within planning and implementing best practices, rather than the costs associated with taking care of employees. The knowledge of how to put a Duty of Care plan together in an organization is readily available from experts, but making it happen within a large organization requires discipline from both management and employees.

Companies may also be held liable for their 'negligent failure to plan' or the omission of a Duty of Care plan, either intentionally or unintentionally, as a result of an employee injury or death.

Duty of Care is not specifically legislated in most emerging and developing markets. However, in more advanced and developed markets the legal framework for Duty of Care is well defined. This makes the deployment and acceptability of a global Duty of Care strategy more difficult for a company operating across borders.

Ten best practice recommendations were derived from the important Duty of Care gaps that the findings indicated.

Ten Duty of Care Best Practice Recommendations
1 Increase awareness
2 Plan with key stakeholders
3 Expand policies and procedures
4 Conduct due diligence
5 Communicate, educate and train
6 Assess risk prior to every employee trip
7 Track traveling employees at all times
8 Implement an employee emergency response system
9 Implement additional management controls
10 Ensure vendors are aligned

Companies around the world fail to engage in the full spectrum of managing employee travel risk, and still have a long way to go when it comes to implementing a Duty of Care and Duty of Loyalty culture.

Based on these findings, summarized graphically throughout this White Paper, it is recommended that companies operating globally implement a number of Duty of Care best practices. Failure to overcome these organizational challenges and to adopt best practices is likely to lead to unnecessary risks and potential harm to globally mobile employees, and increased liability to employers.

International SOS Benchmarking Series

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For a full copy of the white paper, please contact us at: DutyofCare@internationalsos.com or visit www.internationalsos.com/dutyofcare or www.dialoguesondutyofcare.com

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