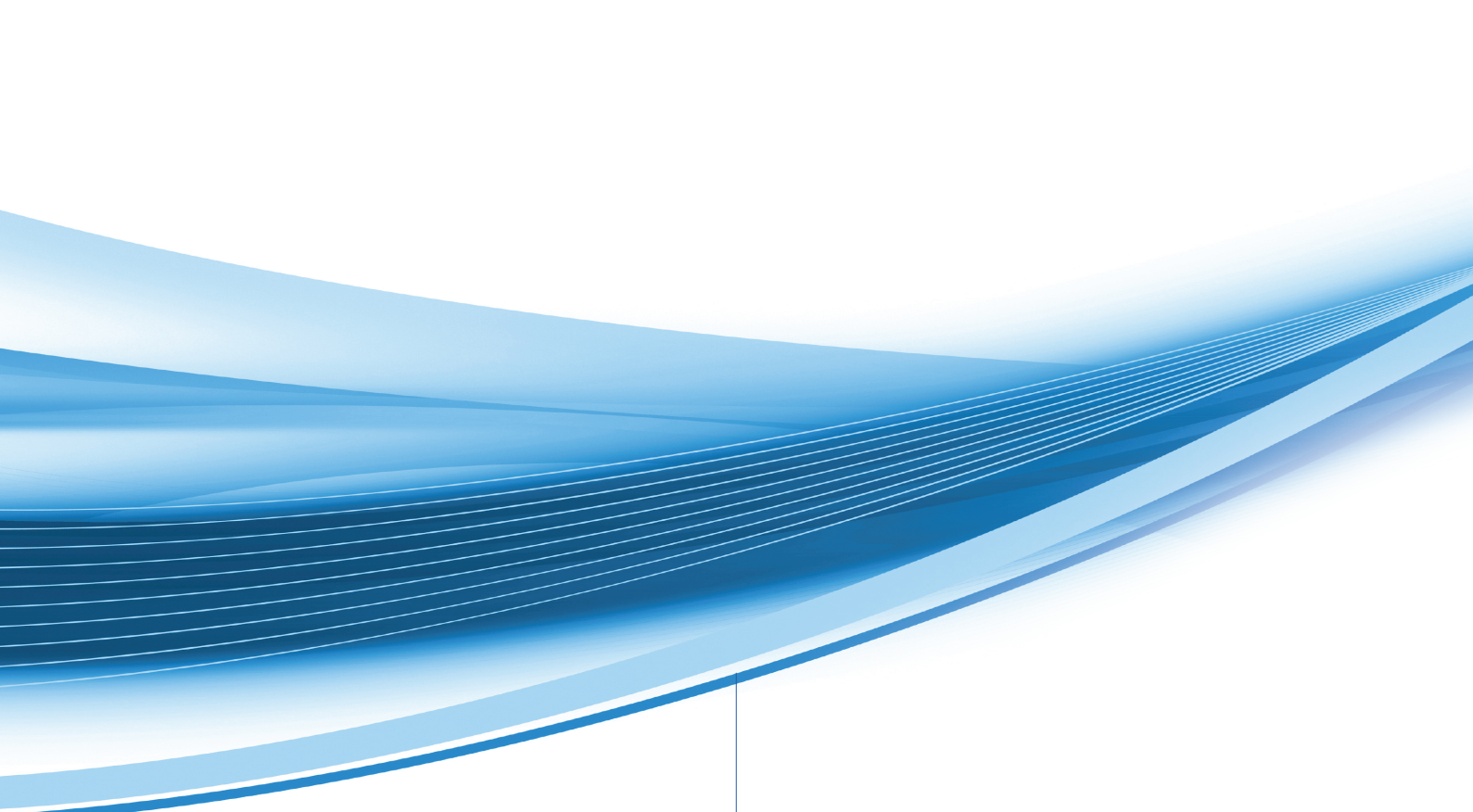




Duty of Care and Travel Risk Management Benchmarking Study **EUROPE**



An employer's Duty of Care is the obligation of organizations to assume their responsibility for protecting their employees from risks and threats when working around the world.

Introduction

In today's globalized world, the number of business travelers, international assignees and expatriates continues to rise. While working abroad, these employees often find themselves in unfamiliar environments that pose increased risks and threats to their health, safety, security and well-being.

An employer's Duty of Care is the obligation of organizations to assume their responsibility for protecting their employees from risks and threats when working around the world. The responsibility of organizations to look after their employees is now widely, although not uniformly, protected within the legislation of many countries.

The purpose of the *Duty of Care and Travel Risk Management Global Benchmarking Study*¹ is to enable organizations around the world to benchmark their Duty of Care practices with others, and to develop best practices to protect and support global mobile employees and their dependents.

The Global Benchmarking Study, available at www.internationalsos.com/dutyofcare, provides worldwide Duty of Care findings based upon:

- 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.

Additionally, the study explores three fundamental questions:

1. What types of Duty of Care 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 their obligations to employees?

The purpose of this in-depth report is to compare responses from European employees (Sample size N=177)—who work in different countries, for different companies and represent different departments within those companies—against worldwide employee responses from the Global Benchmarking Study (N=718). This report also:

- Demonstrates Duty of Care country differences within Europe;
- Benchmarks Duty of Care activities within organizations in the same geographic area (Europe) as well as worldwide; and
- Provides specific best practice recommendations for European employers.

Sample Profile and Methodology

Of the 718 employees surveyed around the world, 177 of them represent 15 European countries—almost one-quarter of all Global Benchmarking Study respondents (see Figure 1).

Figure 1	
Europe Respondents	
United Kingdom	45
Rest of Europe.	35
Switzerland	31
Germany	30
France	18
Netherlands.	18

The European respondents work in a variety of industries and for small, medium and large companies. The majority of them are employed at for-profit companies (91%), while the remaining work at non-governmental organizations (NGOs) (5%) and governmental organizations (GOs) (4%). There are more respondents from Global 500 companies in the European sample than in the Global Benchmarking Study (18.6% versus 15.2%). France (38.9%) and Switzerland (29%) have the highest proportion of respondents from Global 500 companies. The European sample contains no respondents from the educational sector, has slightly fewer NGOs and slightly more GOs than the Global Benchmarking Study.

A benchmarking instrument was developed and validated to compare employer Duty of Care activities, based on a checklist of 100 Duty of Care practices. These 100 practices were subsequently grouped into 15 indicators², which rolled up into the eight steps of the Integrated Duty of Care Risk Management Model³, and overall company scores. These scores created a Duty of Care baseline, which allows for benchmarking based on company and respondent characteristics. In this report, the European baseline (overall Duty of Care score of 64) is compared with the worldwide benchmarking score (63). For the detailed benchmarking methodology, please refer to the Global Benchmarking Study.

¹ Claus, L.. Duty of Care and Travel Risk Management Global Benchmarking Study. London: AEA International Pte. Ltd. 2011. The first comprehensive and authoritative research publication on the topic which is available for download at www.internationalsos.com/dutyofcare.

² The 15 Duty of Care indicators identified in the Global Benchmarking Study include Assessment; Strategy; Planning; Insurance; Alerts; Policies; Procedures; Global Mobility; Communication; Education and Training; Tracking; Advice; Assistance; Control and Analysis.

³ The eight steps of the Integrated Duty of Care Risk Management Model are: 1) Assess Company-Specific Risk; 2) Plan Strategically; 3) Develop Policies and Procedures; 4) Manage Global Mobility; 5) Communicate, Educate and Train; 6) Track and Inform; 7) Advise, Assist and Evacuate; 8) Control and Analyze.

Highlights of the Findings: European Region

The notion of Duty of Care is firmly established in European legislation.

The European results are in line with the worldwide baseline, with the exception of France, which tends to operate above the baseline. The overall Duty of Care score is higher for France and lower for Germany compared to the worldwide average.

As a region, Europe ranks behind the Australian and North American continents in most Duty of Care practices. These findings persist despite a highly regulated European legal environment and a sense of moral obligation when it comes to Duty of Care practices.

Significant findings for the region reveal that European respondents:

- Perceive similar countries as “dangerous” locations, but view Russia as a higher-risk location for employees than the rest of the world. In Europe, Russia ranks as the fifth most dangerous location, while it drops to No. 14 worldwide;
 - Have slightly more local and globally mobile employees who work in high-risk locations;
 - Perceive risks and threats to their globally mobile employees similarly to worldwide respondents;
 - Have different perceptions of risk based on their national backgrounds. French respondents perceive politically-related threats much higher than other Europeans. British and German respondents have lower risk perceptions of health-related risks;
 - Report a higher occurrence of employee threats over the past three years than the rest of the world for situations related to travel-related infections (33% more likely), road accidents (21% more likely) and the ash cloud (50% more likely);
 - Indicate lower company and industry awareness of Duty of Care than worldwide respondents. On a low (0) to high (5) scale, European respondents rate their industry (2.56 versus 3.35 worldwide) and company awareness (3.38 versus 3.51) as average;
 - Represent higher awareness among medical directors (3.78 versus 3.35 worldwide) and lower awareness among senior management than the rest of the world;
 - Identify security personnel and senior management more often as Duty of Care owners. But, identify HR, travel and risk management stakeholders less frequently in terms of primary-coordination and decision-making responsibilities;
- Score higher on risk assessment, policies and procedures, but score lower on most (10 out of 15) Duty of Care indicators dealing with implementation;
 - Score slightly above the baseline in policies and procedures (64 versus 62), but score at or below the worldwide baseline on the other seven steps of the Duty of Care Risk Management Model;
 - Relate more to Corporate Social Responsibility (CSR) motivators (such as “it’s the right thing to do” and “we care about our employees”) than responding to management expectations and tangible firm benefits (such as retention and cost); and
 - Are knowledgeable of their legal and moral Duty of Care obligations.

10 Best Practices

The following 10 best practice recommendations from the Global Benchmarking Study are derived from the important Duty of Care gaps:

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 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

At the conclusion of this regional report (**see page 11**), European employers will benefit from specific best practices identified based upon gaps found between the regional and worldwide responses.

Detailed Findings

Respondents identified perceived *high-risk locations* where their companies currently operate around the world, and the perception and occurrences of threats that their employees face when they travel and work abroad. The respondents also reported the various levels of *Duty of Care awareness* that employers have within their company and industry, among various stakeholders and for different areas of Duty of Care responsibility. In exploring who has *Duty of Care ownership* in companies, a distinction was made between primary, coordination and decision-making responsibilities. Duty of Care practices were benchmarked against company and respondent characteristics. Finally, employer motivation for assuming Duty of Care responsibility was explored and contrasted with the *legal and moral obligations* for these responsibilities.

Perceived High-Risk Locations

Based on responses to the question, “*What are the most dangerous countries in which your company currently operates?*,” European respondents perceive certain countries as more high-risk than others. However, the responses to this question must be considered “perceptions” of respondents and may (or may not) coincide with actual risk as rated by country risk experts.

Although the rank order of high-risk locations is slightly different for the European region when compared to the Global Benchmarking Study, 20 of 25 “most dangerous” or “high risk” countries are the same. In Europe, Russia ranks No. 5, while it drops to No. 14 worldwide (see Figure 2).

European respondents also perceive Kenya, South Korea, Congo, Egypt and Thailand as among the top 25 high-risk countries, yet these countries do not make the worldwide list. Similarly, five additional countries perceived as the riskiest among worldwide respondents do not make the European top 25 list. These include Papua New Guinea, D.R. Congo, Philippines, Vietnam and Somalia.

Compared to the worldwide respondents, European respondents are slightly more likely to have employees of all types working or traveling to these high-risk locations: Local employees (78% versus 74%); international assignees (75% versus 70%); dependents (49% versus 45%); and international business travelers (97% versus 95%).

Risks and Threats—Companies with globally mobile employees must deal with many different threats. The Global Benchmarking Study identifies a wide variety of risks and threats that employees face when traveling and working abroad, and documents the perception of risks associated with these threats (How do they rate the specific threat to their employees in terms of perception scale?) along with their actual occurrence (Have their employees experienced the threat in the past three years?).

Perception of Threats—Of the 37 perceived threats, Europeans rate four slightly higher, three equally and 10 slightly lower in comparison to the Global Benchmarking Study. However, none of these differences have statistical significance.

Throughout Europe, respondents differ significantly ($p < .05$) in their perception of several risks and threats. Compared to their European counterparts, the French rank five political threats higher: terrorism; hijacking; imprisonment; political upheaval and coup d’état. Dutch respondents perceive the threat of infectious diseases higher than UK respondents. Respondents from the rest of Europe perceive the lack of access to Western medical care higher, and German respondents see the threat of lack of air quality higher than UK respondents (see Figure 3).

Figure 2

Top 25 Perceived High-Risk Countries for European Respondents

1 Nigeria	6 Brazil	11 Algeria	16 Yemen	21 Venezuela
2 Pakistan	7 Iraq	12 Colombia	17 Indonesia	22 South Korea
3 India	8 Afghanistan	13 China	18 Saudi Arabia	23 D.R. Congo
4 Mexico	9 South Africa	14 Angola	19 Kenya	24 Egypt
5 Russia	10 Iran	15 Ivory Coast	20 Sudan	25 Thailand

Figure 3

Significant Differences in Risk Perception of Threats among European Respondents						
Threat	France	Germany	Netherlands	Rest of Europe	Switzerland	UK
Terrorism	Dark Blue	Light Blue	Light Blue	Light Blue	White	White
Hijacking	Dark Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue
Imprisonment	Dark Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue
Political upheaval	Dark Blue	Light Blue	White	Light Blue	White	White
Coup d'état	Dark Blue	Light Blue	White	White	White	Light Blue
Infectious diseases	White	White	Dark Blue	White	White	Light Blue
Lack of access to Western medical care	White	White	White	Dark Blue	White	Light Blue

Country in dark blue box rates the threat significantly higher than the countries in the light blue box. For example, France rates the threat of terrorism significantly higher than Germany, the Netherlands and the rest of Europe, but not significantly higher than in the UK and Switzerland.

Occurrence of Threat—For several of the 37 identified threats, Europe differs significantly in actual occurrence of incidents to their employees. The following threats are reported by European respondents to have occurred in much higher frequency during the past three years to their employees: ash cloud; pickpockets; travel-related infections and road accidents. European respondents report a slightly lower, but not significant, occurrence in Europe for pandemics; infectious diseases; rural isolation and hurricane/typhoon/tsunami (see Figure 4).

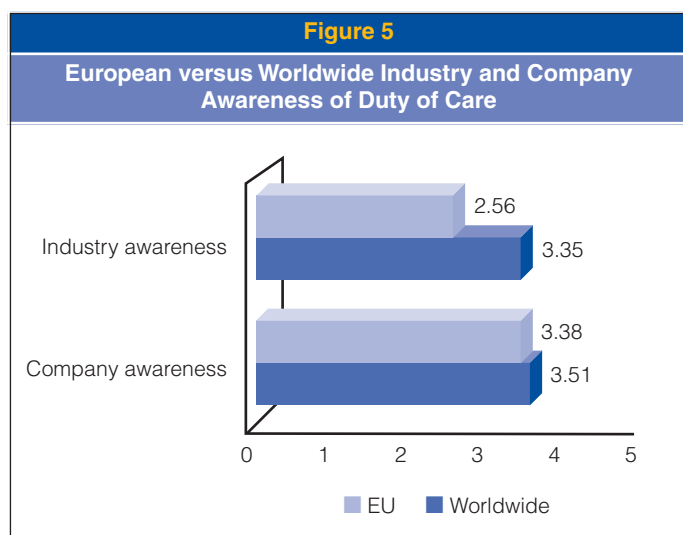
Figure 4

Percentage of Likelihood of Threat to Occur	
Threat	More or less likely to occur (per Europeans)
Ash cloud	50%
Pickpocket	45%
Travel-related infection	33%
Road accident	21%
Pandemic	- 1%
Infectious disease	- 3%
Rural isolation	- 6%
Hurricane, typhoon, tsunami	- 6%

Duty of Care Awareness

In general, respondents from developed countries have greater Duty of Care awareness than those in other less developed regions. The findings for Duty of Care awareness in Europe are mixed. With regard to overall awareness, Europeans rate their company and industry Duty of Care awareness lower than worldwide respondents. In reviewing the eight steps in the Duty of Care Risk Management Model, Europeans generally have higher awareness than the worldwide average, except for strategic planning (step 2).

On a Likert scale from 0 (low) to 5 (high), European respondents rate their Duty of Care industry awareness (2.56) and company awareness (3.38) as average, and below the worldwide sample (3.35 and 3.51 respectively) (see Figure 5).



There are also differences in how European respondents rate the awareness of the various stakeholders. In ranking stakeholder awareness, the top three functional groups with the greatest awareness are security/risk management; occupational health and safety; and travel management. These groups rank the same for Europe and worldwide, but the stakeholders are perceived to have slightly greater Duty of Care awareness in Europe.

Noteworthy is that medical directors in Europe have greater Duty of Care awareness (3.78 on a 0-to-5 scale) than the rest of the world (3.55), and rank among the top five stakeholders. Legal, insurance and HR departments also have slightly greater awareness while the rest of the stakeholders have lower awareness in Europe. European senior management, both at the executive and country level, is perceived to have lower awareness in Europe than worldwide.

Duty of Care Ownership

When reviewing who “owns” Duty of Care, a distinction is made organizationally between primary, coordination and decision-making responsibility. Each ownership measurement is conceptualized in two ways: actual practice (“as is”) and the wish list (“should be”), so that what is the reality can be compared to what is valued.

The results for Europe follow the same trend for the five worldwide key functional groups that currently own Duty of Care: HR, security, senior management, travel and risk management. However, Europe differs by which group is the principal owner.

Primary and coordination responsibility in Europe lies with security followed by senior management. HR, travel and risk management are less frequently identified as owners in Europe. Based on the worldwide study, HR is currently the principal owner of primary and coordination responsibility, with security in second place.

Senior management leads in decision-making, followed by HR and security. When asked who “should be” responsible, Europeans indicate that it should be considered “everyone’s” responsibility. This is similar to the worldwide response.

Duty of Care Benchmarking

As mentioned above, the 100 Duty of Care practices were grouped into 15 indicators, which roll up into the eight steps of the Integrated Duty of Care Risk Management Model to create a baseline and an overall Duty of Care score.

Duty of Care Practices—European respondents indicate that their companies engage in 100 different Duty of Care practices. Some Duty of Care practices are not commonly used (some as low as 14%), while other practices are engaged in by most companies (some as high as 95%). Worldwide, engagement ranges from 13 to 92%.


Wide variations exist within Europe for employer engagement. Of the 100 practices, there are 29 inter-European differences. Germany stands out as being engaged in 20 more practices than other European countries, yet this does not increase their overall Duty of Care score, as they also engage less in other practices (see Figure 6).

Figure 6

Countries Significantly More Likely to Engage in 29 of 100 Practices

Duty of Care Practices	France	Germany	Netherlands	Rest of Europe	Switzerland	UK
Involves local operations in assessing risks and threats						
Identifies decision-makers who should be involved in the organization's travel risk management strategy						
Managing the risks of traveling employees						
Has a travel management policy						
Has a hotel/accommodation policy						
Has an airline policy						
Identifies security alert levels by destination						
Enforces travel restrictions by security alert level						
Identifies medical alert levels by destination						
Has enforceable travel restrictions by medical alert level						
Has travel management processes in place for employees to clear travel						
Has established communication protocols with traveling employees						
Has "refuse to work" policies for risky assignments						
Has an "I'm okay" policy						
Requires employees to sign that they understand travel risk(s)						
Briefs employees about risks prior to travel						
Provides health information to employees prior to departure						
Ensures that traveling employees get required immunizations						
Provides pre-trip information in writing to employees						
Communicates travel policies and procedures to appropriate employees						
Has mandatory briefings prior to employee travel to high-risk locations						
Prepares employees for emergency situations						
Discusses how to reasonably accommodate employees abroad (prior to departure)						
Tracks employee travel through a travel tracking system						
Relies upon travel agencies to locate traveling employees						
Has the ability to follow changes in employee travel						
Relies upon embassies to respond to any security incident						
Verifies whether employee has actually traveled before making a payment						
Ensures that traveling employees are taking their preventative medication						

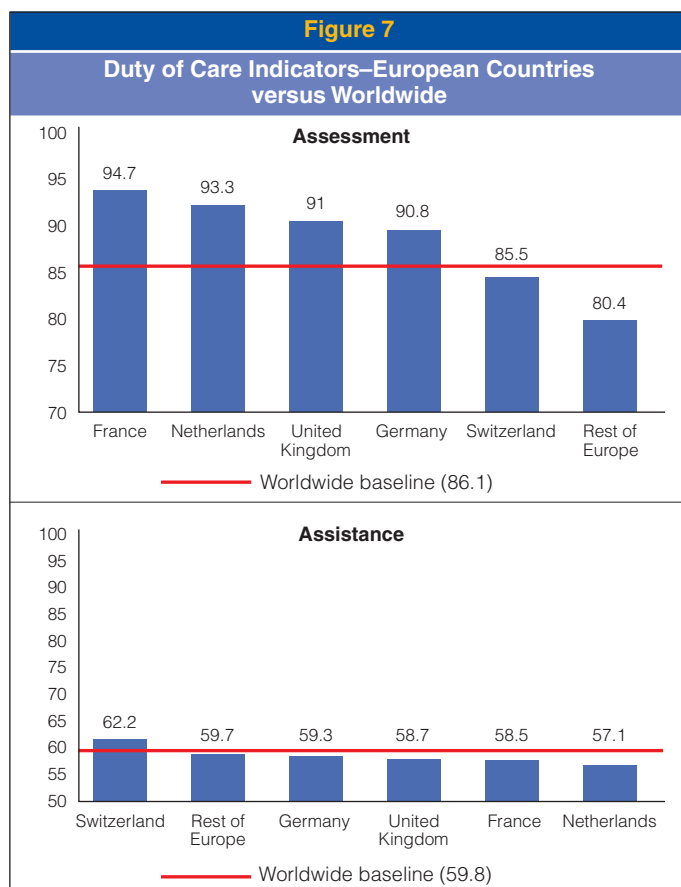
Key:

 Significantly more likely to engage in the associated Duty of Care practice(s).

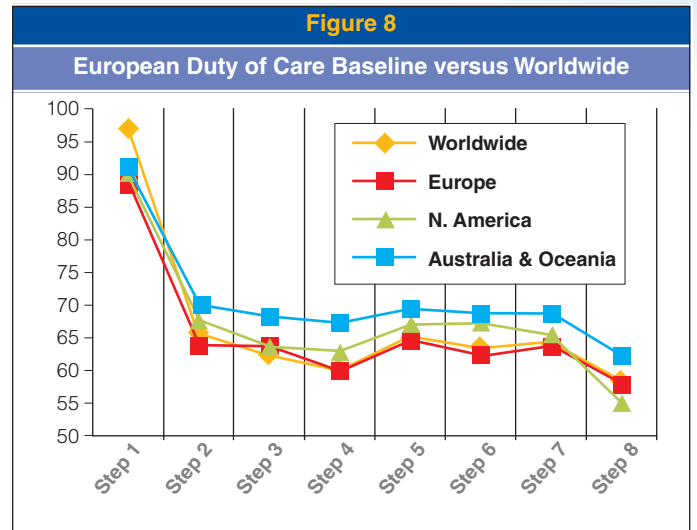
Duty of Care Indicators—Of the 15 Duty of Care indicators, Europe scores higher on three (assessment, policies and procedures), equal on two (communication and control), and lower on the other 10 indicators (strategy, planning, insurance, alerts, global mobility, education and training, tracking, advice, as well as assistance and analysis).

Within Europe, countries differ considerably on the 15 Duty of Care indicators. France scores highest on assessment, strategy, planning, alerts, procedures, communication, tracking and advice. Meanwhile, the Netherlands have top-ranking scores in insurance and global mobility; the UK led in education and policies; Switzerland is highest in assistance; and the rest of Europe ranks high for control and analysis.

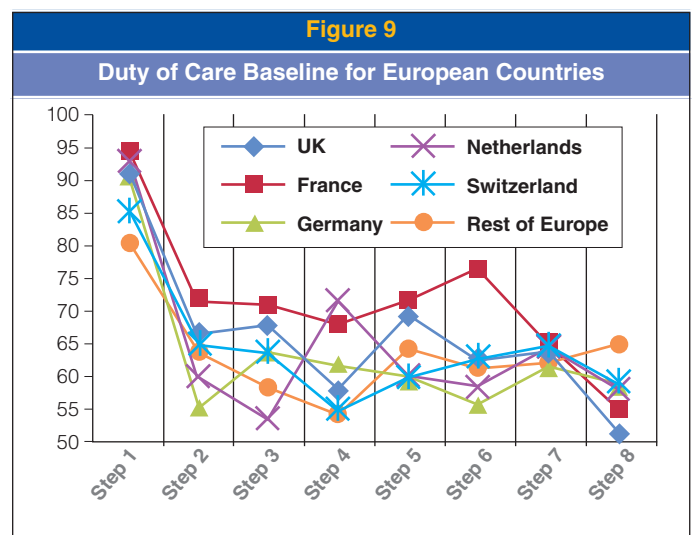
Europe performs better at risk assessment than their worldwide counterparts. When managing various global mobility practices, European countries score lower except for France and the Netherlands. Compared to worldwide, European countries also score lower in tracking employees with the exception of France and Switzerland. Finally, in terms of assistance, only Switzerland operates above the worldwide respondents (see Figure 7).



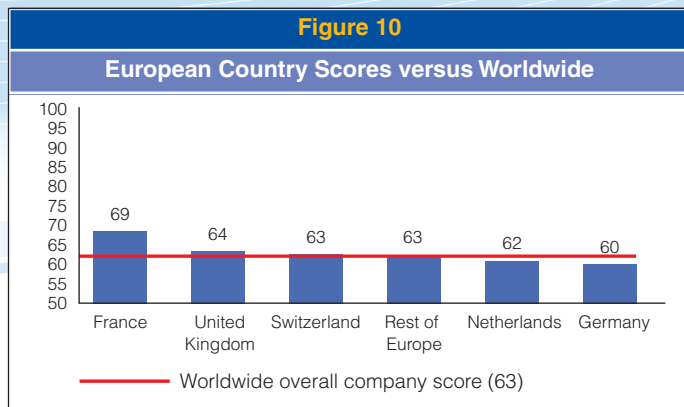
Duty of Care Baseline—Europe is slightly below the worldwide baseline on the Duty of Care Risk Management Model, except for developing policies and procedures (step 3). This finding suggests that there is room for improvement in Europe, which trails Australia/Oceania in every step of the Duty of Care model, and trails North America in six of the eight steps (see Figure 8).



As shown in Figure 9, France scores significantly higher on all steps of the Duty of Care Risk Management Model except for two areas: managing global mobility (where the Netherlands scores the highest), and control and analysis (where all countries but the UK score higher than France).



Overall Duty of Care Score—With the exception of France and Germany, the overall Duty of Care score for most European countries is similar to the Global Benchmarking Study baseline of 63 out of 100. France has a much higher score of 69 and Germany is somewhat below, with an overall score of 60 (see Figure 10).



Motivators and Legal and Moral Obligations

Globally, companies recognize the value of various moral, legal and business (cost, retention, reputation, etc.) motivators of Duty of Care. But, European respondents score slightly higher on legal⁴ and moral⁵ obligations than the worldwide sample. The moral obligation is based on responses to Duty of Care motivators such as, “It’s the right thing to do for employees,” (an average of 4.19 on a scale from 0 to 5), and, “We care about the health, safety and security of our employees,” (an average of 4.39). The answers to these questions indicate that European respondents are motivated by the “people” component of the triple bottom line (People, Planet and Profits) of Corporate Social Responsibility (CSR) vis-à-vis their Duty of Care responsibility rather than cost concerns or profits.

As for legal responsibility, Europeans refute the statement that, “there is no or limited legal Duty of Care obligation in the countries in which they operate,” more often than the worldwide respondents (43% versus 37%), and are more aware of Duty of Care legislation (33% versus 30%). This is likely due to the more stringent Duty of Care legislation to which they are accustomed to when they operate in Europe. It also reflects the lack of such legislation when they operate in less developed markets around the world.

⁴ i.e., It is the law.

⁵ i.e., Care about the health, safety and security of traveling employees; meet employee expectations; and awareness of responsibilities.

Conclusion

After comparing European Duty of Care activities with those of global employers, in Figure 11 (see page 11), 10 best practices based on the findings in the in the Global Benchmarking Study are determined. In the right column, there is special emphasis for European organizations that wish to improve their activities.

Europe has much stronger Duty of Care legislation than most other countries. European respondents also have high moral concerns that it is “the right thing to do” for employees. The results from the European region clearly indicate that, in terms of implementation, Europe operates at the worldwide “average” baseline and trails Australia and North America. In spite of these strong Duty of Care legal and moral obligations among European respondents, employer Duty of Care—and for that matter, employee Duty of Loyalty—has not yet become a central feature of an organization’s responsibility in managing global mobility. As a result, there is substantial room for improvement in putting Duty of Care best practices into action in Europe.

Sustainable talent management requires more than just hiring the right talent for the right job in the right place and at the right price. It also encompasses “doing the right thing” in protecting the health, safety, security and well-being of globally mobile employees.

Duty of Care is important because it’s about “doing the right thing” and taking care of employees. It is also about complying with increasingly stringent Duty of Care legislation that is developing around the world. By protecting their most important assets (employees) first, organizations may also realize that it is less costly to prevent and manage risk than having to take care of incidents.

Organizations that effectively manage and mitigate business, financial and reputational risks are in a position to develop smart, sustainable business operations. This constitutes an ideal “sweet spot” where the needs of employees also meet the needs of employers.

Figure 11

Duty of Care Best Practice Recommendations

Ten Best Practices	European Regional Focus
1 Increase awareness	<p>Focus on increasing awareness of employer Duty of Care among senior management employees, who are considered important owners of Duty of Care.</p> <p>Use the influence of medical directors to raise awareness of Duty of Care among senior management and other key decision-makers since European managers have lower awareness (and the major occurrences among employees are travel-related infections and road accidents).</p> <p>Increase awareness of potential risk to employees among UK- and German-based managers who have considerable lower risk perception than their European counterparts.</p>
2 Plan with key stakeholders	<p>Expand the Duty of Care team beyond the security department to include HR, travel, risk management and senior management.</p> <p>Security, which has Duty of Care as their core responsibility, plays an important role in Europe.</p> <p>Expand the Duty of Care team beyond security and bring the parties together through a collaborative approach.</p> <p>Use an integrated team to develop and deploy a Duty of Care risk management strategy.</p>
3 Expand policies and procedures	<p>Develop additional Duty of Care policies and procedures common in other parts of the world.</p> <p>While Europeans, in general, score higher on the policies and procedure indicators, their organizations are less likely to track traveling employees or have an “I’m okay” policy to manage emergency situations.</p>
4 Conduct due diligence	<p>Implement a vendor due diligence discipline with regard to Duty of Care.</p> <p>Employers cannot delegate their Duty of Care responsibility to others. Therefore, in countries with stronger Duty of Care legislation (as is the case for most of Europe), this is even more important in order to mitigate litigation.</p>
5 Communicate, educate and train	<p>Encourage employee buy-in and create a Duty of Loyalty culture.</p> <p>Expanding awareness and ownership beyond security and engaging other stakeholders in Duty of Care deployment will require communication, education and training to create a Duty of Loyalty culture.</p>
6 Assess risk prior to every trip	<p>Conduct a thorough risk assessment prior to every employee’s international departure.</p> <p>Conduct travel risk assessments for all employees (especially international business travelers) before departure. Because of a greater occurrence for Europeans, two areas to manage risk are travel-related infections and road accidents.</p> <p>Put a plan in place to better prepare employees for emergency situations.</p>
7 Track traveling employees at all times	<p>Implement an employee tracking system.</p> <p>European companies tend to focus more heavily on policies and procedures rather than the actual tracking of employees. Additionally, they are less likely to follow changes in employee travel and track where their employees are. Implementing an employee travel tracking system is a prerequisite to providing necessary assistance.</p>
8 Implement an employee emergency response system	<p>Implement an “I’m okay” policy.</p> <p>While European companies tend to plan for emergency situations, they focus less on execution. They are also less likely to have a communication protocol in place to contact their traveling employees and assess whether they are okay in case of an emergency.</p>
9 Implement additional management controls	<p>Involve the accounting department to implement additional management controls.</p> <p>There is a general lack of control and analysis with regard to Duty of Care. Yet, there are important liabilities associated with an organization’s paying (or reimbursing) for employee travel. Accounting departments should institute greater controls on these activities and become an active stakeholder in upholding organizational Duty of Care obligations.</p>
10 Ensure vendors are aligned	<p>Check overlap and blind spots among Duty of Care vendors.</p> <p>European companies are less likely to have multiple types of insurance. While insurance policies are no substitute for assistance and evacuation of employees who are traveling, not having them makes companies more vulnerable and financially liable.</p>



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