Responsible mobility in an age of turmoil

Protecting your business travellers
September 2019
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Introduction

Events over the past few months and years have provided frequent reminder that the world we live in continues to produce challenges and obstacles which impact our personal safety. Whether this increased threat is perceived or real, the outcome is the same: mobility in the modern world is now viewed through the lens of turmoil.

Whilst this perceived threat continues to rise, so too does international business travel. A report by World Economic Forum (2018) suggests cross-border travel will grow by 50% over the next decade and reach 1.8 billion international arrivals by 2030. This increase in international travel is also seen in the workplace, with more employers than ever before sending their staff abroad. The workforce is no longer a static, controlled concept. An employer’s response to employee welfare and security must respond to this.

This report asks the question: How do we safeguard mobile employees in an ever more fragile global environment?

In this report we will:

1. Look at how changing environments, technological advances and altering expectations are causing companies to be held to account over their Travel Risk Management and Mobility strategies.
2. Identify emerging trends across industries to understand how organisations are responding to this demand.
3. Look at what needs to be done in order to fulfil an appropriate duty of care for the mobile workforce.
What are the risks?
Despite this uptick in terrorism, statistics demonstrate the likelihood of being involved in a terrorist attack in Western Europe remains highly remote. Although deaths by terrorism in Europe saw a spike in 2015, The Global Terrorism Index (2018) shows:

1. Deaths from terrorism have decreased by 27 per cent in 2017 to 18,814 globally.
2. France, Belgium and Germany have seen significant improvements, with deaths from terrorism falling by 75%.
3. As the chart shows, incidents remain low when compared to a 20 year history of terrorism.

The fall in global terrorism is reflected in the index: 94 countries improved this year, with 46 deteriorating – the highest number of countries to improve year on year since 2004.

Figure 1: Deaths from terrorism in Western Europe (Source: The Telegraph, 2018)
What are the risks?

Common risks

Terrorism, geopolitical risk and state warfare remain key risks to the mobile workforce. Frequently published risk maps point to instability in nearly every region. An increasingly unstable geopolitical climate poses obvious risks to travellers, albeit the likelihood of travellers being caught up in these events is relatively low.

It’s important that organisations consider a spectrum of low to high impact risks, beyond merely geopolitical, when risk assessing travel and mobility assignments. For example, the European Academics Science Advisory Council (EASAC, 2018) recently published a report which indicated extreme weather events are becoming increasingly likely across Europe. Not only does this cause major travel disruption for the mobile workforce, it also poses a key threat to travellers’ personal safety.

That’s not all. Food poisoning, malaria, protests and cultural issues are also key threats facing the mobile workforce (IOSH, 2015). It’s important to remember that often the lower impact, localised events (as illustrated in the diagram) have a greater likelihood of occurring and should therefore be appropriately considered and mitigated.

Ultimately, whether it is perceived, geopolitical or climate based, the threat from travel risk persists and, in some cases, has increased. When coupled with a substantial increase in travelling employees the safeguarding of the mobile workforce should now be prominent on the agenda of businesses.
Now in its 22nd year, the PwC CEO survey aims to inform and stimulate the debate on how businesses are facing today’s challenges, by bringing together insight and analysis from our various interactions with the CEO community throughout the year.

Last year, the results clearly showed that ‘What Keeps CEOs Up at Night Differs By Region’ (PwC, 2018). While regional differences revealed a mix of threats that concerned CEOs, they shared a common increasing worry about broader societal developments – geopolitical uncertainty, terrorism, and climate change – rather than direct business risks such as changing consumer behaviour or new market entrants.

This reinforces the security concerns introduced with the introduction and embedding of a mobile workforce.

“CEOs appear increasingly anxious about broader societal threats rather than direct business ones.”
Bob Moritz, Global Chairman, PwC US

Terrorism and cyber threats moved up; uncertain economic growth and exchange rate volatility moved down

Considering the following threats to your organisation’s growth prospects, how concerned are you about the following?

Whilst last year’s survey showed a record jump in CEO optimism, this year saw a record jump in CEO pessimism regarding their companies growth prospects. Trade conflicts, political upset, and a projected slowdown in global economic growth have increased uncertainty and decreased confidence in revenue prospects (PwC, 2019).

The stark change in CEO opinion from 2018 to 2019 about their business growth, clearly shows that crisis and risk aversion can lead to strategic paralysis, therefore it’s never been more important to ensure a growing business has Travel and Mobility Risk Management processes established which reassure leadership that your companies mobile workforce is correctly prepared.
Why now?
Changing times, changing expectations

As of 2015, millennials are the largest generation in today’s workforce. They are tech savvy, open to change and have an ever increasing expectation that their company should look after them.

The millennial workforce are known for their love of travel; in a benchmarking study undertaken by PwC, 71% of the graduates who responded to the survey stated that they would like to work internationally, with the positive response rate being as high as 93% in graduates who responded to the survey in Africa (PwC, 2017). This suggests that there will continue to be a high demand from employees for international postings and, therefore, companies will need to provide appropriate risk mitigation for these mobile assignments.

In an ever evolving technological world, social media continues to be a domain for building or destroying reputations. A study presented by World Economics (2012) stated that companies attribute approximately 25% of their market value to their reputation. It doesn’t stop there, a strong positive reputation will likely attract well qualified people, which is advantageous when recruiting talent (Harvard Business Review, 2007).

A company’s reputation is critical, and exposing employees to unnecessary mobility risks is a clear risk to negatively impacting a companies reputation. In an era of social media, incidents can go viral quickly and businesses have limited control on how to diffuse them. If one of your travelers is exposed to unnecessary mobility risk, a comment evidenced with a picture can go viral in a matter of minutes, leaving an employer exposed to significant reputational damage.

Diversity in the workplace is an important component of today’s workforce. A recent government-backed review (Hampton-Alexander Review, 2018) revealed the top 100 companies which make up the FTSE 100 index are on track to hit a target for more than 30% of board positions being occupied by women (this has risen from 12.5% in 2011). This aligns with a recent study conducted by The Global Business Travel Association, which revealed more than half of corporate travel buyers have a higher percentage of females in their travelling population than three years ago (GBTA, 2018).

A diverse workforce encompasses gender, age, disabilities and sexual orientation. This translates into an increasingly diverse travelling workforce, that faces different challenges and threats when compared to the traditional businessman abroad.

With a recent study highlighting 80% of female travellers have concerns about their personal safety whilst abroad (Ipsos, 2016), it’s important that organisations factor these different risk profiles into their travel risk management policy, and mitigate against these differing risks appropriately.

So why appease the millenial?

A recent report from Gallup (2016) described millennials as a job hopping generation, with 21% of millennials saying they’ve changed jobs in the past year – three times the number of non-millenials that report the same. It is estimated this high turnover costs the US economy $30.5 billion annually. Increased rates of employee engagement, positively influenced when employers meet the expectations of their workforce through considering their welfare increases employee retention rate. Safeguarding mobility is a financial investment.
UK Corporate Manslaughter Act and Corporate Homicide Act 2007

Under the Health and Safety at Work Act 1974, employers have a statutory duty to ensure the health, safety and welfare of every employee.

There is also a term of mutual trust and confidence implied in every employer/employee relationship.

As a result of this term, employers have a duty to provide their employees with a working environment that is suitable for performance of their duties, and underpins the notion of a common law duty of care. Where a common law duty of care exists, employers must take reasonable precautions to protect their employees from any foreseeable risk of injury, disease or death (FERMA, 2017).

In practice, this means ensuring the mobile workforce are appropriately briefed, aware of the risks, and with risks acceptably mitigated ahead of any travel.

In addition to huge liability claims and reputational damage, the Corporate Manslaughter Act 2007 also holds the CEO accountable under these circumstances, which could, in a worst case scenario, result in imprisonment.

Relevance to Travel Risk Management

The Act does not define a gross failure of management, and there is no specific reference to travel. However experts say the act has two implications to business travel:

Risk assessment – Organisations should carry out risk assessments for every journey. This should be a dynamic assessment, including the travel location, traveller profile and activity being undertaken.

Communication – Travellers must have understood and acknowledged the duty of care responsibilities for themselves and their employers. It is a company’s responsibility to ensure its travellers are aware of this.

Case study: Stormharbour Securities

A breach of duty of care can cause serious harm to the employee travelling. An example is the Stormharbour Securities case in 2015. Due to an inadequate risk assessment the employee – Mr Dusek – was involved in a fatal helicopter crash over the Andes. The court found Mr Dusek’s employer guilty of a breach of duty of care to its employee.

– (FERMA, 2015).
Emerging trends
If you’re not currently considering your mobility risk, you’re not alone.

In a benchmarking survey carried out by International SOS which surveyed over 600 global companies, 95% responded that companies sent their employees to high risk locations, however approximately one third of them did not know whether they had legal requirements or owed a duty of care towards the employees that they were sending abroad (International S0S, 2019).

It’s important mobility is done right! Not only for employee welfare, but also to avoid potential financial and reputational damage. Travel and Mobility Risk Management is a rising agenda item for many companies. But do companies understand their risk exposure? And are they properly mitigating against it?

A recent PwC study surveyed a number of companies from across the globe, of varying size and from different sectors, in order to investigate their travel security provision and needs. The survey found that across the range of companies, only limited travel risk management processes have been established.
Finding 1: Few Organisations undertake a Dynamic Risk Assessment for their mobile workforce

A Dynamic Risk Assessment is essential when establishing a travel risk policy. It’s not just about the destination – the personal profile of the traveller, including gender, age, sexual orientation, and mental health status, can change the risks they will face. Businesses that focus on ensuring their travel policies reflect a modern workforce will better meet their Duty of Care responsibilities.

Whilst the majority of companies consider geopolitical risk for their mobile workforce, the survey found that few companies perform a Dynamic Risk Assessment in order to understand the assignment and assignee risk introduced for each trip.

Just 12% of the companies assessed the risk introduced from who the traveler was.

Only 15% of organisations offer role based travel awareness training and specific advice.

Just under a quarter (24%) did not undertake a risk assessment or provide any travel risk advice to their mobile workforce.

Does your risk assessment consider Geopolitical risk, Assignment risk and Assignee risk?

The risks introduced due to the nature of the assignment, such as high profile negotiations or sensitive audit work.

Personal risk considerations such as travel experience, age and gender, training and life choices.
Finding 2: There are limited controls in place for ensuring business travel is approved at a senior level

An effective risk management policy is essential when managing travel and mobility assignments. This requires an effective travel risk policy that ensures security controls and risk acceptance are aligned with the business – is travel being approved by an appropriate senior individual that is aware of the risks and duty of care responsibility?

The second aspect of effective travel risk management looks at the business controls in place to ensure compliance and traveller awareness. The survey results found that few companies have effective business controls that are endorsed by senior management in place:

- Just under half (44%) rely on a third party providing travel risk advice and generic guidance.
- Less than a third (28%) of the companies have a dedicated expert (e.g. Travel Risk Manager) reviewing and interpreting risk assessments/travel advice provided by third parties.
- Half of the companies (50%) surveyed manage the risk introduced by their mobile workforce in a reactive manner, responding to incidents only as they happen.

Is your mobile workforce going through a risk acceptance process whereby senior people, with accountability and an understanding of the associated travel risks, are authorising travel and mobility assignments?

Preferred hotels and other logistical services, which have been assured, and are commensurate with the risk exposure.

Reflective of the business’ risk appetite, thereby avoiding concertation risk or conflict of interest.
Finding 3: Few actions are being undertaken by organisations to protect their mobile workforce during their travel

Ongoing support to travelers is essential during their trip. It is vital that a business provides its travellers with access to the appropriate insurance and 24/7 emergency support.

Risk management doesn’t stop once the traveller’s trip commences, ongoing support is required to ensure that travellers are fully supported on their trip. The survey results revealed that:

- **Only 22% of companies** have established travel policies in place which define recommended logistics to support travellers.
- **24% of companies** have implemented programmes to track and monitor travellers, with this physical security control being embedded within the approvals process.
- **All companies surveyed** had the basic insurance in place for their mobile workforce, however only a third (36%) had a mature crisis management plan which was tested in different scenarios to ensure its effectiveness.

Are you supporting your traveller for the duration of their trip?

- How do you manage in-flux changes of itinerary from a risk perspective?
- Do you provide opportunity for travelers and mobile assignees to debrief after more strenuous activities?
- You know how to support a colleague in a crisis, but what about crises affecting a significant travelling population?
Conclusion
Conclusion: What needs to be done?

The level of travel awareness about potential risks to the mobile workforce is low, despite huge increases in the amount of travel, expectation from employees and perception of risk.

Neither the risks associated with international travel, nor the need for a mobile workforce is going away. If anything, this way of working is becoming the new normal, therefore, it is important you can positively answer the following questions:

- Do you know where your travellers are at any given time?
- Are you ensuring a consistent risk based approach to travel?
- Are you providing appropriate support to your people before, during and after travel?

There is an expectation that you have adapted to operate safely and securely in this new environment. Ensuring the security of your mobile workforce has seldom been more important, and no matter where, when or how your people conduct their business, their safety and security must be an ongoing priority.

Our research suggests the industry now expects the following elements when addressing responsible travel and mobility:

1. Risk based approach
2. Data driven
3. Effectiveness and Value for Money
1. Risk based approach

To help facilitate a risk-based approach, we have developed a systematic three-staged process for the management of travel related security risks.

1. Dynamic risk assessment
   (Pre, during and post assignment)

   The process you have in place to assess assignee risks, assignment risks and geopolitical risks.

   This should be an integral part of your Travel Risk Management programme in order that you:
   • Know where your travellers are at any given time
   • Ensure a consistent risk based approach that means the right decisions are made by the right people
   • Can provide appropriate training to your people before they travel
   • Are confident your providers understand your expectations, and deliver accordingly
   • Have suitable contingency plans to deal with rapidly evolving security situations

   This will allow you to understand the risk exposure faced by your mobile workforce, and provide the appropriate tools and resources to manage it responsibly.

2. Risk management
   (Policy, approvals and controls)

   The travel risk processes you have in place to ensure all travel requests are subject to appropriate controls and approvals

3. Ongoing support
   (Emergency advice and insurance)

   The measures in place to ensure that your travellers are fully supported during their trip.

   If something goes wrong, how would you appropriately support your people?
2. Data driven

We have developed a suite of tools that work seamlessly with PwC’s myTrips platform to ensure security risks are captured and presented in a way that your business can understand and manage.

Our suite of tools will use your travel data to help you ensure you know and provide your people with what they need to travel responsibly.

3. Effectiveness and value for money

Using a maturity assessment our Travel Security Risk Diagnostic helps travel programme owners identify potential shortfalls or excesses in their travel security risk activities, and enables business leaders to understand the extent and value of their travel security risk management programmes. An example of this type of assessment is outlined below:

<table>
<thead>
<tr>
<th>What you told us about your travel security risk considerations</th>
<th>The score below is your overall rating across these seven themes, based on what you told us. Appendix A gives a full breakdown across the seven themes</th>
<th>What this means:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our assessment aligns to industry good practice ratings¹ from 0 – 5, where 0 suggests the process or activity is non-existent, through to 5 which represents world class behaviours.</td>
<td>2.7</td>
<td>• Travel security risk management has been developed to the stage where similar procedures are followed across the enterprise.</td>
</tr>
<tr>
<td>The diagnostic tool introduced seven themes which talk to our framework from addressing the strategic intent of the organisation to how this is interpreted through the various security risk management processes which enable a mobile workforce to be deployed responsibly.</td>
<td></td>
<td>• There is little formal training or communication of procedures.</td>
</tr>
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<td></td>
<td></td>
<td>• There is a high degree of reliance on individuals, and therefore, errors are likely.</td>
</tr>
</tbody>
</table>

¹ From 0 – 5, where 0 suggests the process or activity is non-existent, through to 5 which represents world class behaviours.
Appendix
Appendix 1: Contact us

Why PwC?
We understand your business and the challenges security threats introduce in the current environment.
We have demonstrable experience helping organisations to meet their duty of care responsibilities, securing what’s most important to you.
Our team bring a depth and breadth of strategic and operational consulting experience which is unique in this space.

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Our approach
We considers the complete spectrum from strategic through to operational security outputs.

Business alignment
• To enable the aspirations of the business
• Facilitate responsible decision making and manage risk appropriately

Culture and behaviours
• To ensure people know what is expected of them
• To ensure a safe and secure environment?

Operational delivery
• To provide the appropriate infrastructure and resources to protect our people, property and assets, commensurate with our stakeholder values?
Appendix 2: References

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<th>Reference</th>
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<tbody>
<tr>
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<td>5</td>
<td>How many people are killed by terrorist attacks in the UK? The Telegraph (2017)</td>
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