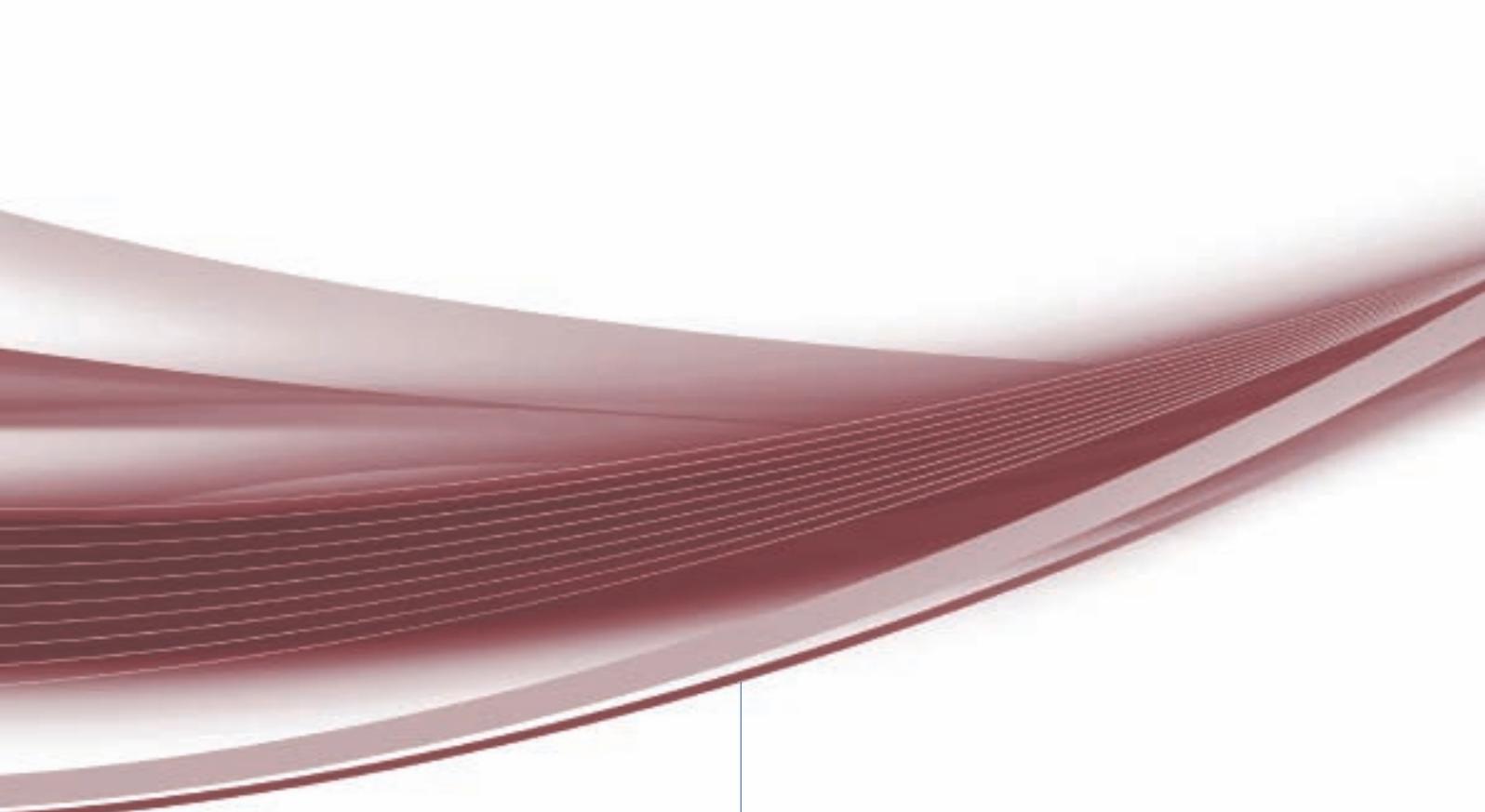


Duty of Care and Travel Risk Management Benchmarking Study **ASIA**



An employer's Duty of Care
is the obligation of an
organization to assume its
responsibility for protecting
its 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 an organization to assume its responsibility for protecting its 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 by legislation in many countries.

The purpose of the *Duty of Care and Travel Risk Management Global Benchmarking Study*¹ is to enable organizations to benchmark their Duty of Care practices with others, and to develop best practices to both protect and support globally 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.

The purpose of this in-depth report is to compare responses from 168 employees (executives, managers and professionals)—who work in Asia for different companies and represent different departments within those companies—against 718 worldwide employee responses from the Global Benchmarking Study (see **Sample Profile and Methodology** on **page 15**). This report also:

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

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 a Duty of Care concept really mean to organizations needing to apply their obligations to employees?

The purpose of this in-depth report is to compare responses from employees working in Asia (sample size N=168)—who work in different countries and for different companies, and represent different departments within those companies—against worldwide employee responses from the Global Benchmarking Study (N=718). This report also:

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

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.

Executive Summary: Asia Region

Because Duty of Care is an emerging concept in Asia, regional companies and their employees have a relatively low Duty of Care awareness compared to other parts of the world. With the exception of the Middle East and North Africa region, Asia ranks behind all other regions in most Duty of Care rankings.

Asia's landscape is extremely diverse, with Asian countries being at various stages of economic development. These regional employers have one thing in common: they lack local and/or countrywide Duty of Care (workplace) legislation. This is perhaps due to some Asian countries having a much different viewpoint of human rights compared to the rest of the world. As the Global Benchmarking Study reveals, the moral obligation to look after the health, safety, security and well-being of workers is still considered a 'Western' concept.

Global companies operating in Asia must understand that implementing Duty of Care practices may require a completely different approach. With the exception of Japan and Singapore, the regional findings indicate a general lack of legal requirements in most Asian countries and a lower sense of Duty of Care moral obligation when it comes to taking care of employees. In countries such as Singapore and India (where there is a larger proportion of Global 500 firms in the sample), there is a higher Duty of Care awareness and engagement. The regional findings also indicate that Japan's results are counterintuitive. While workplace laws exist, respondents from Japan rate several Duty of Care indicators (planning, insurance, policies and control) as the lowest in the Asian sample, and much lower than worldwide respondents.

Employers in Asia often operate within a different set of standards and cultural environments compared to the West, which may make the implementation of Duty of Care much more complex. This especially affects foreign firms who often form joint venture partnerships with local Asian companies that have very little awareness of Duty of Care and/or lack understanding of its benefits to the business and governmental bodies.

In terms of risk to employees, there is a discrepancy between regional perceptions and the actual occurrence of such risks. First, regional respondents indicate that a number of Asian countries are 'high-risk.' And while these countries rank medium-to-high for political and security risks, the countries are not ranked among the top 20 high-risk locations according to worldwide respondents. Second, while the occurrence of infectious diseases is high (and experts rate medical risks from variable to high to extreme), respondents in Asia do not perceive infectious diseases to be a threat. As a result, health incident planning must be considered when operating in Asia.

Specific findings for the region reveal that respondents from Asia:

- Perceive similar countries as 'dangerous' locations for employees compared to worldwide respondents, but view a number of Asian countries (e.g., Thailand, Vietnam, Bangladesh, Malaysia and Sri Lanka) as higher-risk locations for employees than the rest of the world;
- Have slightly more local employees and international assignees who work in high-risk locations, and who are significantly more likely to have dependents accompanying international assignees;
- Perceive lower risk for 21 out of 37 threats to globally mobile employees than compared to worldwide respondents;

- View threats related to illness, infectious disease, political unrest, violence and crime to be significantly lower than European, North American and African respondents;
- Have significantly lower risk ratings among China/Hong Kong respondents regarding threats of political unrest, crime and pandemics compared to the Remainder of Asia;
- Report a lower occurrence of employee threats over the past three years than the rest of the world for 34 of the 37 identified threats, but the occurrence of infectious diseases and pandemics is significantly higher in Asia compared to the rest of the world. (The occurrence of infectious diseases is significantly higher in the Remainder of Asia than in China/Hong Kong, Singapore or Japan);
- Indicate lower company and industry Duty of Care awareness than worldwide respondents, and are among the lowest in the world, along with Middle East and North Africa;
- Report lower stakeholder Duty of Care awareness than the rest of the world, with the exception of human resources (HR);
- Show similar 'owners' of Duty of Care than the rest of the world, but give occupational health and safety a more important role in primary responsibility, and senior management a more important role in coordination responsibility;
- Are less likely to engage in most Duty of Care practices than is the case worldwide;
- Show significant inter-Asian differences for 13 Duty of Care practices. Companies in Singapore (11 practices) and Japan (7 practices) engage significantly more often in these practices than respondents from China/Hong Kong and other Asian countries;
- Score lower than the worldwide sample on 14 of the 15 Duty of Care indicators. The lowest Duty of Care indicator scores for Asia are in China/Hong Kong (scoring last on six of the 15 indicators), the Remainder of Asia (scoring last on five of the 15 indicators) and Japan (scoring last on four of the 15 indicators). Singapore companies have the highest indicator scores. The greatest inter-Asia variations are for medical and security alerts, and procedures;
- Score below the worldwide baseline on seven of the eight steps of the Duty of Care Risk Management Model;
- Have an overall Duty of Care score of 60 compared to the worldwide average of 63, while only Singapore scores above the baseline;

- Have similar employee-focused Duty of Care motivators as the rest of the world, but with much lower mean ratings;
- Have a lower (or no) legal Duty of Care obligation than worldwide respondents; and
- Have a lower sense of moral duty of care obligation than the rest of the world.

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 14**), employers in Asia will benefit from specific best practices that were identified based upon gaps found between the regional and worldwide responses.

Detailed Findings

Respondents identified perceived *high-risk locations* where their companies currently operate, 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 both 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.

In the Global Benchmarking Study, the locations perceived as high-risk tend to be countries at the 'bottom' of the world economy (also called the 'bottom 60'). This is mainly due to the extreme political, economic, social, and environmental situations and the limited rule of law in these countries. In addition, the BRIC (Brazil, Russia, India and China) countries also rate among the top 20 high-risk locations. This is likely due to the many companies now operating in these fast-growing emerging markets. Yet, each region includes locations in close geographic proximity (or on the same continent) among its top 10 high-risk countries. This is the case for North America (where Mexico and Haiti rank high); Europe (where Russia ranks fifth); Asia (ranking only Asian countries among the top seven); Australia (placing Papua New Guinea as number one); and sub-Saharan Africa (including mainly African countries among the top 10).

Figure 1

Top 20 Perceived High-Risk Countries for Respondents in Asia

1 India (4)	8 Papua New Guinea (7) and Iraq (6)	15 Algeria (18)
2 China (8)	10 Afghanistan (3)	16 Malaysia*
3 Indonesia (10)	11 Brazil (16)	17 Mexico (1)
4 Thailand*	12 Bangladesh*	18 Saudi Arabia (20)
5 Philippines (13)	13 Nigeria (2)	19 Russia (14)
6 Pakistan (5) and Vietnam*	14 South Africa (11)	20 Sri Lanka*

* Not in top 20 Global Benchmarking Study ranking. Equal ranking: Countries listed in No. 6 and No. 8 (Global Benchmarking Study worldwide ranking in parenthesis)

Perceived High-Risk Locations

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

Although the rank order of high-risk locations is slightly different for the Asian region when compared to the Global Benchmarking Study, 15 of 20 of the ‘most dangerous’ or ‘high-risk’ countries are the same. Regional respondents also perceive Thailand, Vietnam, Bangladesh, Malaysia and Sri Lanka as among the top 20 high-risk countries, yet these countries do not make the worldwide list (see Figure 1). Similarly, four countries perceived as the ‘riskiest’ among worldwide respondents (the Democratic Republic of Congo, Angola, Iran and Colombia) do not make the Asian top 20 list.

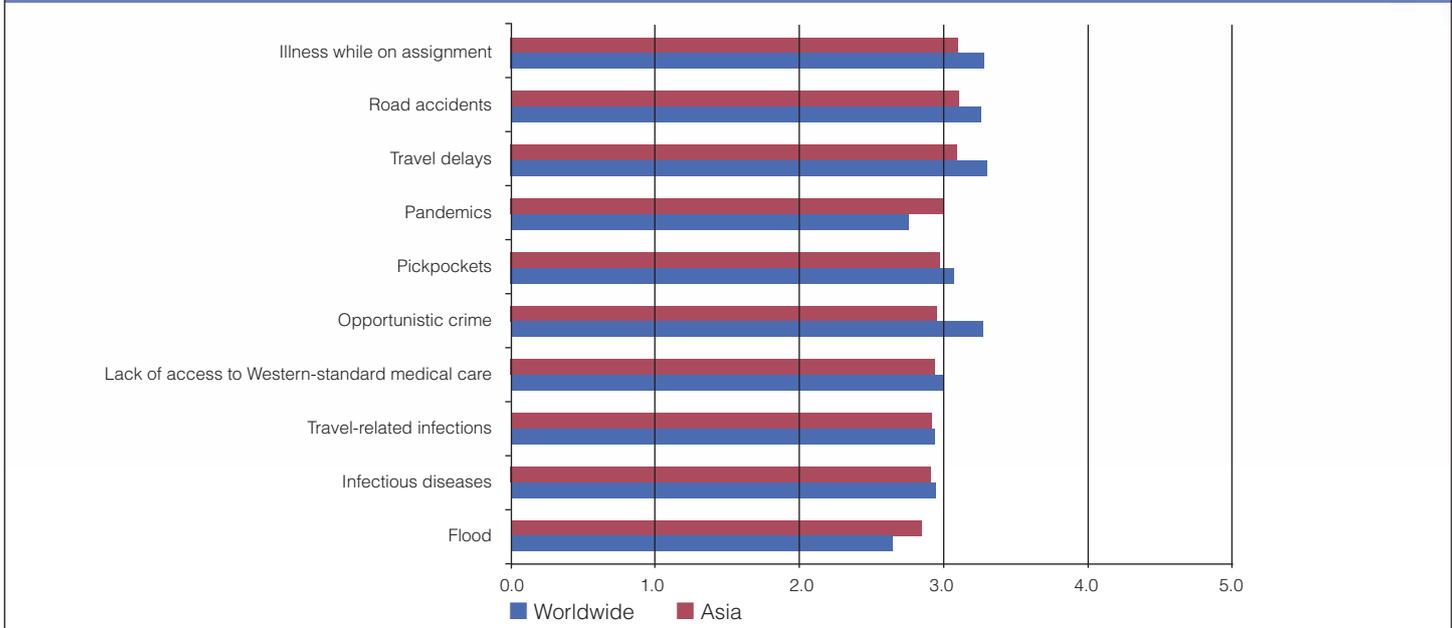
Compared to the worldwide respondents, respondents in Asia are slightly more likely to have local employees (74.8% versus 74%), international assignees (71.5% versus 70%), and slightly fewer international business travelers (93.5% versus 95%). These differences are not statistically significant. But, regional respondents are significantly more likely to have dependents accompanying international assignees (52.2% versus 45%).

Risks and Threats—Companies with globally mobile employees must manage 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 you rate the specific threat to your employees in terms of perception?*” along with their actual occurrence and “*Have your employees experienced the threat in the past three years?*”.

Perception of Threats—Of the 37 perceived threats, respondents in Asia rate 14 higher, two equally and 21 lower in comparison to worldwide respondents. The risks that regional respondents rate higher include: natural disasters, rural isolation, lack of air quality, lack of administrative compliance and pandemics. Yet, Asian

Figure 2

Top 10 Perceived Risks (Asia Versus Worldwide)



respondents perceive the threats related to illness and infectious diseases, political unrest, violence and crime to be significantly ($p < .05$) lower than respondents from Sub-Saharan Africa, Europe and North America (see Figure 2).

Throughout Asia, there are significant differences ($p < .05$) in the perception of about one-third (13 out of 37) of the risks and threats. The countries included in the Remainder of Asia² rank 11 threats related to political unrest, terrorism and crime higher than China/Hong Kong respondents. In addition, Singapore rates political unrest and terrorism threats greater than China/Hong

Kong respondents. Respondents from Japan rate chronic disease, pandemics, political unrest and terrorism greater than China/Hong Kong respondents (see Figure 3). Although most Japanese have not experienced these risks, they likely rate them higher because of the fear of such threats. A general trend is obvious among Asian countries: China/Hong Kong respondents have significantly lower risk ratings of threats related to political unrest, crime and pandemics, while respondents from the Remainder of Asia perceive these threats as significantly higher risk than China/Hong Kong respondents.

Figure 3

Significant Differences in Risk Perception of Threats Among Asian Countries

Threat	Singapore	China/Hong Kong	Japan	Remainder of Asia
Terrorism	Light Blue	Light Blue	Dark Blue	Dark Blue
Lawlessness	Light Blue	Light Blue	Light Blue	Dark Blue
Violent crime	Light Blue	Light Blue	Light Blue	Dark Blue
Opportunistic crime	Light Blue	Light Blue	Light Blue	Dark Blue
Organized crime	Light Blue	Light Blue	Light Blue	Dark Blue
Imprisonment	Light Blue	Light Blue	Light Blue	Dark Blue
War	Light Blue	Light Blue	Light Blue	Dark Blue
Insurgency	Light Blue	Light Blue	Dark Blue	Dark Blue
Political upheaval	Dark Blue	Light Blue	Dark Blue	Dark Blue
Coup d'état	Dark Blue	Light Blue	Light Blue	Dark Blue
Civil unrest	Dark Blue	Light Blue	Dark Blue	Dark Blue
Chronic disease	Light Blue	Light Blue	Dark Blue	Light Blue
Pandemics	Light Blue	Light Blue	Dark Blue	Light Blue

Areas in dark blue boxes rate the threat significantly higher than areas in light blue boxes. For example, the Remainder of Asia rates the threat of lawlessness significantly higher than China/Hong Kong, but not significantly higher than in Singapore or Japan.

² Due to the small sample size (11 respondents) and a predominance of Indian respondents from Global 500 companies, India is excluded from the Remainder of Asia category (except for Figure 13).

Figure 4

Percentage of Likelihood of Threat to Occur	
Threat	More (or less) likely to occur
Pandemics*	23%
Infectious diseases*	4%
War	-54%
Hijacking	-50%
Violent crime	-46%
Kidnapping	-43%
Lawlessness	-40%
Opportunistic crime	-37%
Organized crime	-34%

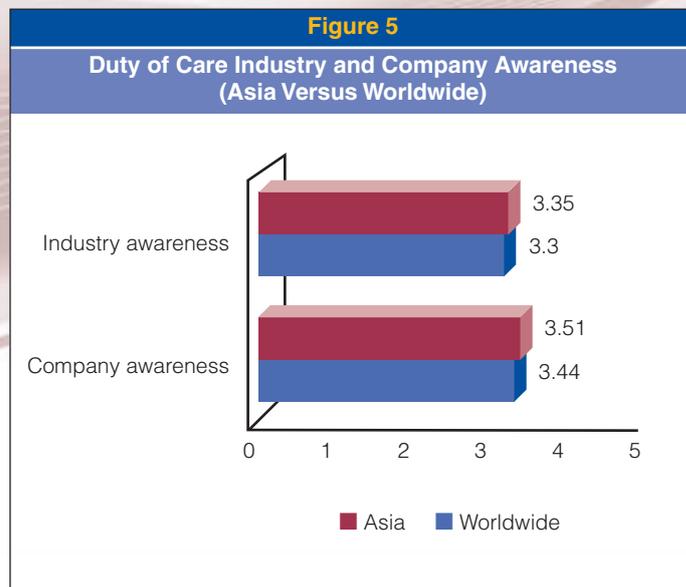
* Indicates that a threat has occurred significantly more to regional respondents compared to worldwide respondents.

Occurrence of Threat—For 34 of the 37 identified threats, respondents in Asia report a lower occurrence of incidents compared to worldwide respondents. One occurrence (chronic diseases) is ranked equally and two are ranked higher (infectious diseases and pandemics). The higher occurrence of infectious diseases and pandemics is also significantly higher in Asia compared to the other regions of the world (see Figure 4).

With the exception of infectious disease threats, there are no significant inter-Asian country differences in the occurrence of threats to employees among respondents. The occurrence of infectious disease among employees is significantly higher by respondents from the Remainder of Asia than in China/Hong Kong, Singapore or Japan. The discrepancy between the perception of infectious disease as a threat and the actual occurrence in the region calls for the promotion of health incident planning.

Duty of Care Awareness

In general, respondents from developed countries have greater Duty of Care awareness than those in other less developed regions. With regard to overall awareness, regional respondents rate their company and industry Duty of Care awareness lower than worldwide respondents. On a Likert scale from 1 (very unaware) to 5 (very aware), regional respondents rate their Duty of Care industry awareness (3.3) and company awareness (3.44) below the worldwide sample (3.35 and 3.51 respectively) (see Figure 5). This is lower than any other region, except for the Middle East and North Africa.



In reviewing the eight steps in the Duty of Care Risk Management Model, regional respondents have lower awareness than the worldwide average for each step of the model. As is typical around the world, employers in Asia have a higher awareness of the need to manage employee incidents (e.g., advising, assisting and evacuating employees when necessary) than any other area of Duty of Care responsibility.

There are also differences in how respondents in Asia rate the awareness of the various stakeholders. The top three functional groups with the greatest awareness include: occupational health and safety, security/risk management and HR (in local country). This is slightly different from the worldwide ranking where travel management takes third place rather than local HR. While most stakeholders are perceived to have lower Duty of Care awareness, the exception is local country HR and compensation and benefits stakeholders who have slightly higher awareness than their worldwide counterparts. In addition, the stakeholders with similar average awareness include project management, public relations/communications, operations and local senior management. These findings may indicate that Duty of Care awareness in Asia is more operational, with teams on the ground understanding the concept of Duty of Care more than others.

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 the reality can be compared to what is valued. According to the Global Benchmarking Survey, five key functional groups currently own Duty of Care: HR, security, senior management, travel and risk management.

Figure 6

Duty of Care Ownership (Asia Versus Worldwide)

Rank	Primary Responsibility		Coordination Responsibility		Decision-Making Responsibility	
	Worldwide	Asia	Worldwide	Asia	Worldwide	Asia
1	HR	HR	HR	HR	Senior Management	Senior Management
2	Security	Senior Management	Security	Security	HR	HR
3	Senior Management	Security	Travel	Senior Management	Security	Security
4	Travel	Travel	Risk Management	Risk Management	Risk Management	Risk Management
5	Risk Management	Occupational Health and Safety	Senior Management	Travel	Travel	Travel

Asia is very similar to other worldwide respondents in all three ownership categories. Those with primary responsibility for Duty of Care are the same regionally and worldwide, with the exception of occupational health and safety which replaces risk management. Coordination responsibility in Asia also ranks similarly, although senior management and travel management trade places. When it comes to decision-making, regional and worldwide respondents share the same top five owners (see Figure 6).

Duty of Care Benchmarking

One hundred Duty of Care practices³ were grouped into 15 indicators⁴, which roll up into the eight steps of the Integrated Duty of Care Risk Management Model (see Figure 7) to create a baseline and an overall Duty of Care score.

Figure 7

Integrated Duty of Care Risk Management Model	
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

Duty of Care Practices—Regional respondents indicate that their companies engage in 100 different Duty of Care practices. Some Duty of Care practices are not commonly used (with some as low as 17.4%), while other practices are engaged in by most companies (as high as 88%). Average worldwide engagement ranges from 13% to 92%. According to respondents in Asia, their companies are generally less likely to engage in most Duty of Care practices than is the case worldwide.

Employer engagement varies within Asia. Of the 100 Duty of Care practices, there are significant inter-Asian differences for 13 of them. Respondents from Singapore (11 practices) and Japan (7 practices) report that their companies are engaged significantly more often than respondents from China/Hong Kong and other Asian countries. The higher ratings are likely due to the following: Singapore is a hub for global companies and pre-departure travel risk management practices seem historically common in Japan.

This makes China/Hong Kong and the countries in the Remainder of Asia more vulnerable in terms of negligent failure to plan (see Figure 8).

Figure 8

Countries Significantly More Likely to Engage in 13 of the 100 Practices

Duty of Care Practices	Singapore	China/Hong Kong	Japan	Remainder of Asia
Have travel risk insurance				
Identify security alert levels by destination				
Have applicable and enforceable travel restrictions by security alert level				
Ability of employee to refuse travel request due to risk				
Require employees to book travel through approved travel provider				
Collect employee emergency contact information prior to employee departure				
Communicate travel policies and procedures to appropriate employees				
Hold mandatory briefings prior to employee travel to high-risk situations				
Discuss reasonable accommodation (if any) prior to departure				
Rely on global security information providers as a source of information to manage security alerts				
Have access to the medical history of traveling employees				
Have internal accounting controls regarding employee travel planning and expenses				
Ensure traveling employees receive their required immunizations				

Key:

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

³ A benchmarking instrument was developed and validated to compare employer Duty of Care activities based on a checklist of 100 Duty of Care practices.

⁴ 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.

Duty of Care Indicators—Asia employers score lower than the worldwide sample on 14 of the 15 Duty of Care indicators. However, the region scores higher on the 'control' indicator, which consists mainly of updates, compliance and accounting management controls.

Within Asia, countries differ considerably on the 15 Duty of Care indicators. Singapore scores the highest of all Asian countries on 10 of 15 of the indicators. The lowest Duty of Care indicator

scores are in China/Hong Kong (scoring last on six of the 15 indicators), the Remainder of Asia (scoring last on five of the 15 indicators) and Japan (scoring last on four of the 15 indicators). These areas represent a developmental opportunity among regional employers (see Figure 9).

The greatest variations within Asia are for two Duty of Care indicators: alerts (medical and security) and procedures (see Figure 10).

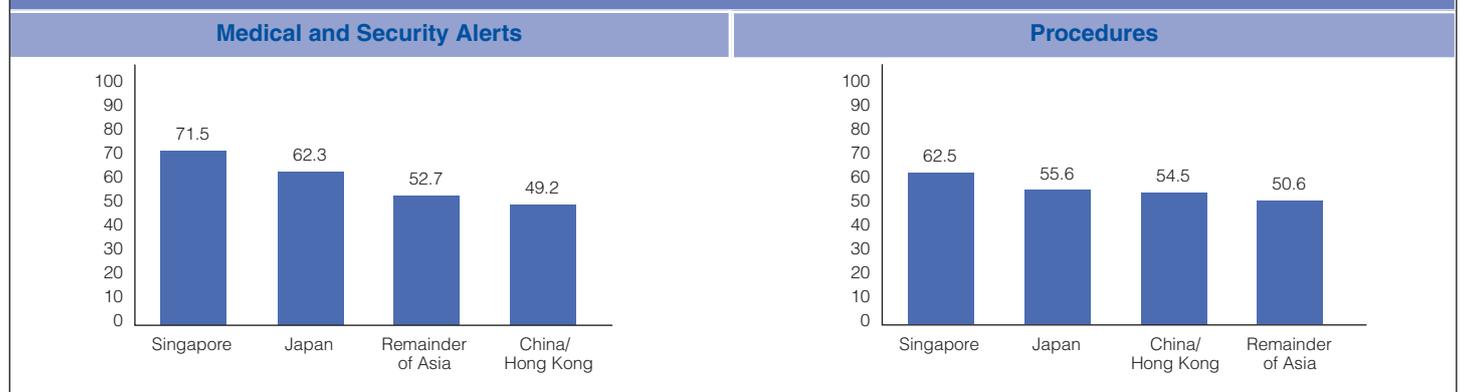
Figure 9

Asian Countries with Lowest Duty of Care Indicator Scores

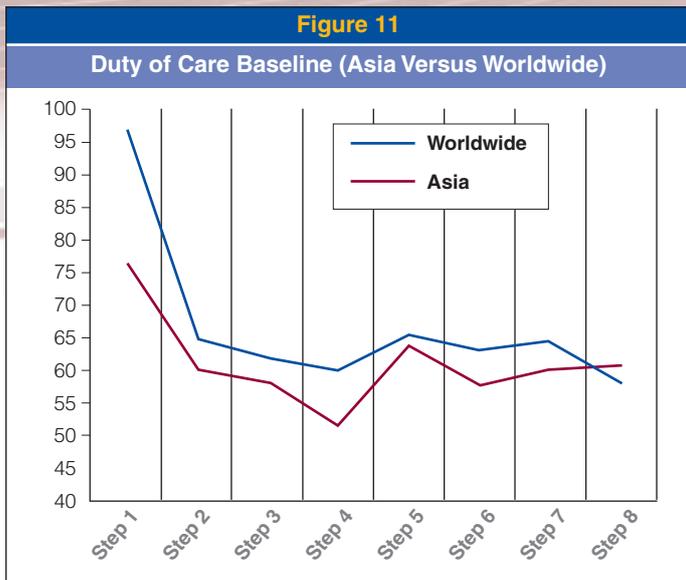
Country	Duty of Care Indicators	Employers in Asia Country Score	Asia Score	Worldwide Score
China	Assessment	73.8	77.9	86.1
	Alerts	49.2	58.6	65.3
	Global mobility	42.4	51.5	60.1
	Tracking	51.8	57.5	62.9
	Assistance	52.6	56.8	59.8
	Analysis	46.4	49.1	49.4
Remainder of Asia	Strategy	62.5	65.0	72.4
	Procedures	50.6	56.4	64.1
	Communication	56.8	63.8	65.6
	Education and training	57.4	63.0	77.2
	Advice	66.9	71.9	77.2
Japan	Planning	53.2	58.6	60.2
	Insurance	46.2	52.7	56.1
	Policies	53.3	58.4	60.2
	Control	63.5	67.7	63.8

Figure 10

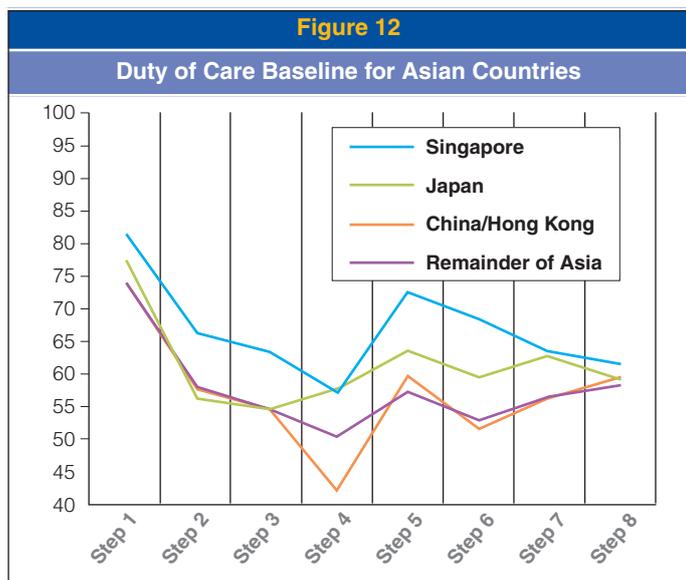
Duty of Care Indicators (Asian Countries)



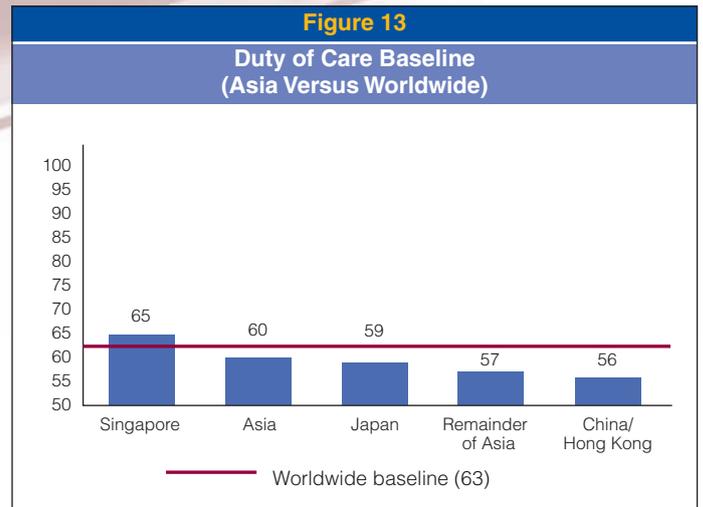
Duty of Care Baseline—Asia is below the worldwide baseline on the Duty of Care Risk Management Model, except for step 8 control and analysis (see Figure 11). Compared to worldwide, the higher step 8 score for Asia is due to a higher rating on the ‘control’ rather than the ‘analysis’ indicators. Higher control could be explained by the higher rating of Asian cultures on the ‘power distance’⁵ cultural value dimension.



As shown in Figure 12, Singapore scores significantly higher on all eight steps of the Duty of Care Risk Management Model. Meanwhile, China/Hong Kong and the Remainder of Asia score the lowest, with Japan in between.



Overall Duty of Care Score—The overall Duty of Care score for Asia is 60, which is below the Global Benchmarking Study worldwide baseline of 63 out of 100. Singapore operates above the worldwide baseline, with an overall score of 65. Japan, China/Hong Kong and the Remainder of Asia are below the worldwide baseline (see Figure 13).



These Duty of Care findings indicate that employers in Asia lag behind their counterparts in Australasia, Europe and North America. Yet, the overall poor performance is not shared by companies in all Asian countries, as Singapore scores above the worldwide baseline. The presence of more Global 500 companies in the Singapore sample may explain higher Duty of Care scores. The low Duty of Care score for Japan indicates that the Duty of Care concept is still likely unfamiliar, even among HR stakeholders.

⁵ Power distance expresses “the degree to which the less powerful members of a society accept and expect that power is distributed unequally” (Geert Hofstede, 1980).

Motivators, and Legal and Moral Obligations

In response to the question, “*My company is concerned about Duty of Care and travel risk management because...*,” regional respondents indicate the same top three motivators as their counterparts, but lower mean ratings.

“It’s the right thing to do for employees,” (a mean rating of 4.1 on a scale from 0 to 5, versus 4.3 worldwide).

“We care about the health, safety and security of our employees,” (a mean rating of 4.1 versus 4.4 worldwide).

“Prevention is less costly than taking care of incidents,” (a mean rating of 3.8 versus 3.9 worldwide).

As for legal responsibility, respondents in Asia were less likely to agree with the statement that “*It is the law,*” than the worldwide respondents (a mean rating of 3.4 versus 3.5 worldwide). None of these differences reached the level of statistical significance.

Conclusion

After comparing regional Duty of Care activities with those of global employers in the Global Benchmarking Study, 10 best practices are recommended for Asian employers (see Figure 14). In the right column, there is special emphasis for Asian organizations that wish to improve their activities.

In spite of the large number of Asia-based respondents from Global 500 employers, the Asian region operates below the worldwide Duty of Care baseline. This is likely due to several factors: First, Duty of Care is considered a ‘Western’ concept and, therefore, not very prominent in Asian business practices. Secondly, stakeholder ownership is less established in Asia, while risk tolerance seems likely to be higher. Finally, Global 500 companies, although advanced in their Duty of Care practices, may not be able to effectively deploy their strategies in Asia.

Most Asian governments have yet to implement the stringent Duty of Care legislation that is prevalent in other developed economies. Even when working for Global 500 companies (many of them with Western headquarters), the respondents of these companies do not feel that the Duty of Care practices are implemented in the Asian region where they operate. With regard to global mobility risks, it seems that respondents in Asia have a distorted perspective of their prevalence, focusing on regional issues and underestimating threats while recognizing the importance of communicable diseases.

Only a few stakeholders, such as those in occupational health and safety, safety/risk management and local HR, seem to understand the concept of Duty of Care from an operational perspective. Meanwhile, the travel management function seems to be less developed according to respondents in Asia, leaving gaps in very important travel management best practices. Additional variations exist within Asia. For example, Duty of Care practices seem to be more developed in Singapore than in China/Hong Kong and the Remainder of Asia, and Japan’s Duty of Care practices are below the worldwide baseline in spite of protective employee legislation.

In Asia, employer Duty of Care is not yet a central feature of an organization’s responsibility when managing global mobility. This may be due to regional perceptions that Duty of Care is a Western intervention (without any direct return on investment) and a concept that is difficult to implement, or incompatible with productivity demands. As Asia, especially China and India, becomes the economic engines of the world, there is still a tremendous gap with regard to Duty of Care practices compared to the West. The concept that regional companies have a ‘corporate social responsibility’ (or Duty of Care to society) is still in its infancy.

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

Figure 14

Duty of Care Best Practice Recommendations

10 Best Practices	Regional Focus for Employers in Asia
1 Increase awareness	Focus on increasing employer Duty of Care awareness for all stakeholders. The Asia region scores lower on all types of Duty of Care awareness than the rest of the world, including industry, company and stakeholder awareness. It seems that respondents in Asia have a limited (and perhaps distorted) perception of Duty of Care risks, which is not proportionate to the reality of these threats. Therefore, Asian companies must increase their Duty of Care obligations among all functional areas of the business, as well as their employees.
2 Plan with key stakeholders	Bring the different stakeholders together to develop a Duty of Care strategy and implementation plan. Duty of Care stakeholders and owners in Asia seem to be those directly involved in an organization's operational transactions, such as occupational health and safety/risk management, and local HR. Due to the lower awareness level and lack of legislation, it will take a concerted effort to raise awareness and develop a Duty of Care strategy and implementation plan. Leaders from different functional areas must work together to convince senior management that being a global company and partnering with Western companies involves taking responsibility for the health, safety and security of their employees.
3 Expand policies and procedures	Develop Duty of Care policies and procedures that are common in other parts of the world. Asia scored significantly lower on the 15 Duty of Care indicators than the rest of the world. Yet, in terms of policies and procedures, Japan (which scored the lowest on policies) and China/Hong Kong (which scored the lowest on procedures) were especially vulnerable. Asian companies can benefit from best practices of a number of developing different Duty of Care policies and procedures used in other parts of the world (such as policies related to travel management, travel booking, accommodation and transportation, rest breaks, restrictive employee behavior, and medical and security alerts, etc.).
4 Conduct due-diligence	Be aware that Western-based partners and vendors are conducting Duty of Care due diligence on Asian employers. Western companies typically do not delegate their Duty of Care responsibilities to vendors, subcontractors and business partners, etc. This means they are especially careful when conducting due diligence and selecting supply chain partners in countries where this is limited (or no) Duty of Care legislation (as is the case for most of Asia). This heavy focus on Duty of Care supports Western employers' goals of 'corporate social responsibility' toward their employees and other stakeholders, which minimizes reputational risk and costly litigation.
5 Communicate, educate and train	Encourage employee buy-in and create a Duty of Loyalty culture. Expanding awareness and ownership beyond management requires communication, education and training to gain employee buy-in and create a culture of engagement and loyalty.
6 Assess risk prior to every trip	Conduct a thorough risk assessment prior to every employee's international departure. While regional respondents perceive several Asian countries to be high-risk locations for their employees, there is a lower perception of the different types of risks (e.g., security risks), and a significantly higher occurrence of medical risks (e.g., infectious disease and pandemics). Since security risk awareness is low, and medical risk occurrence is high, Asian employers should include a risk assessment prior to employee travel (especially for international business travelers and international assignees who are often accompanied by dependents).
7 Track traveling employees at all times	Implement an employee tracking system. An employer's ability to track traveling employees at all times is necessary to be able to warn, protect, advise, assist and evacuate when necessary. Since most regional employee assistance is related to road accidents and illness, implementing an employee travel tracking system is a prerequisite to providing necessary assistance.
8 Implement an employee emergency response system	Implement an 'I'm okay' policy. One-third of regional respondents report that their companies have an 'I'm okay' policy. Regional employers could benefit from a broader definition of incident management and a process to review how travel disruptions are handled by their organization, and whether there was the potential for a situation to have been handled better (or worse). The key to managing incidents is having a communication protocol in place to contact traveling employees and assess whether they are okay in case of an emergency.
9 Implement additional management controls	Involve the accounting department to implement additional management controls. While 'control' is a higher issue in Asia than worldwide, there is still a general lack of controls and analysis functions with regard to Duty of Care. Because there are important liabilities associated with paying for employee travel, accounting departments should institute greater controls on these activities and become active stakeholders in upholding organizational Duty of Care obligations.
10 Ensure vendors are aligned	Unravel the chain of custody in vendor management. Companies using multiple vendors for Duty of Care must unravel the chain of custody and understand the importance of control and visibility over the care of the traveling employee. This means understanding whether the assistance company (vendor) works directly for the employer, whether it is outsourced or whether it reports directly to the insurer. In the chain of custody, there are many options that can be taken in regard to the worker's well-being. Hence, the employer needs to know what decisions are being made, why they are being made, what the options are and what risks are associated with the different options. If another organization (e.g., a vendor rather than the employer) is making those decisions on behalf of a company, then a Duty of Care breach may occur.

Sample Profile and Methodology

Of the 718 employees surveyed around the world, 168 of them represent 15 Asian countries, which accounts for 12% of all Global Benchmarking Study respondents. The country category entitled Remainder of Asia includes respondents from Cambodia, India, Indonesia, Kazakhstan, Malaysia, Pakistan, Philippines, South Korea, Taiwan, Thailand, Uzbekistan and Vietnam. The largest group of respondents in the Remainder of Asia (N=11) are from India (see Figure 15).

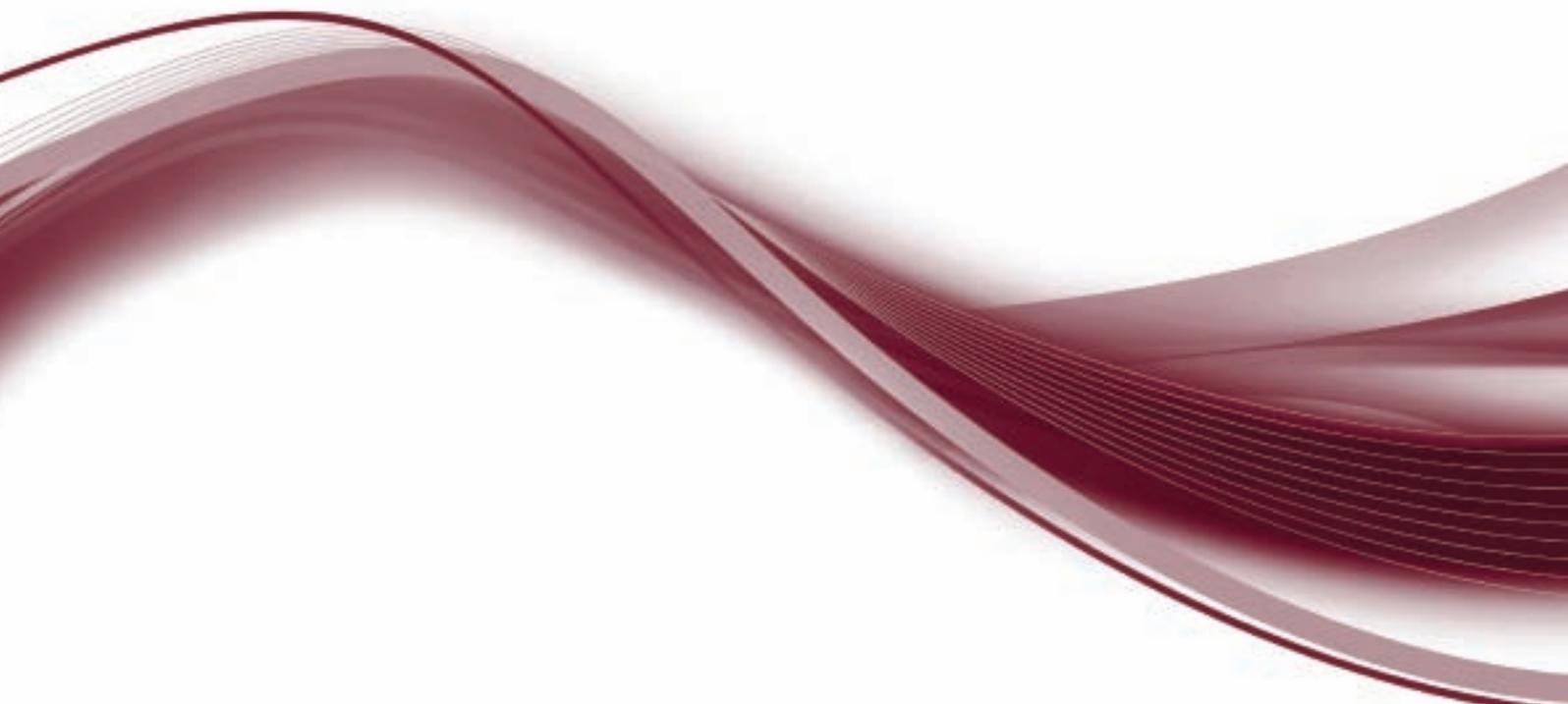
Figure 15	
Respondents in Asia	
Remainder of Asia (including 11 respondents from India)	61
China/Hong Kong	47*
Singapore	34
Japan	26

*Represents 38 respondents from Mainland China and nine from Hong Kong.

The regional respondents work in a variety of industries and for small, medium and large companies. The majority of them are employed at for-profit companies (90.5%), while the remaining work for educational institutions (4.2%), governmental organizations (3%), and non-governmental organizations (NGOs) (2.4%). There are slightly more respondents from Global 500 companies in the Asian sample than in the Global Benchmarking Study (16.7% versus 15.2%). Japan (34.6%) and Singapore (23.5%) have the highest proportion of respondents from Global 500 companies, and the China/Hong Kong region has the lowest (8.5%). Yet, the Remainder of Asia (including India) has a higher proportion from Global 500 companies than the Global Benchmarking Study (21.3% versus 15.2%). Compared to the worldwide sample, the Asian sample contains fewer respondents from NGOs (2.4% versus 5.8%), and slightly more from the for-profit (90.5% versus 88%) and educational sectors (4.2% versus 3.8%).

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 indicators, which rolled up into the eight steps of the Integrated Duty of Care Risk Management Model 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 Asian baseline (overall Duty of Care score of 60) is compared with the worldwide benchmarking score (63)⁶.

⁶ For the detailed benchmarking methodology, please refer to the Global Benchmarking Study.



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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 and/or www.dialoguesondutyofcare.com.

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