

Protecting Your Employees – A Duty of Care

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Globalisation and increased foreign trade has meant that more and more corporate employees are traveling outside of their home countries. Unfortunately, this trend has coincided with a significant rise in terrorist activity over the years, coupled with the perception that foreign business travelers are seen as a higher value target.

There is an increasing expectation amongst employees, at all levels, that the company take appropriate measures to both evaluate potential risk and to take appropriate steps to mitigate it; especially when sending their employees to unfamiliar locations. Many human resources departments now deploy regular tracking mechanisms to monitor the movements of key staff around the region, and maintain the ability, through outside risk and security consultants, to pass them important messages in real time, advising them of potential threats or of actual incidents. Some international companies have sophisticated, insurance-related response programs to cover eventualities, such as kidnap and ransom, medical and other evacuations, and crisis containment services which address various scenarios.

Companies which fail to address the above may be subject to possible legal action, resulting in significant penalties, as well as negative public relations and damage to corporate image.

The forthcoming World Cup soccer tournament in South Africa will, for example, present considerable challenges to corporations who are sending their employees, or perhaps sponsoring their most important clients to attend the events. There will be a reasonable expectation that appropriate measures are in place, and that, at the very least, the locations at which the employees and the guests are staying are safe

and secure as is the transportation between these locations and the matches.

Whilst the South African authorities and F.I.F.A. have overall responsibility for the venue security, South Africa remains a crime-ridden location with a very high incidence of robbery, violence against persons and sexual assaults. It is therefore not acceptable for companies to simply buy air tickets and pay for hotel bills; what is required is a professional threat assessment coupled with careful site selection and regular security updates and briefings for staff, prior to, during, and post the events. These resources can be provided by professional risk mitigation and security consulting organisations such as FTI-International Risk. Failing to provide these basic services again may expose companies to potential future risk.

As it relates to pure terrorism, the Mumbai attacks of November 2008 – and more recently, the twin hotel bombings in Jakarta - grabbed the attention of the world. These attacks also represent a stark reminder to corporations that the security of its staff (all of them, not just the senior executives) remains absolutely crucial



in these turbulent times. Companies need not only to take appropriate measures, but also to communicate to affected staff that they are doing so.

The Mumbai terrorists had targeted iconic hotels, trapping many foreign executives inside; some of them found themselves communicating the situation to the outside world through their mobile phones and blackberries. Following the incident, understandably, these executives and professionals admitted that they did not know how to react in such a situation, and also that they had no capacity to reach out to a designated point for suitable advice; instead, they had resorted to their basic instincts for survival.

Even basic or limited briefings and training for professionals working overseas can be beneficial, and will at least reduce, to a certain extent, the stress levels and anxiety experienced during any given incident. If this expertise is not available in-house, then again it should be outsourced to appropriate professional firms.

In the aftermath of these savage attacks, there was a predictable overreaction. There were initially reports of expatriate executives leaving India in large numbers, or being “evacuated” by their companies a long time after the event (effectively, bolting the stables after the horses have escaped).

There is no crystal ball to indicate precisely where the next incident might occur, but there are some basic precautions that employees and corporations can take to improve their chances or to assist them in avoiding potential problem areas. For example, in October 2008, just weeks before the siege in Mumbai, International Risk issued a detailed advisory warning that it was likely that India would face a significant upsurge in terrorist activity. The forecast predicted more terrorist attacks in South Asia, specifically in Mumbai. Based upon this assessment, FTI-International Risk advised our clients to avoid likely target areas, such as iconic or high-profile venues and instead, to stay in more discreet or down market locations.

Another equally worrying trend is in China, where there have been numerous reported cases of accounting professionals or others working on

distressed asset situations, being unlawfully detained by creditors, or even physically assaulted whilst visiting factories. Workers and others who believed they were owed money took these desperate steps. In most of these situations, the executives were perceived to be useful bargaining chips in the aggrieved party's demands for payment. Unfortunately, in some of these situations and despite being formally alerted, some local law enforcement officials were unresponsive to pleas for help, and were perhaps more sympathetic to the local parties and reluctant to intervene. This resulted in grave difficulties and stress for those accountants and professionals concerned.

The lesson to be drawn from these situations in China is that professional services firms and others involved in dealing with distressed asset situations, must consider the safety and welfare of their staff before blindly sending them into these locations. We recommend that the senior partner or equivalent should be responsible and accountable for conducting a thorough threat assessment. When in doubt, expert professional assistance should be sought. If it is obvious that the issue is highly contentious and that a significant labour dispute is already underway, staff should only be dispatched together with expert risk professionals, who will guide them through difficulties as they may occur.

My experience suggests that it is very difficult to resolve these problems if no forward planning has been conducted. All basic information as to the visiting team (ie. their identities, agenda, itinerary, etc.) should be filed with the risk or human resources department prior to the team's departure. Details should also include any special medical conditions that any of the team may have, or medicines which they may require for a sustained trip. If all these things are done, then specialist consultancies like FTI-International Risk can react much more quickly and effectively, should a problem occur.

Also, if the matter is likely to be highly contentious, it may be possible to “take some steam” out of the issue by conducting key meetings offsite, perhaps in a lawyer's office, well away from the sharp end of the situation and the bulk of the angry crowd.

The above examples should serve to remind corporations of the necessity to take steps to protect their employees. More so than ever before, organisations are recognising the need to develop and implement risk and corporate security programs. Companies clearly have a duty of care to ensure that all reasonable steps are in place to protect their employees.

The components of an effective risk and security travel program should include both proactive and reactive elements.

It is important that clear and accessible records of the whereabouts and agendas of traveling professionals are fully available; the organisation should engage in regular monitoring of the region from a risk and stability point of view, and pay particular attention to current events such as political instability, tensions with the local public, and so forth. It is also advisable to seek advice from government travel advisories such as the U.K. Foreign and Commonwealth Office (www.fco.gov.uk/travel) or the U.S. Department of State Travel Advisory (www.travel.state.gov). Additionally, as governments can be slow or reluctant to issue negative advisories, companies should also check with www.intl-risk.com for independent and impartial advice. Bespoke assessments are advisable in high risk areas.

A key step to an effective response mechanism to protect corporate employees is the setting up of an internal crisis hotline and formally documenting procedures for such eventualities as evacuation, etc. These, of course, should be supported by the organisation's wider crisis containment policies and procedures. Efforts should be made to ensure that this information is disseminated to all relevant managers both at headquarters and local levels.

Testing of these programs and systems is important, and frequently, I recommend that companies tag on two or three hours to their regular board or management meetings to run simulations of such plans.

Once up and running, corporate security and risk containment programs (including elements mentioned above) are relatively easy to manage, and provide employees with a level of assurance as to their well-being and safety.

It is most important that any program's primary goal is to inform, train and equip employees to handle crises that may threaten their physical safety.

From a corporate perspective, the key is to remember is that "*failing to plan, is planning to fail*".

This article was the sixth of a six-part series on Corporate Risk Mitigation, in co-operation with and published in the South China Morning Post.



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