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# How Prepared Are Expatriates for Global Assignments?

By Kenneth Burgess, Leidos Health and Neill M. Carson, Ph.D., International Assignment Profile Inc.

Protecting  
employees  
overseas is  
essential  
more than  
ever.

Dispatching expatriates, families and business travelers to offshore locations today is a high-risk proposition for the organization and its assignees, mandating adherence to Duty of Care (DOC) responsibilities — moral and legal obligations for employers to protect the health, safety and security of employees and families wherever they work, so far as is practically possible.

Despite the growing security issues, the global nature of operations and supply chains will lead more workers to live or travel internationally to do business. Respondents to PriceWaterhouseCoopers' "Talent Mobility 2020" study predict expat assignments will grow from an average of 200 per company in 2008

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**WHEN SUCCESSFUL,** these assignments expand an organization's global footprint, increase its sales and market presence, and help build its talent pool.

to 375 by 2020. That nearly 50% growth in cross-border assignments indicates that DOC will be an increasingly critical risk-management tool.

DOC, which was an enlightened business practice, is rapidly becoming an obligation with severe penalties for neglecting the moral and legal standards of care and concern for an expatriate employee and family's well-being, both physical and psychological.

For United States-based businesses, Duty of Care falls under Occupational Safety and Health Administration (OSHA) regulations, specifically Section 5(a). In countries with specific DOC legislation, including at least eight Western nations, the laws protect not only safety and health concerns for expatriate employees and their family members but also their mental health, particularly related to psychological stress and wellness. For example, the United Kingdom has criminal as well as civil penalties for violations

involving the death of an employee or family member.

Analyses by HR and survey organizations indicate that U.S. organizations fall far behind others in providing DOC support for international assignees and business travelers. Those studies also show that U.S. companies continue to have high rates of assignment failure as compared to others, and that those failures are most often related to the spouse (or partner), assignee or family member's inability to adapt to a host country's culture.

This article explains how expanding on the services required under Duty of Care will not only enable companies to assure DOC compliance, but can also have a strong, positive effect on assignee success.

### International Assignments

When successful, these assignments expand an organization's global footprint, increase its sales and market presence, and help build its talent pool. Failures, however, exact huge costs, from the expense of initially sending assignees and families offshore to unrealized business opportunities. Moreover, assignee/family dissatisfaction with the company frequently results in key employees leaving the organization shortly after returning stateside, HR management research shows. Failure here includes not only the need for early repatriation, but also the

## Defining DOC Legality

**Duty of Care (DOC)** is a legal obligation imposed on an individual or company requiring adherence to a standard of reasonable care while performing any acts that could foreseeably lead to harm or injury. DOC applies to all of an organization's employees, including those living/working abroad (expatriates and their accompanying family members) and business travelers. If a company's actions toward an expatriate and his/her family do not meet a reasonable standard of care, such deficiency could be considered negligence.



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# LIVING AND WORKING in an unfamiliar environment and culture is complex, tricky and emotionally taxing, particularly when one is far removed from familiar resources and remedies.

inability to navigate an unfamiliar cultural landscape or failure to achieve business objectives.

Living and working in an unfamiliar environment and culture is complex, tricky and emotionally taxing, particularly when one is far removed from familiar resources and remedies. Research shows that U.S. organizations have done well in providing assignees with their legal, financial and “settling-in” needs, but not so well with regard to social support. For example, the majority of those interviewed in a 2015 study

conducted by Cigna and the National Foreign Trade Council responded that a lack of ongoing communication from the home office and the need for in-country social support were major assignment deficiencies.

Yet, organizations continue to experience high rates of failure because time and again they neglect the importance of predeparture training and ongoing support to assignment safety and success. Annual losses due to failed assignments are estimated to cost U.S. businesses from \$2 to \$2.5 billion annually, with reported failure rates as high as 25% according to a Georgetown University study. Rates are estimated to be even higher when sending employees to emerging economies.

International legal trends continue to shift the burden for mitigating risk squarely onto companies, with DOC becoming a central concept in assessing an organization’s obligations toward its employees. An employer can be found negligent by failing to do everything reasonable and necessary to keep employees safe from harm. The health focus has broadened, and now includes mental as well as physical health issues.

Some proactive business leaders in the U.S. are already incorporating DOC practices into their planning in order to focus their risk-management activities and ensure organizational compliance. This has been true of business leaders in the United Kingdom, Western Europe,

## Duty of Care To-Do List

- Provide a safe working environment (including hotels, airlines, rental cars, etc.)
- Provide relevant information and instruction on known potential hazards and threats
- Provide supervision to ensure worker safety at all times
- Continually monitor the health and safety of employees and their families
- Employ qualified people to provide health and safety education and advice
- Monitor conditions at all business locations
- Put in place and regularly review emergency evacuation plans/services
- Maintain appropriate records to document proper service implementation.

Australia and New Zealand for more than a decade.

Duty of Care litigation has been on the rise, particularly in Western countries where DOC laws are securely in place. In those countries, employees do not have to prove anything. They only have to make a reasonable argument that their company was negligent, even if there is evidence that the company was careful. A 2011 article by White & Case LLP stated that “liability exposure in the overseas-employee-injury context can be significant, sometimes it’s ‘bet-the-company’ litigation.”

### Failing the Family

Despite the research and information available on the topic, U.S. companies continue to disregard the critical area of family when preparing candidates. In failing to assure that help, guidance and support are available both prior to departure

and on assignment, U.S. organizations also continue to overlook the critical area of repatriation and repatriation planning.

A recently released study from Chestnut Global Partners has serious implications for the understanding of the “psychologically safe workplace” and the inherent stress of an international assignment, not only on the employee but also on the spouse/partner and an accompanying family. In this study, expatriates were compared with a matched sample of non-expats, and the expatriates showed increased incidences of almost every major mental-health dysfunction, including depression, anxiety, stress disorder, family dysfunction as well as increased rates of alcohol and drug use.

The inescapable conclusion from this study is that an international assignment produces a demonstrably increased risk for the employee

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and family, and knowing this, the employer assumes the duty and liability of helping an employee and family assess and prepare for this increased risk. Failure to do so could appear as a serious breach of Duty of Care.

Furthermore, it is probable that an employee (or his/her family) is unlikely to know of this scientific research and therefore trustingly embarks on the assignment with family in tow. Meanwhile, the employer should know (or should have known) about this stressful condition, and inform and assist the employee and family in assessing and coping with the upcoming

stress. Ignorance on the part of the employee is easily forgiven, but the same ignorance on the part of the employer constitutes serious negligence and a breach of Duty of Care.

## Beyond Business Costs

In short, forward-looking organizations have realized that pre-assignment assessment and preparation provide benefits, including talent development and retention as well as fewer failed and compromised assignments.

With the emergence of the responsibilities under Duty of Care in the United States, a failure to sufficiently prepare the expat and his/her family will no longer only be reflected in lowered assignment performance, but can result in severe legal penalties far exceeding mere business losses. **WS**

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## BEST PRACTICES FOR EXPATRIATES

Well-prepared expatriates and families are those who:

- | Clearly understand what their predeparture training entails, their responsibilities when completing it, and why the organization has put this process in place.
- | Have objectives that are clear and understood and supported by everyone.
- | Generally know what to expect when they arrive in-country.
- | Have an understanding of the host-country culture.
- | Have been prepared for and understand culture shock and its stages.
- | Can at least “communicate” with host nationals upon arrival.
- | Have some understanding of what the assignment means with respect to their spouse’s/partner’s career.
- | Have a career path and some idea of what their next assignment/position will be.
- | Understand and are prepared for the “reverse” culture shock associated with re-entry.
- | Know why the company is committed to repatriation as an integral component of the expatriation process.

### resources plus

For more information, books and education related to this topic, log on to [worldatwork.org](http://worldatwork.org) and use any or all of these keywords:

- | Expatriates
- | Benefits
- | Compliance.

### Resource List

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