# FCM

# Understanding travel risk

# management

## FCM INSIGHT

# The diversity of travel risk

**83%**

**83% of female travellers have experienced a safety related event in the last 12 months.**

**The world is an increasingly dangerous place, so the health and safety of business travellers is rightly at the top of the corporate agenda.**

Although the diversity of travel risk is a challenge for travel managers, on an everyday level, business travellers' biggest concerns are more mundane. Male travellers dread winding up in the middle seat on the aircraft[3] whilst male and female travellers alike cite late night travel as their biggest concern.[4]

**Female business travellers**

Women now account for more than 40% of all business travellers and face additional risks including sexual harassment, assault, theft and cultural issues in specific parts of the world.

83% of female travellers have experienced a safety related event in the last 12 months, and 80% say those events impacted their work productivity. Yet just 18% of corporate travel safety policies specifically address female safety needs.[5]

**Wellness**

Poor health and well-being are risks common to male and female business travellers alike. Frequent business travellers are more likely to suffer stress, sleep interruption, unhealthy eating and drinking, and are less likely to exercise. 75% of business travellers report high or very high stress6 whilst 25% link prolonged absences from home with depression and anxiety.[7]

**83%**

83% of female travellers have experienced a safety related event in the last 12 months.

# The diversity of travel risk

## The world is an increasingly dangerous place, so the health and safety of business travellers is rightly at the top of the corporate agenda.

Although the diversity of travel risk is a challenge for travel managers, on an everyday level, business travellers' biggest concerns are more mundane. Male travellers dread winding up in the middle seat on the aircraft3 whilst male and female travellers alike cite late night travel as their biggest concern.4
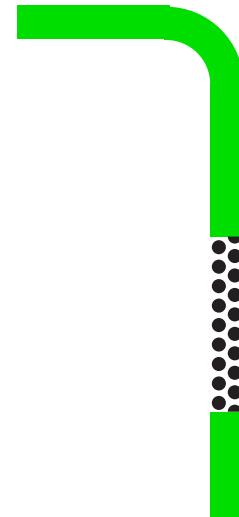
### Female business travellers

Women now account for more than 40% of all business travellers and face additional risks including sexual harassment, assault, theft and cultural issues in specific parts of the world.

83% of female travellers have experienced a safety related event

in the last 12 months, and 80% say those events impacted their work productivity. Yet just 18% of corporate travel safety policies specifically address female safety needs.5

### Wellness

Poor health and well-being are risks common to male and female business travellers alike. Frequent business travellers are more likely to suffer stress, sleep interruption, unhealthy eating and drinking, and are less likely to exercise. 75% of business travellers report high or very high stress6 whilst 25% link prolonged absences from home with depression and anxiety.7

travel policies that consider the impact of trip-related stress can improve corporate productivity by up to

**32%**

Business travellers are also more likely to behave in a risky way whilst on work trips. 46% are more likely to consume alcohol; 35% are more likely to visit bars and nightclubs. A third are more likely to travel to areas they don't know are safe than they would normally.

### Duty of care

Corporates' duty of care to ensure the health, safety and wellbeing of their employees, wherever they work, is a legal requirement in many countries. In 2007 the UK was amongst the first to legislate company duty of care obligations when it passed the Corporate Manslaughter and Corporate Homicide Act. Australia, France, New Zealand, the U.S. and Canada have similar laws in place.

Legally, employers must not only conform to relevant health & safety and employment law, but also have a moral and ethical duty not to cause, or fail to prevent, physical or psychological injury (to their employees), and must fulfil their responsibilities with regard to personal injury and negligence claims.

Employers' obligations are wide-ranging. They include clearly defining jobs and undertaking risk assessments, to ensuring a safe work environment and that staff do not work excessive hours, to protecting staff from bullying, harassment or discrimination. These stipulations apply equally to employees travelling for business, anywhere in the world. The penalties for breaches range from unlimited fines up to imprisonment for senior executives.

With business travel volumes and corporate awareness of their Duty of Care obligations growing, it's essential that organizations have robust processes in place to deal with any issues that may arise. Unsurprisingly, corporate attitudes to Travel Risk Management (TRM) have changed significantly in the decade since the Corporate Manslaughter Act came into effect.

### Mitigating risk

The security, physical and mental health of travellers is employers' top priority. That's because travel policies that consider the impact of trip-related stress can improve corporate productivity by up to 32%.

A third of business travellers don't believe their companies adequately address safety issues  Those that do keep their travellers informed of potential destination-related issues during trips, either by SMS (travellers preferred medium), e-mail, live chat and voice assistant. There's still a long way to go, however. Under 50% of women report personal safety incidents to their organizations. Some say this is women don't want to be perceived as weak within their organizations or that, by reporting an incident, opportunities for career progression may be affected.

Although organisations provide all travellers with security resources such as 24-hour emergency hotlines, only 44% book their female travellers women into hotel rooms with additional safety features like double locks and 24-hour security. 60% are rarely or ever offered chauffeured transportation services at their destinations, even those in environments known to be hostile.

"Polarising events such as the tensions over North Korea, and even elections in Latin American and even European countries should also be on corporates' TRM radar" says Pip.

**Role of the TMC**

TMCs have a key role to play in supporting their clients' duty of care responsibilities. Although most safety-related incidents faced by business travellers tend to be low-risk (e.g. lost baggage), the range of risk is becoming broader.

From theft leading to loss of sensitive company information up to major terrorist incidents. TMCs are therefore stepping up their efforts to support clients with their Travel Risk Management (TRM) solutions and the creation or revision of crisis management plans and response processes tailored to their clients' structures and cultures.

FCM's TRM product leader Pip English emphasises that the focus should not be solely on worst case scenarios. "The threat from terrorist activity is real and should definitely be considered in formulating an organisation's crisis management plan. However, risk related to geo-political activity or health concerns tends to affect a far greater number of travellers", says English.

"Terrorism inspires fear and grabs headlines but is often isolated. Risks can be much more widespread. For example, infectious disease in most virulent form (and indeed at flu-level) can be hard to contain from person to person. Organisations should prepare for the worst but not at the expense of the frequent."

Pip cites the continuing refugee situation as an example of geo-political threat. "According to the UN High Commissioner for Refugees, in January 2019 there were 70.8 million displaced persons worldwide. The refugee crisis in North Africa has strained water supplies and health infrastructure and placed an additional load on security services. The knock-on effect of this is depleted vaccine stocks in many EU nations, so routine vaccinations for residents, refugees, immigrants, ex-pats and business travellers will be impacted."

# Be prepared

## So what should travel managers be doing to meet every-increasing duty of care obligations to mitigate travel risk?

**1** There are five stages of travel risk management; identifying the risk, the traveller, communication and response. Each should be included in any TRM plan.

**2** Risk varies according to location, environment and circumstance. Make travellers visit is visible – not just the life-threatening ones. Just knowing where is a traveller is doesn't mean you have a workable plan in place to help when things go wrong. Make it clear to the traveller what those risks are, what measures are being taken in the interests of their safety.

**3** Prepare your travellers before they travel. Make sure they have the latest advice on vaccination requirements and where to get them. Educate them on potential health risks, how to prevent them and what to do if they do fall ill whilst travelling on business.

**4** It's important that health response plans cover extreme eventualities such as a country closing its borders due to disease outbreak, but also more everyday risks such as traffic accidents and personal theft. Travellers need to know what action to take and the support they will receive in these circumstances.

**5** Having a TRM plan is great, but response processes, communication channels and traveller perceptions of the available support need to be checked and reviewed regularly. If they don't work, you could be in real trouble.

**6** Your TMC can work with you to review or implement your TRM solution and support your travelling employees with their own Customer Crisis Plan.

SOURCES

1. World Economic Forum 2019

2. World Aware Global Focus 2019

3. Global Business Travel Association (GBTA) & Airlines Reporting Corporation 2018

4. FCM U.S. Business Traveller Survey 2019

5. GBTA 2018

6. World Bank survey 2018

7. International SOS and Kingston University survey 2018

8. FCM U.S. Business Traveler Survey 2019

## About FCM

FCM is a single global brand providing a comprehensive range of corporate travel and expense management solutions. We have a presence in more than 95 countries and are regarded as one of the top five travel management companies in the world. FCM is responsible for the travel programmes of some of the world's most successful corporate brands.

It has always been personalised service that sets FCM apart from the rest and we blend this with innovative technology and unrivalled access to content to drive the optimum performance of your travel programme.

Contact us today to find out how FCM can elevate the performance of your corporate travel programme.

FCM Travel Solutions