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Managing Global Mobility in Hostile Environments

Exploring the physical, social and
psychological threats

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Note from the author

*Due to rounding, percentages in
all figures and tables in this report
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Introduction

“Thousands feared dead as World Trade Centre is toppled”, ran the headline by the New York Times (James Barron) after the infamous 9/11 terrorist attacks in the USA. Terrorism and danger constantly capture the media headlines. Since the outcry after the terrorist attacks on New York and Washington, terrorism has become a significant consideration both in the business context in general (Suder, 2004) and for Global Mobility (GM) specifically (Gannon & Paraskevas, 2019). However, focussing on terrorism alone is not enough to truly understand the issues regarding quality of host environments that expatriates face.

Bader, Schuster and Dickmann (2019) outline many factors that characterize hostile environments. These include country-level issues such as government policy, institutional hostility (including complexity, cost, equal treatment of all and permanence of regulations) and the actual threat related to man-made dangers (terrorism, crime) and environmental threats (natural disasters). At an organizational level, the authors urge companies to look at their strategies, policies and practices, including such activities as security trainings or emergency/crisis planning and management. At an individual level, they identify issues such as global assignees’ sensitivity and reaction to hostile acts or coping strategies, and activities that impact the success of the internationally mobile workforce in hostile environments. Across many western countries in particular, the rise of populism has seen the election of political figures and parties who promote what many people view as negative stereotypes and attitudes towards migrants and foreign nationals, to enable them to further their own political goals.

These **contextual** elements are important as they are mirrored in active or passive welcoming behaviours or (sometimes) low-level aggression by locals. While this report uses expatriates when discussing host environment hostility towards foreign nationals, clearly locals do not alter their behaviours towards global workers (or foreigners) based on the form of international work that they carry out. So, by

using the term assignees, we are simply referring to a variety of forms of international work, including traditional expatriates, self-initiated expatriates, global business travellers or cross-border commuters. Even international holiday makers or long-term migrants without a job tend to face similar issues regarding the quality of their host environment.

This report, a part of the RES Forum Annual Report 2020, adopts a broad view when analyzing the environment that global assignees are embedded into. The argument is based on key insights in the GM literature as well as data from a RES Forum survey on the Quality of Host Environment & the GM Employee Value Proposition that was answered by senior managers from 41 multinational corporations (MNCs). More than 60% of these companies have more than 100 global assignees, with a third having more than 500. These MNCs operate in a variety of industries such as technology, energy, aerospace & aviation, automotive, banking & finance, chemical & pharmaceutical, engineering, FMCG, professional services, retail, manufacturing and healthcare.

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Understanding the overall quality of host environments includes physical as well as social and psychological elements that shape the experiences of international assignees.

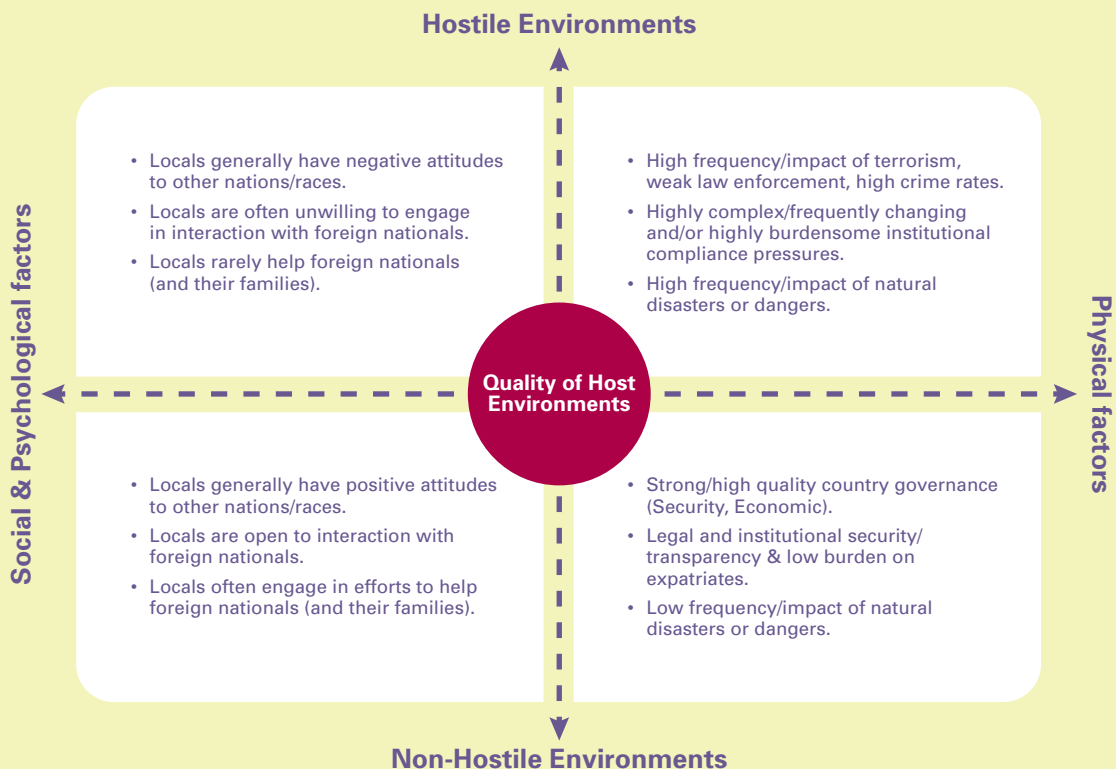
Their company head offices are predominantly located in North America and Europe (USA, UK, Germany, Netherlands, Canada, Finland, France, Italy, Norway, Spain, Switzerland) but also in Latin America and Australia.

Their geographical spread is wide as half of these corporations operate in at least 50 different countries. Exploring their location spread showed that the large majority of our responding organizations had experience with hardship locations and hostile environments. None of them have fewer than 1,000 employees (with more than half having in excess of 25,000 staff).

Crucially, this report explores the quality of environments in which internationally mobile employees find

themselves going beyond a simple focus on terrorism and physical dangers to include social and psychological elements. We encompass these more intangible aspects of living abroad as these have clear effects on how assignees feel and behave in their host environments. We factor in general attitudes of the local population and host teams with respect to issues such as whether they are perceived to be welcoming, friendly, open and helpful. This is surely a generalization of many intricate and individualized actions and beliefs of host country nationals and generates, therefore, a simplified picture that does not apply to each and every person in a particular country. Given that companies and GM leaders have to take decisions relating to general market circumstances, broad country-patterns and socio-cultural as well as institutional contexts, we believe that the GM information contained in this chapter, while simplified, is relevant and helpful in making those decisions. Understanding the overall quality of host environments, therefore, includes physical as well as social and psychological elements that shape the experiences, attitudes and behaviours of international assignees. Figure 1 depicts the key elements that characterize host environments. This does not only allow a superior understanding of local context for individuals and organizations but also allows us to create a more nuanced understanding and to formulate management recommendations and Global Mobility metrics.

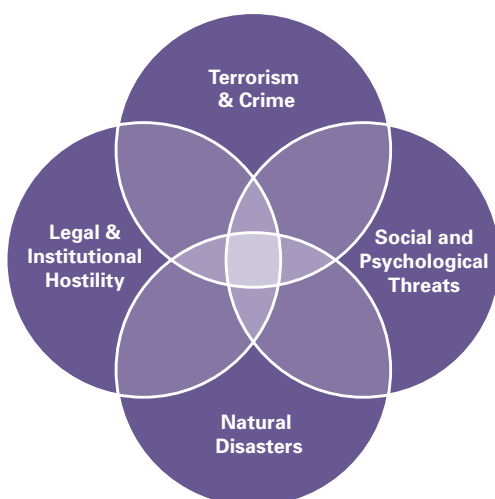
Figure 1: Key Influences on the Quality of Host Environments



Understanding different forms of hostile and non-hostile environments

Most academic research has concentrated on physically dangerous environments with the focus of the attention on terrorist and highly criminal contexts. In addition, there has also been some work on legal and institutional hostility (although mostly by international lawyers and migration professionals rather than GM experts) and some analysis of natural disasters (predominantly by environmentalist, natural scientist or governmental organizations). Too little work has been devoted to understanding the effects of social and psychological threats – e.g. of unwelcoming locals – on international assignees. Thus, the RES Forum research that explores the broad spectrum of factors that determine the quality of the host environment is advancing our insights.

Figure 2: Different Forms of Hostility Impacting Global Assignees



“No freedom of speech, no democracy, much higher pollution rate, safety regulations are almost non-existent...”

GM Consultant, Americas Region

Surveys in the areas of social/psychological hostility and physical danger to international assignees are rare and there is always a worry that respondents do not necessarily understand the local conditions on the ground. Therefore, in our survey, we asked experts with a good overview – senior GM professionals – who have contact with many expatriates, about their assessments with regard to their company’s safest, most physically hostile, most and least friendly assignment locations. The resulting picture is, nevertheless, only an indication of overall trends and impressions.

The safest assignment countries are states with highly developed economies, strong institutions and a history of consistent and systematic implementation of laws and regulations. The countries stated by respondents normally included a range of North American and European countries as well as Australia, New Zealand and Singapore.

Figure 3a: Safest and most hostile countries that respondents send assignees to

- Safest Countries
- Most Hostile Countries
- Other Hostile Countries

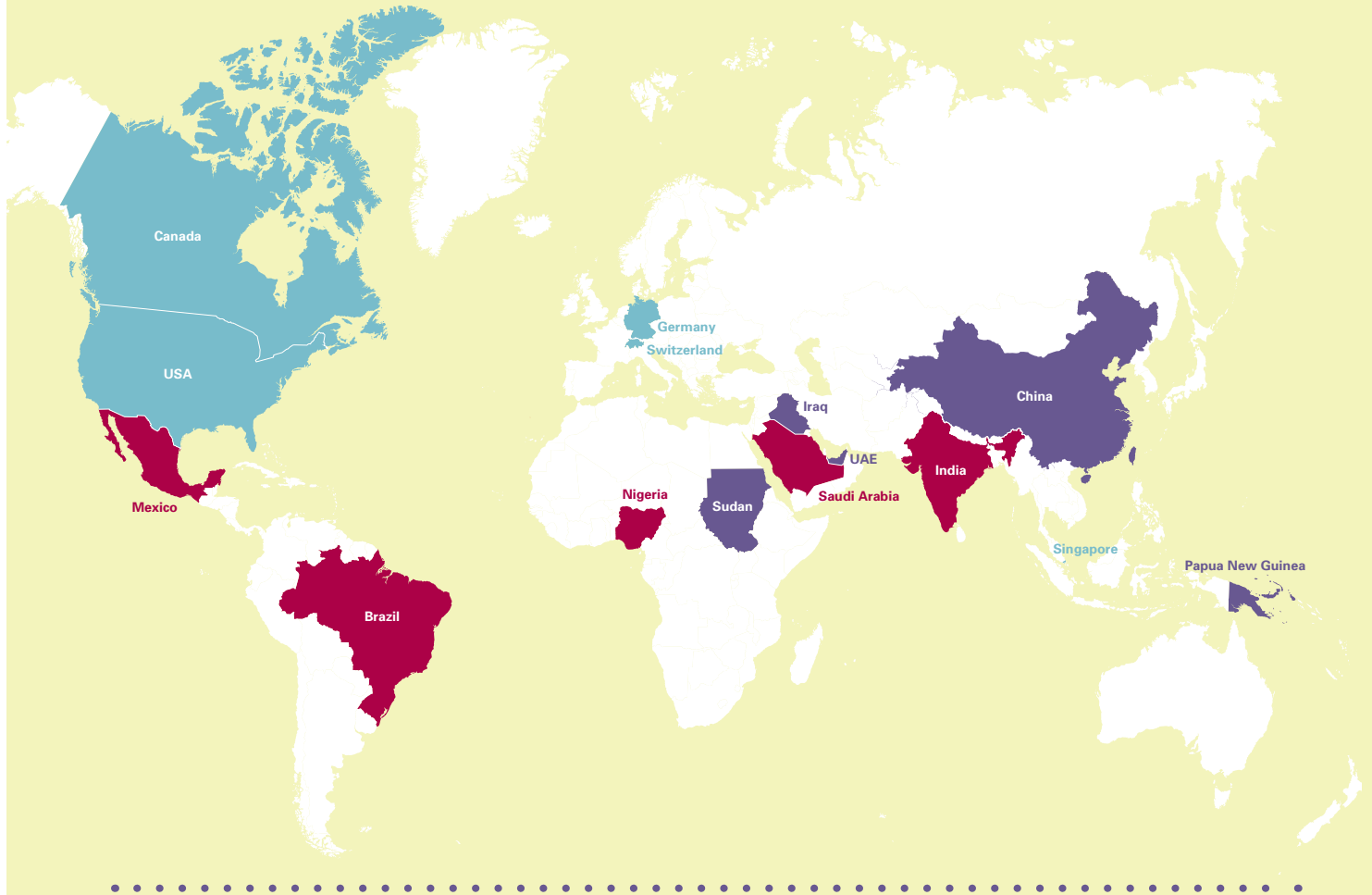
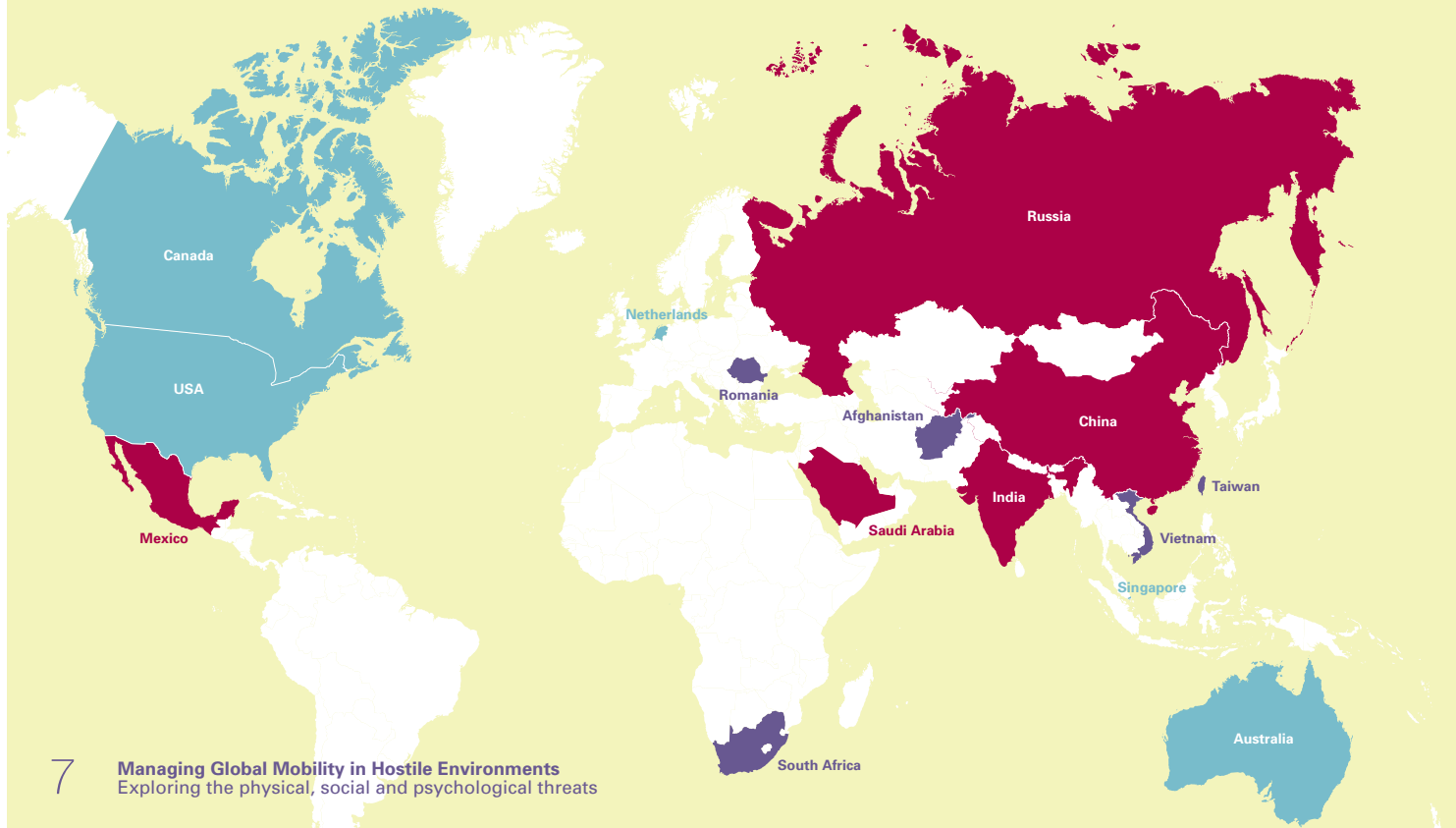


Figure 3b: Friendliest and least friendly countries that respondents send assignees to

- Friendliest Countries
- Least Friendly Countries
- Other Unfriendly Countries



The friendliest countries that were seen as posing low social and psychological threats also included predominantly developed market economies where the command of English as the lingua franca was excellent. This may make expatriate–local interactions easier. The pattern amongst the less friendly countries was very varied although they tended to be poorer, less developed and have a lower percentage of good English speakers (with the notable exception of South Africa) in their populations. The most physically hostile countries are often afflicted by ineffective governance, a lack of legal transparency, high wealth and earnings inequality and high levels of crime and violence. Interestingly, there is a substantial overlap of unfriendly and hostile environments.

Ineffective governments, a lack of transparency and high inequality are often associated with hostile and unfriendly environments for international assignees.



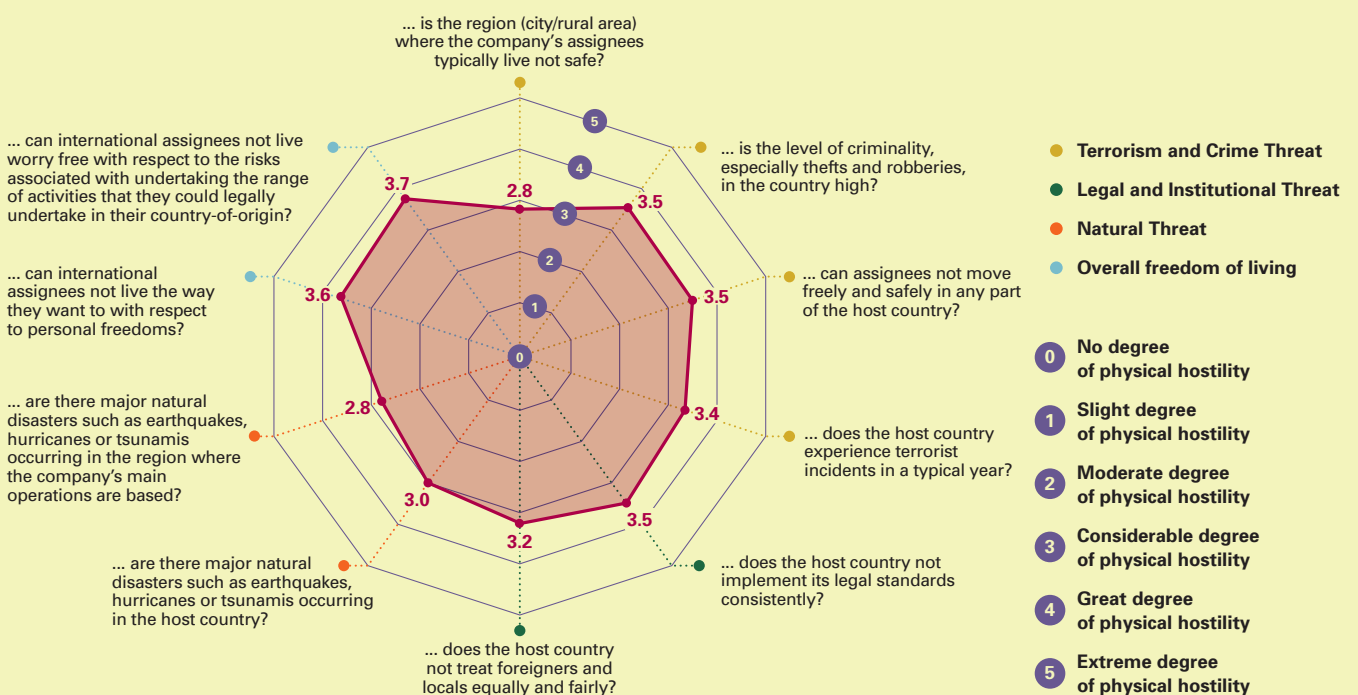
Managing in physically hostile environments

We know from earlier research that physically hostile environments pose a large number of challenges at a country-level. These (often fragile) states cannot guarantee security or the rule of law for their citizens leading to emigration and brain-drain (Dickmann & Watson, 2017; Dickmann and Parry, 2019). The confidence in the society and its achievements is somewhat stunted, economic growth is erratic and often slow, exports are negatively affected and bilateral trade is far from its potential size (Schuster et al., 2019). Organizations find that these locations are incredibly unattractive to employees as potential assignment destinations and they therefore need to compensate through higher rewards or other package elements. It is common for companies to implement

training and initiatives to improve the security of their international staff such as providing armoured cars and secure housing. In addition, some companies – with the informed consent and cooperation of their assignees – go further to design security and rescue services using geo-tracking information. Geo-tracking uses devices – mostly mobile phones – to identify the physical location of a foreign worker. Security providers tend to define areas in which global assignees are likely to operate and, if the assignees leave these areas, an alarm is triggered. This critical incident often leads to the mobile phone falsely appearing to be out of battery when in fact, its microphone is likely to be switched on, communicating to an incident response centre and a response unit/security services/police being dispatched.

FIGURE 4: Understanding threat levels in physically hostile environments

Question: For the most hostile countries, to what extent...





“We provide special security procedures, armoured cars, evacuation plans, unaccompanied assignments (without family).”

Global Mobility Specialist, Netherlands, EMEA Region

Even with all the support elements in place, the success of work in hostile environments is often low and it is common for assignees to want to return early from their assignments. In addition, the post assignment labour turnover levels are higher than for the average repatriate. The work motivation and task involvement of individuals in physically hostile environments is often relatively low – with the exception of people driven by humanitarian objectives in aid organizations (Dickmann & Cerdin, 2018) – and their job satisfaction as well as their psychological well-being seems to suffer (Bader & Berg, 2013).

Figure 4, the physical hostility figure shows that the level of danger and threat in some countries is very high. This is not surprising as the survey asked respondents to comment about the operational location that their MNC deems as most hostile. However, what is particularly interesting to note is that it is not the terrorist threats that are seen as most hostile, it is more the levels of criminality and legal insecurity that drive this assessment. The overall effect is that the physical movement of expatriates, their personal freedoms and their psychological well-being are adversely affected. Thus, besides the headline grabbing terrorist incidents there are more diffuse, distributed effects of state governance, legal implementation, policing and criminal justice that contribute to a host location being evaluated as hostile.

Management Activities

We asked the RES Forum members about how they prepare their organizations and assignees for hostile environments. Their answers indicated a variety of

Figure 5: Management Considerations for Expatriation to Physically Hostile Environments



Figure 6: Effects of Working in Physically Hostile Environments



management activities that they undertook. In terms of organizational preparation, they advocated the formulation of safety plans, engaging in crisis and overall security planning, the increased monitoring of expatriates' movements, the willingness to undertake emergency evacuation, cooperation with external security experts, and cooperation with security services. With respect to preparing individuals, they suggested undertaking risk, security and terrorism training activities and giving assignees frequent security briefings. In terms of the general package design for expatriates, this included higher rewards, more rest & recuperation days, secure housing (often on compounds or military bases), and increased provision of dedicated drivers and/or armoured cars. Many companies also installed buddy systems with locals and insisted that expatriates go on assignment unaccompanied (i.e. without family).

Individual and Organizational Impact of Working in Physically Hostile Environments

The effects of working in physically dangerous environments are predominantly negative. GM professionals lamented the often lower business productivity, linked the hostile context to fragile states that experience many instances of corruption, pointed out that they would monitor the ethics of their assignees more closely, and that they had to pay higher premiums for insurances, however they insisted that there was a business case for in-country operations. They experienced difficulty sourcing assignees and had to pay large country premiums in recognition of the dangers and hardships that individuals (and their families) faced. They also offered generous Rest & Recuperation (R&R) provisions, short assignment durations and efforts to manage the personal risk of their assignees. Nevertheless, they admitted that there were emotional and psychological tolls being paid by their assignees working in physically hostile countries. In addition, the diversity of their expatriate population and their global talent approaches were, at times, impacted. In contrast, where they had assignees who were driven by faster career progression, a desire for adventure or the drive to make a difference and/or individuals who were happy to expose themselves to risk, there could be remarkably positive outcomes for both organizations and expatriates.



Managing in environments with high social and psychological threat levels

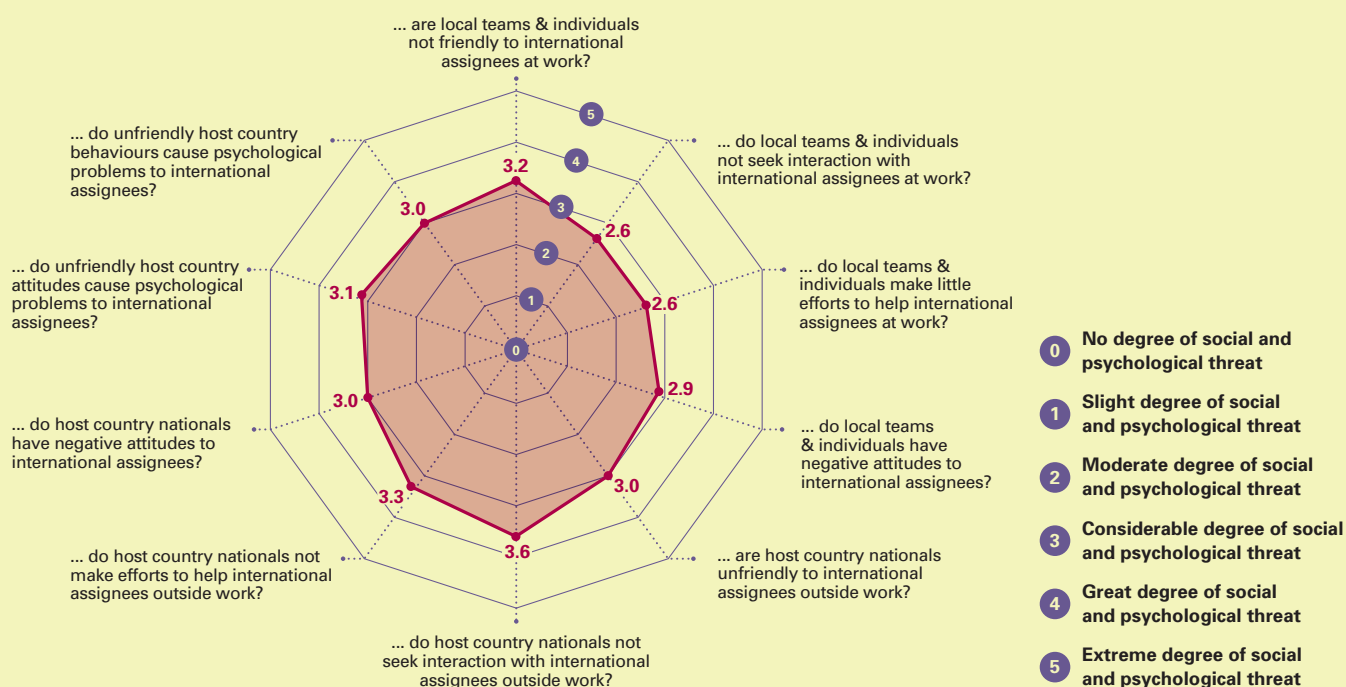
There is little research that explores the more intangible aspects of friendly or less open interaction between international assignees and locals. Within city attractiveness studies of London, Vienna and Singapore, it has been noted that the openness of locals to interact with foreigners, the assessment of a city as cosmopolitan and/or the feeling that a specific city is positive for learning and career growth are all attractive factors to foreigners who seek to live and work in that location (Haslberger, 2013, Dickmann, 2012; Dickmann and Cerdin, 2018). These were

studies that looked at highly developed capital cities but did not concentrate on locations where the host environment can be more psychologically and socially challenging. The RES Forum survey did exactly that in order to further our understanding of the least friendly host environments. Figure 7 depicts our insights.

The first trend to identify in the social and psychological threat radar graphic is that local teams in the workplace tend to be friendlier and more open than the host population in general.

FIGURE 7: Understanding threat levels in socially and psychologically hostile environments.

For the least friendly host environments, to what extent...



Expatriates and host colleagues work together and, therefore, have more opportunities to get to know each other and to interact (Toh & DeNisi, 2005). Nevertheless, where global assignees are seen as 'corporate spies' or the 'extended hand from head office' the relationship may not be so positive. The fact that many of the 'unfriendly' attitudes and behaviours are displayed by host teams to a moderate or considerable extent is still demonstrative of the difficult situation that expatriates can find themselves in. In addition, this situation is further complicated and worsened when looking at the host country population overall.

The social and psychological threat radar graphic clearly shows that the way host country locals treat expatriates has a serious effect on assignees. Unfriendly attitudes and behaviours by locals result, to a considerable degree, in psychological problems for international staff. While many companies respond to physical threats, psychological and social issues are far more difficult to identify and to deal with. Companies should pay close attention to issues in unfriendly locations and offer local mentors, buddy systems, coaching and counselling where appropriate (Mäkelä, Suutari & Mayerhofer, 2011).

Management Activities. Several companies have paid close attention to the plight of their assignees in environments with social and psychological threat factors. While one firm indicated that they would consider abandoning operations, this was not the norm. The key activities undertaken to support expatriates can be categorized into selection, training, networking, coaching, housing, rest & recuperation and psychological help.

Selection. Some MNCs pay particular attention to psychosomatic elements and conducted psychological screening of their candidates. They aim to select psychologically stable, self-reliant and proactive candidates.

Training. Conducting cross-cultural seminars and providing sufficient information to candidates is important in many companies. As one respondent described it: prepare, prepare, prepare.

Networking. Several firms strongly encouraged networking. This included peer-to-peer networking, meetings with colleagues from home, building strong links to the expatriate community, setting up buddy systems but also (social or health) club memberships.

Coaching. Coaching regarding how to behave in the host environment and mentoring approaches were popular amongst the responding MNCs.

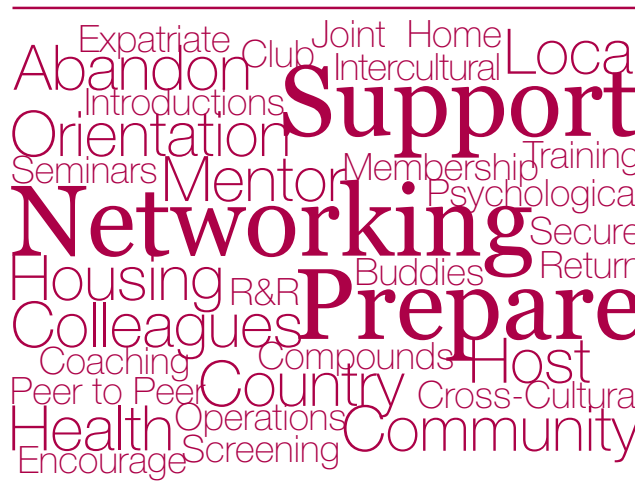
Housing. While many companies provided housing in secure compounds, some specifically identified joint housing so that issues of loneliness were moderated.

Rest & Recuperation. Generous R&R provisions were frequent.

Psychological help. A few companies instigated mental health support activities.

A word cloud regarding management considerations in environments with high levels of social or psychological threat is depicted in Figure 8.

Figure 8: Management considerations in environments with high social and psychological threat levels





Individual and Organizational Impact of Working in Environments with High Social and Psychological Threats. When expatriates work in unfriendly and psychologically threatening environments, there are significant impacts for both individual and organization.

Individuals often feel lonely and as if they are 'outsiders'. Their mental health is negatively impacted, they can be unhappy and describe themselves as living an insular life with a lack of a sense of belonging. They often see their lives as being on hold and strive for an early return home.

Organizations. Employees assigned to hostile locations will share negative information about their experiences with colleagues which in turn will have an unfavourable impact on the attractiveness of the assignment location for future potential assignees. In addition, such hardship locations often have demotivated assignees who perform poorly and show a lack of teamwork, precisely because expatriates are not fully integrated into teams and their environments. Overall, there are additional costs associated with attracting staff to work in hostile environments and developing mechanisms to alleviate the effects of working in these contexts. These costs can, at times, be very high. Due to these substantial costs, it is not surprising that many MNCs consider localization approaches, including those that aim to replace international assignees with local talent. A word cloud of these effects is outlined in Figure 9.

Figure 9: Individual and Organizational Effects of Working in Environments with High Social and Psychological Threat Levels



The Quality of International Assignee Environment - An EVP for Hostile Contexts

Historically, the 'expat lifestyle' of living and working abroad was seen as exciting, with many assignees leading an almost 'colonial' life-style whilst working in such hostile environments. 'Explorers', 'adventurers' and 'company builders' were sent abroad to cope with adversity and to create – often with the odds stacked against them – a better future for their foreign unit and their own families. Yet, in recent decades – shaped by stronger business, technological and cultural integration around the world – foreign locations have become less 'exotic' and are perceived to be less 'far away' and less 'different'. In fact, The Economist has argued that people living and working in other countries are now less 'foreign' with the exception of those in culturally very distinct locations (e.g. Westerners in Japan or China). With globalization and the strong cost-reduction pressures in many MNCs, the assignment package has become significantly less generous in many firms. The monetary incentives to work abroad have decreased over time, potentially hurting assignments in hostile environments the most. Unfortunately, recent geo-political trends as well as an observed 'nativist' outlook in some countries may create more hostility to outsiders.

The RES Forum research has shown that it is extremely hard to attract employees to take on an international role under such circumstances. So, the conundrum is this: GM departments have substantial pressures placed upon them to attract willing expatriation candidates to work in hostile environments yet they do not have the flexibility to offer the same financial and non-financial rewards as they once did. In a world where millennials and other employees are increasingly aware of their own well-being in a physical and emotional sense,

MNCs are under pressure to support positive health and performance outcomes, including for workers in hostile environments. This creates a perfect storm in terms of not being able to achieve an organization's international objectives, whilst equally not creating sufficiently attractive work propositions for employees. Below, we approach these challenges through developing a GM employee value proposition (EVP) for working in hostile environments.

The first four Issues of this annual RES Forum Report made a compelling case for the GM EVP. To be able to attract expatriation candidates to work in hostile environments, it is crucial to encourage commitment, engagement, performance and retention. By combining the tangible and intangible viewpoints and interests of both individuals and organizations it is possible to provide a balanced and holistic approach to the management of global assignees in hostile environments. The GM EVP for assigning staff to hostile contexts is depicted in Figure 10. The management insights and recommendations are based on the discussion in this chapter and are summarized in the learning points.

The conundrum is this: GM departments need to attract expatriation candidates to hostile environments but cannot offer the same rewards as they could in the past.

Figure 10:

The GM Employee Value Proposition for Assignments to Hostile Environments

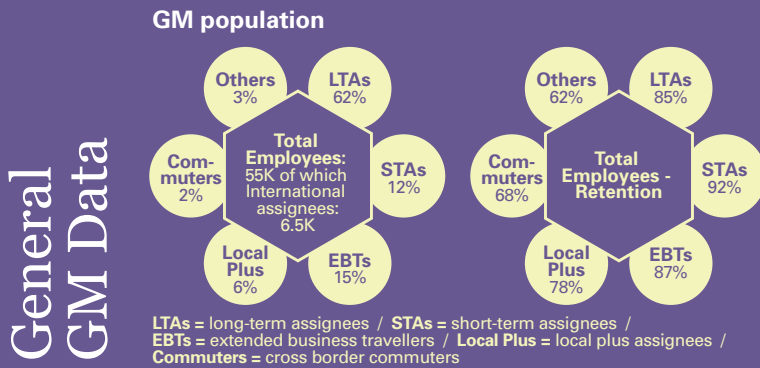


GM Action Steps to Manage Assignees in Hostile Environments

- 1** Assess the host country context thoroughly. Go beyond understanding physical threats such as terrorism & crime or the dangers associated with natural disasters. Include legal and institutional hostility that could become a physical or psychological threat. Incorporate social and psychological openness and friendliness into an assessment of the quality of the host environment.
- 2** Design GM strategies and reward packages that compensate for the risks and hardships that expatriates in hostile environments suffer. Analyse the business case and demonstrate ROI.
- 3** Develop and implement physiological and psychological health support mechanisms. Clearly, people who have suffered a physical attack need good healthcare support. However, many assignees also face challenges to their mental health of isolation, loneliness, a lack of a sense of belonging, stress, work-life balance issues etc. that need attention and support.
- 4** Encourage intensive networking with local colleagues, employees in the home country, and host country nationals. This may mean the implementation of support mechanisms such as club memberships or generous rest & recuperation (R&R).
- 5** Have in place high quality 'worst-case scenario' emergency plans that can be rapidly activated and implemented. Evacuation of expatriates, their families and local staff may need to be part of the scenario planning. Negotiations with abductors or other criminals may also have to be envisaged.
- 6** Develop well-thought through, high quality selection approaches. Consider a psychological or psychometric assessment e.g. in terms of cross-cultural agility and intelligence, resilience and drivers of candidates going to hardship and dangerous locations. This would be in addition to the 'normal' business case and performance assessment of candidates. If the business case and conditions on the ground in the destination countries are favourable, consider local candidates/successors.
- 7** Ensure that assignments are well aligned with candidates' own personal drivers and interests. For instance, it has been shown that individuals who seek either adventure or are driven by a dedication to a (positive) cause are more satisfied and perform better in their hardship positions. Allow some leeway for candidates to pursue their own interests.
- 8** Treat assignments to hostile environments as career accelerators. Design work and promotion patterns in such a way that their experiences are valued and that learning can be usefully implemented in the next position. Provide coaches and mentors to support the development, performance and careers of expatriates.
- 9** Work with host teams to create a friendly, open and supportive climate in the hostile destination. Draw up a buddy system that allows a higher degree of (local) contact and interaction.
- 10** Integrate assignments to hostile environments into general career planning and make sure that repatriation is successful.

10 GM Metrics for working in Hostile Environments

A Sample Dashboard. What should your department be aiming for?



Percentage of staff in each of group that perceives company diversity policies relating to GM opportunities to be fair...

