Hardship Locations: Policy & Programme Best Practices

This issue discusses the challenges faced when sending assignees to a hardship location and the support available to make the assignment successful.

There are inevitably many challenges that arise when relocating assignees to a hardship location. Indeed, with the recent political unrest in Egypt and Libya that caused many expatriates to evacuate these countries, advice and support for assignees is more important than ever. For example, how do you initially determine a hardship location? What impact does such a move have on the assignee and their family? And how strong is your emergency contingency plan?

**How to Determine a Hardship Location**

Many organisations use government information, local HR contacts, and data providers as a resource to assess whether a region or country is categorised as a hardship location. Factors that are used to establish the extent of hardship include crime rates, politics, physical threat, security, health and medical facilities, remoteness, access to goods and services, education, and housing. Depending on the extent of each of these factors, the level of hardship can be established as well as the necessary policies and procedures to manage physical, logistical, and financial support to the employees.

**Housing**

In some hardship locations, availability of secure housing can be one of the biggest challenges. In countries such as Nigeria where there is already a high expatriate population from major oil companies, secure housing can be difficult to find and Cartus clients typically use either company-owned housing or designated areas/compounds for assignees.

Many hardship locations have a relatively weak infrastructure and secure housing is difficult to source. In some instances, landlords have been willing to install security to close a tenancy agreement. However, the negotiation of security measures can sometimes result in delays in completing the tenancy lease, leading (in some cases) to the assignee losing the property.

In other areas, where compounds are used to house assignees, locals are often employed for management and security. If this is the case, consider conducting security checks on all these teams before an offer of employment is made.

Property checks should be common practice in hardship locations to ensure that they are properly secure or to make recommendations on security enhancements. Indeed, property checks are also recommended in areas that are not necessarily deemed a hardship location, such as Bangalore, because of the city’s high fire risk.

You should also consider implementing supplier integrity requirements when working with suppliers based in the hardship location. However, checks such as these are time consuming and can sometimes delay assignments. If you are considering implementing checks, ensure that Destination Service Provider (DSP) and security teams have an established communication process to ensure security checks are carried out and integrity requirements are met within agreed upon time frames. This eliminates delays in securing properties as the DSP will be able to advise landlords in advance what the requirements will be for temporary accommodation.
Medical Care
In some hardship locations, healthcare is not of a high standard. Many Cartus clients provide membership to global health service companies, which cover assignees for medical care in any location. Where private medical coverage is not available, assignees may be expected to use local treatment centres, but where these are not sufficient, travel and accommodation to a neighbouring country is typically provided.

Should an assignee or spouse/partner be pregnant, a healthcare policy would typically include three months’ temporary accommodation and travel to a neighbouring country or, if the home country is within the same region, travel back home is covered.

Before an employee goes on assignment to a hardship location, consider encouraging them to take a medical examination. The exam should ideally be conducted at the point of assessment for the position and certainly before costs are incurred on a home finding trip.

Impact on the Assignee and Family
Split family status often occurs when assignments are in hardship locations. Even if your employee is experienced with relocation to hardship destinations, their spouse/partner and children will be heavily impacted by the move, whether they are relocating or not.

Should the family also relocate, cultural differences could make moving particularly difficult for female spouses/partners, as some countries do not practice equal opportunities between men and women. This could make it challenging for a female spouse/partner to find a suitable job. Consider providing spouse/partner assistance or settling in services, as the recognition and support that these services offer may be key to a successful move.

If only the assignee is relocating, it is important to ensure that his or her expectations are managed and that they understand the norms of the region to which they are relocating. Consider offering assignees a Look See trip (normally between three to five days) so that they can familiarise themselves with their surroundings. This trip could be combined with a home finding trip.

Consider using candidate assessment to establish whether an employee and their family are well matched to go on assignment in a hardship location.

Training is also recommended to give the assignee insight into what they can expect and security measures that they should follow on a day-to-day basis when in the host location. For areas such as Russia, Saudi Arabia, Angola, Nigeria, and Iraq, think about introducing cross-cultural training as a core policy element to ensure that all your assignees are prepared. Training can be delivered in different intensities, depending on the assignee’s experience and the risk factors involved in the destination location.

Repatriation
Assignees in hardship locations often receive intensive day-to-day support from their employer and, after spending a long period receiving such a high level of assistance, a returning assignee may struggle to integrate back into their home location. It has been found that when limited support is offered to repatriated assignees, some decide to leave a company once returning to the home location, because the experience they have gained whilst on assignment is not recognised or utilised at home. To maintain a high retention rate amongst repatriated employees, consider using repatriation integration services and implementing a solid career plan for assignees returning from hardship locations.
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Many Cartus clients grade each destination in terms of risk to live and work. A points system is most typically used for this, which is then used to calculate a ‘hardship allowance’ for assignees relocating to these locations. Typically, a hardship allowance is a percentage of the employee’s base salary, but consideration should be given to implementing a cap for this allowance to maintain cost optimisation. Clients typically work with their local HR provider to agree on final percentages based on the data that they have received from specialist data providers. According to Cartus’ 2010 Global Policy and Practices Survey, 32% of companies include a hardship allowance in their global assignment policy, a decrease from 2007 where 47% of companies included a hardship allowance.

Many global programmes also include a ‘rest and relaxation’ trip either via reimbursement or an allowance. However, according to the latest survey results, only 18% of respondents provide R&R trips in their current global policies, a decrease from the 2007 number which was at 22%. These are not trips back home, but a break away from the hardship location, usually to the nearest metropolitan city away from the hardship location. The frequency of the trips can be determined by the severity of the hardship location, which is typically determined by the data provider. Many clients assign a ‘safe city’ within each region for assignees to visit. For example, in Asia, Singapore or Hong Kong are often considered ‘safe cities’ for an R&R visit. Home leave trips, or annual leave allowances are also included in global programmes as a separate component.

Some Cartus clients also include additional security measures as part of their global programme. For example, the provision of security cars and drivers for assignees travelling to and from work in Pakistan or parts of Africa may be added. Please confer with your internal security team or external specialist to determine whether this is necessary in your hardship locations.

Emergency Evacuation Policy
It is important to remember that as well as political unrest or terrorism, there are typically other factors that may cause an emergency situation or evacuation in a country, like a natural disaster or medical emergency/disease outbreak. With this in mind, contingency plans should be put into place for all locations, not just those considered as a hardship location.

In our experience with the recent evacuations in Egypt and Libya, we have found that many of our clients are devising smoother processes and stronger contingency plans to ensure assignees are evacuated quickly and safely. If you have not already done so, we recommend you design an emergency evacuation plan for all your assignees and their families to ensure a smooth and timely process. There are cost implications in developing and executing an emergency contingency plan, but any arguments for prevention and safety far outweigh the costs involved.

A contingency plan should cover an evacuation from start to finish, so that your assignees feel fully supported. If the evacuation is long term, for example, will you opt to house the assignee in a nearby country in temporary accommodation or fly them straight back to their home country? In the recent case of Egypt, the situation developed over a number of days so assignees could pack and prepare, but plans should also exist for an immediate evacuation where the assignee is not able to get their passport in time. How would you handle reimbursement of emergency travel and accommodation requirements? Possible situations such as these should be addressed when devising your contingency strategy.

Following the recent unrest in the Middle East, many assignees requested that their employer change the location where their monthly salary was paid because, as they were being evacuated, they did not want their money remaining in the country. Some companies were unable to meet these requests in the short time given, so looking forward, plans for the possibility of this request should be included in your policy.
Other considerations to address when creating or improving a contingency plan are the after effects of an emergency situation, that is, how long it will take for the crisis to subside and travel to the host country to be considered safe. Once the assignee has returned to the host location, remember to allocate sufficient cost and time to enable the assignee and family to reacclimatise and reorganise accommodation if required.

If you work with organisations such as SOS International, who help businesses manage the security risks facing international travellers, ensure that your assignees know the security company that you have employed as this will avoid confusion and allow for a smoother evacuation should an emergency arise. Furthermore, with the possibility of a lack of communication, transport, or power failure during an emergency, ensure that you have alternative methods of communication like internet groups, mobile networks, and telephone help lines as well as a group of key personnel in the local area to execute the plan and make decisions if needed.

As part of your contingency planning we can work with you to clearly outline what role Cartus should play during an emergency situation, so that we can effectively assist and meet both your and your assignees’ expectations.

For further information on hardship locations or any other aspect of your international assignment programme, please do not hesitate to contact your Cartus representative.