Immigration: A Risk Management Approach

A business risk is defined as anything that threatens an organisation's ability to generate profits at its target levels. These business risks include strategic risks, compliance risks, operational risks, financial risks and reputational risk. The changing pace of the regulatory landscape has made immigration one of the top 10 business risks of the organisation and mobility leaders now observe a significant increase in the face time with the C-suite of their organisations informing or updating the stakeholders on the impact of changes. The objective of this article is to examine immigration in light of the various types of risks mentioned above.

a) **Strategic Risk -** The immigration regulations of the day can have substantial impact on the growth plans of any organisation. Changing regulations may make it difficult to deploy senior talent to another country to expand operations if there are requirements of a local vs foreign national ratio to be managed to be eligible to obtain work visas. The current trend of tightening of immigration processes by governments requires careful consideration whilst planning for growth in certain geographies.

b) **Compliance Risk -** The lack of compliance or ignorance of regulations can expose the organisation to interest and penal consequences. It can also have a significant business impact where the business includes bidding for government contracts where such immigration non-compliances can disqualify the organisation from bidding.

c) **Operational Risk -** Frequently changing regulations may require organisations to significantly improve or change their processes to comply with new requirements. For example, change in minimum salaries for certain countries like the UK, or replacement of the immigration systems in Australia. Further Government authorities across various countries are integrating the data obtained by their immigration departments and labour departments to have a more comprehensive oversight on compliances of social security regulations. Such an approach makes it imperative for the

organisations to ensure that processes are integrated to ensure proper control of data and full visibility of its mobile population for necessary actions. This would also include business travellers, as it has been observed that there is an increasing trend of regulators requesting this data in light of emerging international tax regulations.

d) **Financial Risk -** Any non-compliance leads to penal consequences by way of interests and penalties on non-payments or delays in payments. It can also expose the organisation to litigation. It can also lead to delays in revenue recognition arising from delays in obtaining visas in geographies where there has been a non-compliance.

e) **Reputational Risk -** Any non-compliance has a potential to get negative publicity for the organisation and could divert a huge level of resources to manage the reputation of the organisation.

Mobility leaders can support their organisation to effectively mitigate, if not eliminate the risks arising out of immigration regulations. We can evaluate an "inside-out" approach to examine this issue.

1) **Mobility Leader:** The mobility leader needs to set up an operational framework which can ensure timely updates of all regulatory changes are received and evaluate its impact for business stakeholders. The most crucial aspect is communication with stakeholders which requires that changes are explained in layman's language to the stakeholders and its impact easily understood. Mature mobility processes now have a communications professional as a part of a mobility team to help drive this change.

2) **Mobility Team:** The mobility team needs to demonstrate proactiveness, curiosity and speed in examining and implementing all the changes in the regulations. This will support the mobility leader to evaluate the granular impact of the changes to subsequently inform the stakeholders. The team must leverage global tools, whether built in-house or through a vendor, to ensure control on data and use of analytics, to ensure timely actions such as extensions and renewals of visas. This will avoid any disruption in the business operations. The operations have potential to become smarter by use of RPA (Robotic Process Automation) to enable the team to reduce time on repetitive operations and focus on risk mitigation and control.

3) **Immigration Service Providers:** The immigration service providers are an extension of the mobility team in managing the immigration risk. They need to understand the culture and the needs of the mobility team to effectively support the team by way of being proactive in assessing the impact for their clients, or keeping them updated on current and forthcoming regulatory changes. The approach from the service providers has a significant impact on the ability of the mobility team to be proactive to their business stakeholders.

4) **Peer Network:** An effective way to identify and mitigate risk is to have a strong peer network of mobility professionals where one can share the best practices and discuss emerging challenges in immigration, either at a granular process level or at a broader strategy level.

5) **Government Authorities:** Mobility leaders must leverage the opportunity to influence the policy making process of the government by actively participating in sharing their views on white papers on proposed changes issued by the Government to seek feedback from the business stakeholders, for example, MAC recommendations for changes to immigration regulations in the United Kingdom, or registration requirements for petitioners seeking to file H-1B petitions issued by USCIS in USA.

An effective approach to managing immigration as a business risk would be to have a comprehensive and an integrated framework incorporating all the above stakeholders and implement it in a concurrent manner.

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