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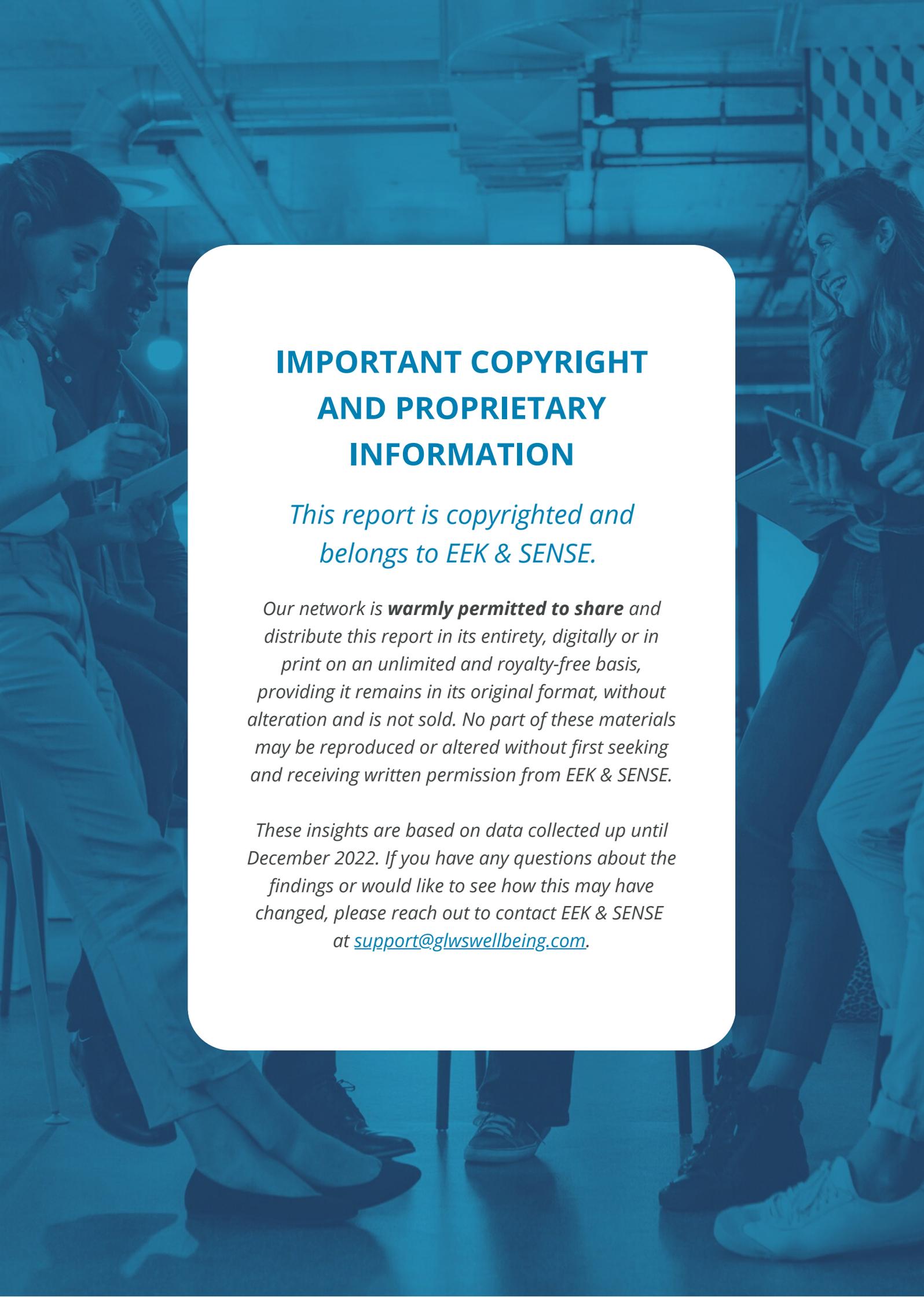
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GLWS **WELLBEING INSIGHTS** PAPER — DECEMBER 2022

Regulations & Managing Psychosocial Risk

EEK & SENSE

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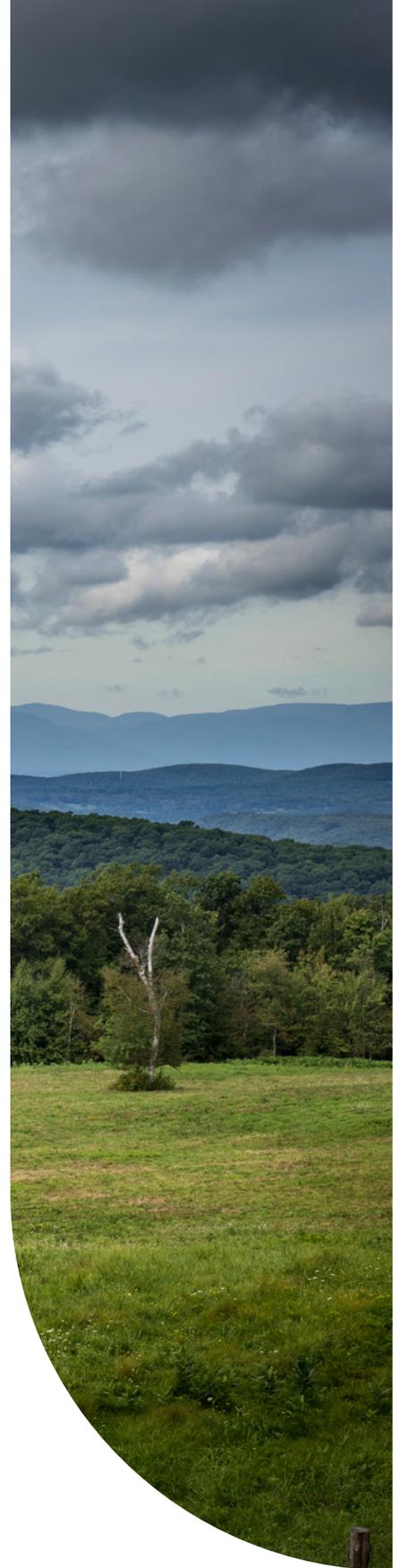
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Introduction

Workplaces can be sources of both contributors and detractors of good mental health and wellbeing.

Good employee mental health and wellbeing contribute many benefits to an organisation including reduced turnover, higher engagement and productivity, lower absenteeism and presenteeism and lower worker compensation claims [1].

Addressing psychosocial risk factors in the workplace is a broad and complex task with many interacting variables to consider, and the opportunity for confusion is rife. For example, the terms 'Psychological Health and Safety', 'Psychosocial' and 'Psychological Safety' are commonly conflated. While jargon overlap may 'just' be theory and appear of little practical consequence, in this instance, it has frequently represented serious missteps by organisations erroneously deploying individual interventions to address systemic risks.



TERMINOLOGICAL CLARITY

We won't seek to replicate the many comprehensive glossary of terms which exist in the seminal documents provided in the references section of this paper. However, for the sake of clarity and brevity we will cover off the 3 terms which most frequently get confused or used interchangeably, incorrectly:

- **'Psychological Safety'** (PS) is *"a condition in which human beings feel (1) included, (2) safe to learn, (3) safe to contribute, and (4) safe to challenge the status quo – all without fear of being embarrassed, marginalized, or punished in some way."* (Clark, 2020). Consider it as a measure of employees' sense of ease, comfort and trust in their interactions and communications with their colleagues and leaders, and as a reflection of a positive work climate within a team. While psychological safety is a pre-requisite for positive psychological and mental health outcomes, it is only one of many factors which require attention.
- **'Psychological Health and Safety'** (PHS) describes a systematic, adaptive and practical approach to managing work-related psychological health and safety as required under work health and safety (WHS) or workers' compensation laws. Since the Australian Productivity Commission Productivity (2020) recommended raising psychological health and safety standards to the same levels as those required for physical health and safety, the importance of law reform and the prevention of poor psychological work health and safety practices known to result in negative psychological and physical injuries has garnered exponential attention.
- **'Psychosocial'** is an umbrella term used to describe the collective range of conditions associated with individual psychological, mental and physical health outcomes. OHS/WHS teams are increasingly obliged to protect employees from psychosocial hazards, respond with the right support where risks to mental health have been identified, and promote thriving, sustainable, mentally healthy work practices. Various psychosocial health or risk frameworks exist to assist with identifying, assessing, managing, integrating and evaluating changes to lead and lag indicators but it remains challenging because individual needs and environmental factors present differently for each person, role and team's unique context.

What is clear is that organisations have a legal obligation to ensure the health and safety of their workers [2].

CHANGING REGULATORY SENTIMENT

Traditionally, the primary focus of WHS legal application has been on physical risks – they are salient and have observable consequences [1]. While psychological risk and mental ill-health injuries have always been included in WHS considerations, their comparatively intangible nature and the subsequent difficulty in assessing and approving workers compensation claims has tended to see the application of WHS law to mental health impacts take a backseat [1].

Stigmatization of mental ill health as an underlying obstacle has tended to undermine legislative and organisational attempts to elevate credibility and action. Interventions implemented to improve mental health outcomes by organisations have typically been focussed on ‘fixing’ the person (e.g., mental health first aid or resilience training) rather than focussing on addressing the upstream source of those risks. Ineffectual or even harmful management of psychosocial health and safety risks can exacerbate negative impacts for employees, organisations and the community – growing evidence shows the negative impact of mental ill health on workplace productivity, the hefty dollar cost to the economy and most importantly the distressing social and personal consequences for impacted individuals and their families.

In recent years, organisations’ attention has started to shift towards considering the broader range of critical success factors which are present within an individual’s work environment, constituting a significant vibe shift. COVID-19 undoubtedly exacerbated what was for many employees and employers an already volatile, uncertain, complex and ambiguous (VUCA) world and increased the urgency for organisations to better understand and implement actions which would mitigate and manage the psychosocial risks placing employees’ mental health in jeopardy. In 2021, the International Standards Organisation released *ISO 45003:2021 Occupational health and safety management — Psychological health and safety at work — Guidelines for managing psychosocial risks* [3]. The *NSW Code of Practice for Managing Psychosocial Hazards*

at work was also published, providing much needed practical guidance for organisations seeking to meet this need [4]. Safe Work NSW’s inclusion of psychosocial hazards into the Work Health and Safety Legislation [10] from 1st October 2022 has added further impetus for organisations to ensure systems and processes are implemented to manage the risks of being overly focussed on the individual to the exclusion of the environment. By meaningfully involving job holders in discussions about what types of interventions they will find relevant, practical and useful to minimising their stress and optimising their mental health within the unique context of the interactions between their needs and their roles, the identified psychosocial management mechanisms are more likely to become successfully embedded into ways of working and become a sustainable approach to prevention.

This paper seeks to curate a snapshot of what we consider to be the landmark literature available at time of authorship, with the intention of offering practical insights into the emerging importance of psychosocial risks and relevance of their management strategies to leaders in today’s organisations. Not only has psychosocial risk management become essential to the challenge of achieving and maintaining legislative compliance but, perhaps more meaningfully, also to the opportunity of facilitating the creation and maintenance of psychologically healthy sustainable and thriving workplaces for all employees.

Key Documents & Insights



1. Work Health and Safety Regulation 2017 (NSW) Chapter 3, Part 3.2, Division 11 [10]

Psychosocial safety was previously included in the Work Health and Safety Act 2011 (NSW) as part of the definition of 'health' in Section 4. Therefore, the requirement of employers to ensure the psychological health of their workers in the workplace has been a long-standing legal obligation. However, until the 1 October 2022 amendment to the Work Health and Safety Act, there was no clear guidance as to how employers were expected to meet this requirement in the Act or the Regulation. The recent amendment addresses this deficit by giving broader recognition to psychosocial risks in the workplace requiring equal diligence as physical hazards in the workplace, by providing a clearer definition of psychological hazards and risks, and by explicitly outlining the roles and responsibilities of the Person Conducting a Business or Undertaking (PCBU) to identify, assess, control and review these.



2. ISO 45003:2021 - Occupational health and safety management — Psychological health and safety at work — Guidelines for managing psychosocial risks [3]

This is a *voluntary* but recognised international standard designed to help organisations of all sizes and in all sectors meet their state WHS legislative requirements. ISO 45003 has been designed to work in alignment with the earlier ISO45001 (which contains the global best practice standard for OH&S Management Systems [5].)

In summary, ISO45003 provides:

- Definitions and examples of psychosocial risks and wellbeing at work.
- Comprehensive examples of psychosocial risks in the workplace in table format to help with hazard identification, categorised into:
 - Aspects of how work is organised
 - Social factors at work
 - Work environment, equipment and hazardous tasks
- Guidance on understanding the context of the organisation in general, from both an external and internal perspective.
- Comprehensive expectations for leader and worker participation in consultation and planning for establishment of OH&S Policy.
- Guidance on procedures and processes an organisation should put in place to identify and manage psychosocial hazards, and for reporting incidents, nonconformity, and corrective actions.
- Flags relating to the interaction between psychosocial hazards with other workplace hazards which could contribute to greater harm.

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- Guidance on specific controls that can be put in place to minimise psychosocial risks, categorised into work organisation factors, work environment factors, work equipment factors, social factors and hazardous tasks.
- Examples to help recognise the signs of exposure to psychosocial risk.
- Support for procurement, contracting and outsourcing, emergency preparedness and responses, and rehabilitation and return to work.
- Instruction on monitoring, measurement and evaluation.

Refer to this [resource](#) [6] for a simple overview of ISO45003.



3. The NSW **Code of Practice for Managing Psychosocial Hazards at Work** [4]

There is significant alignment between this Code and ISO45003.

NSW was the first jurisdiction in Australia to implement an approved Code of Practice addressing psychosocial health with the goal of helping organisations comply with WHS Legislation within their jurisdiction. Released in May 2021, the Code is applicable to organisations of all sizes and in all sectors. While not legally enforceable, it can be admissible in court to determine what is reasonably practicable for hazard identification, risk assessment and control of psychosocial hazards.

Like ISO45003, the NSW Code provides a comprehensive list and examples of common psychosocial hazards at work which stem from:

- The way the tasks or jobs are designed, organised, managed, and supervised.
- Tasks or jobs with inherent psychosocial hazards and risks.
- The equipment, working environment or requirements to undertake duties in physically hazardous environments and,
- Social factors, relationships and social interactions related to work.

In addition, the NSW Code:

- Comprehensively covers the duties and responsibilities of PCBU, an officer of a PCBU, workers of the PCBU and other persons at the workplace, with references to applicable sections of the WHS Act and examples of how to comply with these sections of the Act.

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- Provides an extensive guide on how to manage or eliminate psychosocial hazards using a risk management approach. In line with good hazard management practice, the hierarchy of control is applied for controlling hazards. Good work design, safe systems of work, adequate information, instruction, training and supervision are the most likely control measures for psychosocial hazards.
- Outlines how to manage reporting and response to psychosocial risks and incidents, and psychosocial hazards in the form of harmful workplace behaviour such as harassment, discrimination and bullying (which may also breach other organisational policies such as Code of Conduct).
- Provides advice on keeping a psychosocial risk register, and an example in the appendix.
- Highlights the identification of notifiable incidents and the requirement to report this to the regulator.
- Provides examples within the appendices of how to manage psychosocial hazards and risks in specific workplace scenarios and settings. Example scenarios are given for health care, school, government, call centre, construction company, small consulting firm, retail store, private health care provider, manufacturing business, very small trucking company and mining workplace.
- Offers limited guidance on supporting a safe return to work.

In July 2022, Safe Work Australia released its national Code of Practice on managing psychosocial hazards at work, approved under section 274 of the Work Health and Safety Act (the WHS Act). Under WHS laws, PCBUs must eliminate or minimise psychosocial risks so far as is reasonably practicable. To have legal effect in a jurisdiction, the model Code of Practice must be approved as a code of practice in that jurisdiction. Check with your WHS regulator to find out if this Code of Practice has legal effect in your jurisdiction.



4. Safe Work Australia: *Work-related psychological health and safety: A systematic approach to meeting your duties* [7]

There is significant alignment between these guidelines, ISO45003 and the NSW Code of Conduct for Managing Psychosocial Hazards at Work. The key difference is the inclusion of guidance on intervention and return to work.

This is a set of national guidance materials which were developed to help organisations adopt a systematic approach to meeting duties relating to work-related psychological health and safety [7]. They were designed for use in jurisdictions that have already adopted the model WHS Act and WHS Regulations and include references to other applicable legislation such as Criminal Laws, Anti-Discrimination laws and Fair Work Act.

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The guidelines offer:

- Detailed information on the causes of psychosocial hazards.
- Comprehensive guidance on effective use of risk management processes applied to psychosocial hazards and risks.
- Inclusion of guidance on interventions and return to work. The appendix provides a return-to-work scenario.

5. *Blueprint for Mentally Healthy Workplaces (2022)* [8]

Published by the Australian Commonwealth Government as part of the National Mental Health Commission's (NMHC) National Workplace Initiative (NWI) to create a nationally consistent approach to building mentally healthy work. It is written and presented in an easy to digest format and can be read within a short timeframe. It provides examples of what mentally healthy work and workplaces look like from the stance of sole trader, small business, medium organisations and large enterprise perspectives.

Its main message is the proposal of three key pillars that interrelate as foundations of mentally healthy workplaces:

1. Protect: This encompasses a legal obligation to identify and manage work-related psychosocial risks, to consult and communicate with workers, to provide adequate training, to have processes in place for reporting and addressing psychosocial risks and to create a psychologically safe environment for people to raise concerns.

2. Respond: This encompasses building the organisational and leader capabilities required to effectively identify and respond to workers experiencing mental ill-health and distress.

3. Promote: This encompasses building the organisational and leader capabilities required for proactive advocacy of positive, healthy, sustainable work practices which are pro-wellbeing and pro-mental health.

6. *Australian Productivity Commission Inquiry Report into Mental Health (2020)*[1]

This report provides a comprehensive review of the context for and key influences of mental health in the Australian population. It explores how this affects an individual's ability to thrive and participate in the workplace and society in general, and the impact of mental health on the Australian economy and productivity. The report outlines some challenges impeding an organisation's ability to meet their psychosocial WHS obligations. Below are some insights from the report relating to mental health at work.

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About reporting psychosocial injury at work.

- A lengthy and arduous process of linking mental illness with work can be a disincentive for people to report and seek help.
- The process for proving psychological injury is difficult and can create problems with treating the mental illness e.g., in the case of workplace trauma being dealt with under workers compensation, the treating clinician can only treat the work-related illness even though there may be non-work-related factors underlying this.
- Mental ill-health is often complex with a myriad of influences, experiences and situations interlaced together. These are not easily delineated.
- People with psychological injuries find it more difficult to return to work than those with physical injuries, especially if the mental illness was due to interpersonal conflict, bullying or other systemic and cultural factors within the workplace.
- Smaller workplaces may have fewer resources and options to assist with a successful return to work.
- Early contact with employer and promptly assisting with compensation claims are positive influences for successful return to work outcomes.
- Claims for psychological injuries are more likely to be rejected than physical injuries.

About workplace psychosocial risk initiatives and interventions.

- Larger businesses tended to be more effective than smaller businesses in taking action.
- Lack of resources, lack of support and lack of commitment from senior management are cited as the leading causes of inaction on mental health for organisations.
- Employee Assistance Programs, Mental Health Awareness Days and Mental Health First-Aid training are the most widely used interventions to support mental health. There is a mixed evidence base to support their effectiveness.



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- The main barriers to implementing mental health initiatives include stigma relating to mental health, accessibility to mental health assistance beyond EAP, resistance from or lack of support by senior management, lack of employee engagement and lack of internal knowledge and expertise in how to support employee mental health.
- Variability exists between organisations around the number and type of EAP sessions provided. Selection of EAP service is dependent on an organisation's size and needs. Some organisations engage with EAP as an important intervention to reduce costs, whereas for others, it is simply to 'tick the box'.
- Despite the cost of EAP services, they are often poorly evaluated, and organisations are frequently ill-informed about their effectiveness. Where evaluation does take place, this is usually through employee feedback and surveys. There is no benchmark of best practice to measure the effectiveness of EAP services, although the Employee Assistance Professionals Association of Australasia (EAPAA) has developed a list of basic standards its members are required to comply with.

About Evidence-based strategies to manage psychosocial risks

- It can be confusing and difficult to discern between anecdotal and evidence-based interventions.
- Short-term, band-aid style initiatives (such as fruit boxes and yoga sessions) often distract management and divert funding to short term interventions at the expense of higher quality, longer term interventions.
- "Tick the box" compliance approaches limit investments in longer term, more effective interventions.
- A nice neat linear cause and effect between intervention and outcome doesn't exist for psychological health in the way that it often does for physical ill-health treatments – even the best of evidence-based practices must be applied within an adaptive system, and much of the impact / benefit derived depends on the perceived quality of the social interactions.
- Good intentions by senior management evidenced by policies and procedures are hijacked by poor execution and lack of support and training for those expecting to provide support and implement initiatives.
- There is a risk of organisations mistaking health promotion to equate to compliance with legal obligations.
- There may be fatigue of discussion of wellbeing and mental health in the workplace.

- Leadership commitment beyond legal requirements can significantly improve and maintain workplace mental health.
- Managers are often inadequately trained and lack awareness of how to plan and implement strategies to create and maintain a mentally healthy workforce.
- Regulators provide significant information to assist with implementation e.g., Work Safe Queensland have developed a mentally healthy workplaces toolkit with some consolidated information of what might sit across the domains of promote, prevent, early intervention, support, and includes a psychosocial risk assessment tool [11].
- While guidelines and toolkits cannot be simply lifted up and rolled out without contextualization to needs, roles and environments they can provide an excellent starting point. Organisations and humans are nuanced so the absolutely critical part is to ask employees about the risks and integrate this with other sources of data.



7. Developing a mentally healthy workplace: A review of the literature (2014)[9]

This report was commissioned by the National Mental Health Commission after establishing the Mentally Healthy Workplace Alliance in 2012 to provide a baseline perspective on what a mentally healthy workplace looks like and how to make progress towards achieving one. It offers a comprehensive review of academic literature up until 2014 and we consider it to be perhaps the single most influential paper and primary determinant of the progress that has since ensued on workplace mental health within Australia. Although it is almost a decade old, its concepts remain fresh and have stood the test of time. For any professional or organisation seeking a primer on workplace mental health and wellbeing it is a powerful starting point.

Note: Most of the research on workplace strategies and interventions are observational in nature and while associations can be made, these do not establish causality. This makes it difficult to effectively evaluate mental health workplace strategies and interventions. Random control trials (RCTs) are considered the ‘gold standard’ way to establish causality, but these are difficult and often impractical in a workplace setting, and employers appear less inclined to invest in the evaluation of interventions than they are in their design and implementation.

However, six evidence-based/informed domains for workplace mental health interventions were suggested by the National Mental Health Commission and the Mentally Healthy Workplace Alliance, based on the best-quality Random Control Trials and research found during their literature review. These are summarised in the table below.

Table: Six evidence-based/informed domains for workplace mental health interventions

Domain	Intervention
<p>Enhance employee control</p>	<ul style="list-style-type: none"> • Flexible working hours. • Employee participation.
<p>At team and organisational levels, build a psychosocially safe environment and maximise resilience</p>	<ul style="list-style-type: none"> • Implement anti-bullying policies. • Increase organisational justice – increased perceptions of fairness and justice influence overall performance and job satisfaction. • Promote activities that enhance mental health and wellbeing at team and group levels. • Build leader capability at all levels to understand and manage psychosocial influences and lead by example. • Use open and realistic communication to manage change.
<p>Enhancing personal resilience for employees</p>	<ul style="list-style-type: none"> • Utilise cognitive behavioural based stress management techniques and resilience training. • Offer coaching and mentoring opportunities. • Offer physical activity programs – can reduce depression symptoms and can be beneficial for overall health and mental wellbeing.
<p>Encourage, promote and facilitate early help-seeking</p>	<p>Stigmatisation is a barrier to people seeking help for mental health problems. Reduce barriers by:</p> <ul style="list-style-type: none"> • Offering wellbeing checks or health screening. • Offering Employee Assistance Programs and workplace counselling. • Having processes and procedures in place to respond to critical incidents / traumatic events. Note: Evidence has shown that group critical incident stress debriefing conducted in a group setting may actually be detrimental. Instead, offer comfort, support and monitor by colleagues trained in mental first aid where possible. • Implementing well trained peer support programs in organisations at higher risk of repeated exposure to trauma events.
<p>Supporting recovery from mental illness</p>	<ul style="list-style-type: none"> • In most cases, early return to work can assist in a person's recovery, provided they are given a well-planned and supported RTW program. • Ensure managers and supervisors supporting the person's RTW are appropriately trained. • Provide more flexible working arrangements (including reduced hours, work from home) to the injured person. • Consider CBT based return to work programs. • Consider work focused exposure therapy for employees suffering from post-traumatic stress disorder or anxiety from traumatic events. • Individuals with severe mental health conditions (such as schizophrenia) can be valuable and reliable employees. Individual Placement Support programs can be effective to facilitate them to enter and remain in the workplace.
<p>Increase awareness of mental illness and reduce stigma</p>	<ul style="list-style-type: none"> • Implement mental health training programs across the organisation. • Offer mental health first aid training and support employees to become mental health first aiders.



Key Questions for Discussion

- **How do we best educate and inform senior leaders to equip them to manage psychosocial risks, and empower others in the organisation to do the same?**
- **What is being done in your organisation to:**
 - protect your employees from becoming psychologically injured as a consequence of engaging in their work?
 - ensure a quick response with effective support, treatment and recovery when harm has occurred?
 - promote positive, preventative and sustainable work habits and practices?
- **How different are the skills and capabilities for managing psychosocial risks and promoting positive mental health practices from the skills and capabilities of everyday leadership?**
- **There are opportunities for conducting further research to examine the effectiveness of mental health workplace interventions and strategies. What workplace interventions are you currently using or considering using and what evidence is there to support their effectiveness?**
- **What is the balance in your organisation between focussing on changes in the individual versus focus on changes in the environment, and how do you determine which intervention is right for which situation or person?**
- **Does your organisation have a procedure for managing psychosocial risks within your WHS/ OH&S Management System? How well has this been implemented across your organisation?**
- **How do we further remove the stigma of mental ill health and encourage meaningful, respectful dialogue within the organisation?**
- **How do we encourage early reporting of genuine cases and provide support and successful return to work for those who have mental ill health?**

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[11] WorkSafe Queensland Mentally Healthy Workplaces Toolkit https://www.worksafe.qld.gov.au/_data/assets/pdf_file/0018/20871/mentally-healthy-workplaces-toolkit.pdf

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