The plus side of mental health

The imperative of a proactive approach

November 2017
The plus side of mental health: The imperative of a proactive approach
Organisations are beginning to recognise that a proactive approach to the management of psychosocial risk (the interaction between psychological and social factors) can reap significant long-term benefits. More resources than ever before are being invested into areas like leadership development, ergonomics, innovative job design, work allocation, mental health awareness, stress management, and cultural improvement programs to mitigate the risks posed by psychosocial challenges at work.

Nevertheless, the prevailing trend still favours the rolling out of numerous ‘superficial’ initiatives, rather than organisations adopting a more strategic approach to how they manage psychosocial risk. The current approach has not produced compelling evidence to suggest it is the right way forward and, hence, now is the time to re-think how we are effectively managing psychosocial risks in the workplace.

“Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity.”

World Health Organisation
Current state of play

Ensuring the foundation is in place

> Although legislative standards require organisations to provide safe places of work from both a physical and psychological perspective, many business leaders struggle to understand what the provision of a mentally healthy workplace really means.

Trust as an enabler

> The conversation needs to change around defining what “mental health” is. Currently, it is a term with negative connotations. Instead, it should be embraced as being something positive, which promotes engagement and wellbeing.

Leveraging knowledge flow and beyond

> A high level of stigma still exists around mental ill-health in the workplace. Many organisations still have a journey to travel in fostering cultures of openness and sharing of knowledge and information to remove this stigma.
What are the key questions?

With an increasing focus on the impact that issues like absenteeism, presenteeism, lost productivity, and stress leave are having on organisations’ bottom line, from both a reputational and financial perspective, it is imperative that the focus starts to shift towards being more strategic and targeted when it comes to managing psychosocial risks in the workplace. This shift raises some interesting questions for employers to consider.

► How can we ensure that we develop a strategy that proactively allows us to manage psychosocial risks across our organisation?
► What can we do to equip our leaders and people with the skill and knowledge to effectively support the psychological health of our workforce?
► How do we effectively assure the psychological safety of our workforce whilst maintaining productivity in a rapidly changing environment?
► How can we integrate psychosocial risk management into our existing systems, processes, and reporting structures?
► Where can we leverage digital technology to help mitigate psychosocial risks to employees in our business?

The area of psychosocial risk is a challenging one for organisations to grapple with and the answers to these questions are not straightforward, as acknowledged by Rebecca Dabbs, EY Australia, Health and Safety Partner.

"Embedding psychosocial risk management into business-as-usual is a challenge that organisations need to face head on. More needs to be done in terms of due diligence and leaders should be thinking more strategically. How can they support the positive mental health of their people? How can they structure their business, their governance, the systems they put in place? What are the attitudes and behaviours they recognise and reward in the workplace?"

Organisations need to be more proactive in dealing with these complex issues as all the signs point to their impact increasing in the years ahead.
Understanding the problem

Michael Coffey, head of hazardous industries and industry practice at WorkSafe Victoria, acknowledges the increasingly important place that psychological safety is playing in the organisational context:

“Psychosocial risks are a growing concern for workplaces. This is reflected in our safety results. Creating a mentally safe place to work is as important as creating a safe physical place to work.”

Recent years have seen an increased focus on psychosocial safety climate as organisations consider how best to support the mental health of their people.

A Safe Work Australia report in 2016¹ explored the relationship between psychosocial safety climate (PSC) and productivity in the workplace. Some of its findings were particularly noteworthy:

“A very recent survey of 1126 Australian workers (including senior leaders, a mix of lower management, and other employees) revealed that most – over nine out of ten Australian workers – consider it important to safeguard psychological health in the workplace. Yet approximately half the workers surveyed believed that their workplace is not mentally healthy. A psychologically healthy workplace is an organisation where the psychological health of employees is valued and support is provided for those with psychological health problems – in other words these organisations have a strong Psychosocial Safety Climate.”

(p. 7)

This survey highlights a clear disconnect between what people believe should be in place and what actually is, and suggests that something is wrong in how we’re currently addressing the issue of mitigating psychosocial risk in the workplace.

The current approach is not working

At the present time, the prevailing approach is for organisations to focus on wellbeing and invest in initiatives intended to help build employees’ resilience. There are a number of issues with this. Firstly, a focus on developing wellbeing does not address mental-ill health in the workplace; we cannot ignore the risks this presents to both people and organisations everywhere. Secondly, it is imperative that any initiatives or affirmative action are integrated into an organisation’s business strategy. This will ensure progress in a consistent direction and allow for impact to be measured and monitored beyond initiative uptake metrics.

A more strategic approach is needed
Recognising the importance of strategically embedding any psychosocial risk initiatives within a wider business context, EY have developed a model that focuses on seven key organisational levers, allowing for measurement against each. Extensive research points to these levers having an impact on the management and mitigation of psychosocial risk by increasing trust and knowledge flow within the organisation.

<table>
<thead>
<tr>
<th>Lever</th>
<th>Description</th>
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<tbody>
<tr>
<td>Strategy</td>
<td>A strategic plan for psychosocial risk, which is integrated into the overall business strategy, and covers critical dimensions such as work design, resources, autonomy, monitoring, training, and awareness.</td>
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<tr>
<td>People</td>
<td>A flexible and inclusive organisational culture that promotes the desired mental health attitudes, behaviours, knowledge, and skills through a shared responsibility between the organisation and employees.</td>
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<tr>
<td>Governance and Leadership</td>
<td>Board and Executive oversight of psychosocial risks and leaders who take a proactive role to build a mentally healthy workplace, effectively communicate the importance of employee mental health, and offer appropriate support to all employees.</td>
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<tr>
<td>Assurance and Reporting</td>
<td>Appropriate Board and Executive reporting for psychosocial risks with associated understanding and support for appropriate lines of defence to mitigate those risks.</td>
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<tr>
<td>Risk and Opportunity</td>
<td>Psychosocial risks identified, assessed, and mitigated in the workplace, with efforts made to identify opportunities to improve the organisation’s psychosocial risk profile.</td>
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<tr>
<td>Systems and Structures</td>
<td>Appropriate psychosocial risk policies and programs geared toward promoting employee mental health with established organisational functions such as health, safety, and environment (HSE) and human resources (HR) supporting the implementation of the psychosocial risk framework.</td>
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<tr>
<td>Digital Technology</td>
<td>Arrangements in place to facilitate and review continuous improvements in psychosocial risk management and mental health by recognising the impact of digital technology on mental health and wellbeing, as well as using it as an enabler for monitoring risks and hazards, identifying hot spots, tracking performance, and reporting incidents.</td>
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Safeguarding the physical and psychological safety of employees is a key component of Australian workplace health and safety (WHS) legislation. Historically organisations have found it easier to focus on the physical element than on its psychological counterpart. Thus, we are playing catch up when it comes to managing psychosocial risk in the workplace, something that has been acknowledged by Dr Kirstin Ferguson, a prominent board member.

“The confidential nature of psychosocial risks highlight the need for an increased level of trust between employees and organisations, combined with an increase in education and awareness, if we are to further mitigate the impact of psychosocial risk factors in the workplace. Traditionally, conversations around trust have mainly resulted from reactions to controversy rather than through an acknowledgement of their importance in proactively building culture and improving productivity².

This is something that needs to change. Indeed, a key facet of the WHS legislation places an obligation on organisations to consult with their workforce in the development of systems, conditions, ideas to mitigate psychosocial risks and to promote overall health³. Often, however, attempts at consultation can feel ‘tokenistic’ and ‘superficial’ from an employee’s perspective, which can further erode any sense of trust that might have been established with their organisation.
There is an onus, therefore, on organisations to improve how they implement their duty of care in this regard. A potential barrier to this is a lack of understanding around the nature of the WHS officer’s duties. Comcare’s Guidance for Officers in Exercising Due Diligence⁴ states that:

“Officers may meet the due diligence requirements in some respects by proper reliance on information from, and on the activities of others, while having more direct involvement in health and safety managements and governance in other aspects ...” (p.10)

In summary, credible advice from trusted advisers is critical to meeting the requirements. Therefore, trusting relationships between officers, other leaders, and employees become even more critical.

**Risk registers**

As part of their corporate governance, the majority of organisations have systems, processes, and documentation in place to support business risk mitigation through enterprise-wide and financial risk registers. Safety registers tend to be separate documents, which focus predominantly on the mitigation of physical risks throughout the organisation.

Psychosocial risks do not generally feature in any of these risk registers, something which will need to change if organisations are serious about improving their profile in this important area of business performance. A recent discussion paper⁵ produced by SafeWork NSW recommends a dual approach to reducing workplace psychosocial risks. It is defined as:

- “Identifying the key psychosocial risks, protective factors, and raising awareness of the legal obligations to provide a psychologically safe workplace, and
- Identifying the characteristics of a mentally healthy workplace and good job design and providing workplaces with practical, best practice advice on how to implement these.”

For organisations to effectively meet these dual demands, addressing the issue of psychosocial risk needs to be considered best practice through embedding a business-wide risk mitigation process. For this to occur, psychosocial risks need to be included within corporate risk registers.

**Psychosocial risk is an organisation wide issue**

Similar to physical risk, psychosocial risk is impacted by, and impacts upon, all of the key functions of an organisation. Therefore, there is an onus on businesses to consider how to mitigate this risk through their systems, structures, reporting, governance, and leadership, and how it becomes embedded in everything that the organisation does. Once the conversation starts to shift in this direction, organisations will be in a much stronger position to viably mitigate their psychosocial risk profile and meet their legislative requirements.

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Trust as an enabler

“Organisational leaders who drive mental health awareness have a profound influence on workplace culture. They create enterprises that are a pleasure to do business with, where employees are engaged and morale is high.”

Georgie Harman, beyondblue Chief Executive

While a focus on the compliance elements of psychosocial risk management is critical, this alone is not enough to shift the risk profile of organisations. Other critical factors for organisations to consider are:

- Adopting a dual focus on the mitigation of mental ill-health and promoting positive mental health.
- Changing the mental health conversation to provide a positive connotation.
- Developing leadership capability to improve the organisation’s psychosocial risk profile.

How we define mental health

Whilst there is an onus on organisations to proactively mitigate the impact of business functions on mental ill-health, there is also a responsibility to create working environments that promote strong mental health.

The phrase ‘mental health’ is most often associated with the negative end of the psychological spectrum. This connotation enhances the stigma associated with mental ill-health by denying the healthy end of the spectrum its rightful place, and further reinforcing the lack of trust present in conversations on this topic. This is something which needs to change according to Roberto Garcia, EY Australia, National Health and Safety Leader:

“Mental Health is something that organisations need to promote for all of their employees, as it is a key driver of business success. It is, therefore, time for business leaders to show courage and bring the Mental Health conversation from out of the shadows and lead a helpful discourse on why Mental Health is a key component of a robust and sustainable people centred business strategy”.

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The benefits of this more positive approach for organisations include:

- Higher retention rates due to increased levels of trust between employees and their leaders.
- A workforce who feel valued and appreciated by their employer.
- More productivity as the organisation is geared up for people to excel and flourish, as well as to cater for those experiencing mental ill-health.

Leadership is critical

One of the most fruitful focus points for organisations seeking to change the conversation around mental health and, thus, proactively improve their psychosocial risk profile, is through effective leadership.

Leaders, at all levels, can help to improve an organisation’s risk profile by:

- Better understanding the needs of the workforce.
- Empathising with concerns raised by team members.
- Challenging perceptions around mental ill-health in the workplace.

Superfriend’s Indicators of a Thriving Workplace Survey 2017 identifies leadership as a key element of a mentally healthy culture. The ‘best’ organisations they researched, where employees were most likely to be psychologically flourishing, had leaders who were accessible and listened to employees’ ideas and concerns.

Skills like being present, role modelling mentally healthy attitudes and behaviours, addressing employee concerns, and building resilience in team members help leaders to foster a sense of trust. These skills are particularly important when we consider the rate of change in organisations today.

According to Emma Blee, Head of Enterprise Safety at Australia Post, many leaders neglect the impact of the combined affect a number of smaller changes can have on employee’s psychological functioning.

“Most leaders are aware of the potential impact of large scale change on employee’s mental health, however they are less aware of the cumulative impact of smaller scale change and other operational factors, which together can have the same impact as a significant change from the norm.”

Placing a focus on trust will enable organisations to build a strong psychosocial risk mitigation approach, as employees feel comfortable to disclose and discuss mental-ill health in the workplace. Developing trust within an organisation will only be possible with capable and committed leadership. With trust established, organisations can support employees to thrive further in the workplace, not only enhancing their own mental health but also having additional organisational benefits like increased productivity, higher levels of engagement, and better retention rates.

Leveraging knowledge flow and beyond

Whilst trust is very important in positively moving the dial around proactive psychosocial risk management, fear is the emotion around which most of the management of WHS has operated for decades. Fear is one of the most destructive emotions in the workplace and is the antithesis of trust. It has particularly negative connotations when it comes to psychosocial risk, according to Louisa Hudson, Head of Health, Safety, and Wellbeing at the National Australia Bank:

“What help seeking behaviour, or Mental Health reporting, will likely increase if there is an increased focus on mental health awareness and effective early intervention support. However, if there’s a fear of talking about mental health and an absence of support, you stifle this willingness to report. The benefit here is that as the willingness to report increases, mental health related claims decrease; this is a result of open conversations and proactive early intervention.”

Historically, organisations have struggled to counter this fear. More needs to be done to not only reduce the stigma around mental ill-health, but to remove this stigma altogether, so that mental ill-health is treated as an illness in the workplace the same as any other physical ailment. The effective sharing of knowledge and communication around this will be key to bringing about meaningful change, and it is time for mental health and mental ill-health to be placed on the business agenda.

What can organisations do?

Becher and Dollard (2016) proposed some priority focus points for organisations to address the impact of psychosocial risks in the workplace.

1. Prioritise measures designed to foster and protect the psychological health of their employees - improving the psychosocial climate (PSC) may be an effective way to start this process.
2. Reduce work conditions that predispose poor psychological health, such as excessive demands and work pressure, and insufficient support and job control.
3. Monitor the PSC, as PSC provides early indications of risks for poor psychological health outcomes – establish PSC as an organisational key performance indicator.
4. Encourage employee involvement in developing systems and work conditions that are safe for psychological health.
5. Develop communication systems around psychosocial risks and psychological health in order to prevent and manage risks and outcomes.
Work design

One of the most significant ways organisations can communicate to the workforce that psychosocial risk management is integral to business operations is to demonstrate a focus on workplace design. In addition to building trust and sharing knowledge, work design needs to be a central consideration for organisations seeking to improve their psychosocial risk profile. Traditionally, however, organisational leaders have not given this subject the focus that it deserves.

Leaders play a key role in controlling for psychosocial hazards in the way that work is organised and designed. An organisation's psychosocial risk profile is impacted by the decisions leaders make regarding:

- Work hours
- Workloads
- Level of control over work
- Pace of work
- Conflicting demands

With the development of new technologies changing the way we work at a rapid rate, decisions made in these areas will become even more critical in the years ahead. This is a significant challenge for organisations. Genevieve Hawkins, General Manager — Health, Safety and Wellbeing at Coles, sees an opportunity in this challenge:

"Work design is certainly an area where businesses have an opportunity to get better outcomes. We know that the way work is designed plays a significant role in people's mental health at work, and through advancements in technology businesses may be forced to undergo work re-design. This is the perfect time to ensure we are thinking about how we create a sustainable, mentally healthy workplace that enables value to be unlocked."

Work design impacts on far more than just psychosocial risk management. It affects work rosters, productivity, hiring decisions, organisational structure, systems, and strategic approach. Therefore, it makes sense to include psychosocial risk factors in the wider business conversation around the design of work, rather than as an added on element, as other WHS factors (e.g., fatigue management) have often been in the past.

Measurement of psychosocial risk

The invisible nature of the majority of psychosocial risks makes their measurement challenging in the workplace. However, there is a definite need for current reactionary metrics to be improved upon and more of a focus cultivated around proactive indicators.

Genevieve Hawkins acknowledges this challenge and identifies the way forward as being centred around trust, connectedness, and openness, topics already discussed in this article.

"The measurement of mental health and wellbeing at work is difficult. You can obviously look at traditional lag indicators such as turnover, absenteeism, and stress-related workers' compensation data. The challenge is that there are many contributors that all influence those measures one way or another. Therefore, we need to look closer at lead indicators such as employee connectedness, as this is a clear protective workplace factor that will positively influence the management of mental ill-health and the promotion of positive mental health."

Similarly, Karina Jorritsma, of the Centre for Transformative Work Design at the University of Western Australia, echoes the need for change in how we are monitoring and measuring impact in this regard:

"This needs to extend beyond audits of work policies and practices to include employee consultation and include continuous tracking of the effectiveness of interventions/changes made to reduce risk."

In essence, organisations need to identify metrics, collect data, and monitor trends in order to provide information to Boards on psychosocial risk management and provide confidence and assurance that risks to both people and organisations are being proactively addressed.
How can organisations measure psychosocial risk?

Questions that organisations should consider answering when seeking to measure psychosocial risk in the workplace include:

- Do employees perceive they work in a secure and inclusive workplace?
- Do employees perceive they have control/influence over how they do their work?
- Are quality conversations about mental ill-health being had throughout the organisation both formally and informally?
- Is mental health literacy embedded into the employee lifecycle?

In measuring psychosocial risk, organisations should consider the following:

- Has the Board and Executive agreed upon the relevant psychosocial metrics to be captured for the organisation?
- Is the mental health and wellbeing assurance framework appropriate for the psychosocial risks that are associated with the organisation’s activities?
- Are new technologies leveraged to capture information on psychosocial risk in a timely manner?
Looking ahead

It is evident that psychosocial risk is gaining increasing attention both in the community and in workplaces. Whilst awareness and activity is increasing, it is time to move beyond current approaches to managing these risks if we are serious about making progress. Canada and the UK have already taken this step and Australia can learn from their experience. The next step is for organisational leaders to recognise mental ill-health as a risk to their people and their business, and redirect the path forward.

Organisations need to:

1. Accept that addressing psychosocial risk is best practice from an organisational performance perspective.
2. Strengthen and build on a robust foundation, moving to establish a proactive approach to managing psychosocial risks, incorporating this into corporate risk management and business operations.
3. Increase trust in the organisation so that mental ill-health is discussed, reported on, and addressed in the same way we would with physical injury.
4. Change the conversation to promote mental health as a positive, rather than framing it in negative terms.
5. Address work design as a priority, and authentically acknowledge its contribution to psychosocial risk.
6. Capture lead indicators and measure progress and effectiveness.

Tony Johnson, EY Oceania CEO, believes that:

“Organisations can no longer shy away from the reality of psychosocial risk in the workplace; we can no longer turn a blind eye, sweep it under the carpet, or hope it will go away. Organisations that want to lead the way forward will need to bring this topic to the forefront of corporate agendas and in proactively addressing psychosocial risk reap the benefits of a happier, healthier, more productive workforce.”

The future of work needs to incorporate psychosocial risk management into workplace design, business operations, and the wider corporate risk agenda. The rapid rate of change in the modern world is challenging many established assumptions about how organisations operate and how people work. This change process can be difficult and, at times, uncomfortable but facing it, with support from experts in the area, is the best way of maintaining and enhancing an organisation’s standing and reputation. Ultimately, the health of your people determines the health of your business.
Let’s continue the conversation.

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APAC no. AUNZ00000790
PH1730165
ED 0318

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