EY

Shape the future with confidence

Why psychosocial risk assessments are failing leaders

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The better the question.
The better the answer.
The better the world works.

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Executive Summary

Senior HR and H&S leaders are under increasing pressure to demonstrate that psychosocial risks are being identified, assessed, and managed effectively.

Risk registers exist, assessments have been completed, and methodologies align on paper. However, organisations are still struggling to answer the simple question: **how confident are we that we have a true picture of risk and harm?**

Often, the answer is not confident at all.

Across many organisations, we see psychosocial risk assessment outputs that fail to resonate with executives, boards, and frontline leaders. This is because risk ratings routinely appear either as overstated or understated. Issues that "feel" significant based on workforce feedback, incidents and experience come out low, while other less severe risks dominate risk profiles without a clear line of sight to the true level of psychological harm.

This disconnect matters. When psychosocial risk assessments lack credibility, they struggle to support prioritisation, decision making, and ultimately weaken executive and board engagement and confidence.

The problem is not a lack of effort or intent. The problem lies in the way risk assessments are being conducted. Traditional risk models (often designed for physical safety hazards) are being applied to psychosocial risks without sufficient consideration of how psychological harm often compounds over time.

This paper explores:

- Why many existing psychosocial risk assessment approaches are not fit for purpose
- How the way risks are calculated and weighted can misrepresent actual psychosocial harm
- What steps organisations can take now to address this.

> When psychosocial risk ratings fail the ‘does this feel right?’ test, confidence in risk management efficacy is quickly lost

Roberto Garcia
Partner

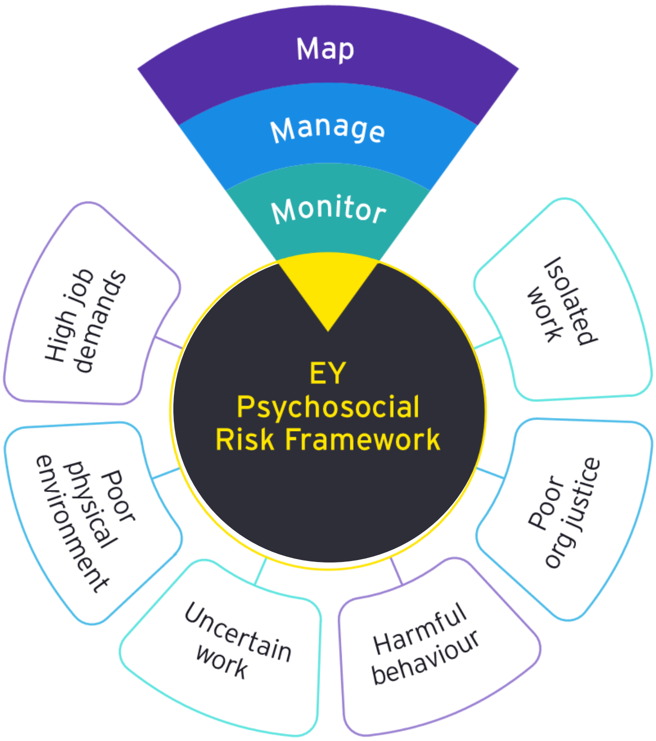
Following the release of our paper "Psychosocial Hazards – think risks, not lists"[1], a consistent challenge remained.

While hazard identification became clearer, organisations continued to struggle to accurately assess the level of risk to their people and the organisation.

The issue is not just how risks are identified, structured, and acted on, but also how they are calculated.

Improving psychosocial risk management requires more than just a structured way of identifying and assessing psychosocial hazards. It requires an assessment logic that reflects how harm occurs in practice.

The EY Psychosocial Risk Framework provides this foundation, helping ensure that risk assessments are grounded in clear, consistent, and meaningful hazard categorisation before assessment is applied.



The EY Psychosocial Risk Framework

Once the EY Psychosocial Risk Framework has been applied to define and categorise psychosocial hazards, the next stage is assessment. The EY psychosocial risk assessment tool builds on the Framework by applying a refined assessment logic to determine relative risk and priority.

1 [Psychosocial hazards – think risks, not lists | EY]

Most psychosocial risk assessments look robust on paper. Yet many produce results that leaders instinctively question. When risk ratings don't align with experience, they undermine confidence, challenge decision making, and weaken trust. The problem isn't effort. The problem lies in the assessment logic itself.

When risk outputs don't "feel" right

When traditional consequence × likelihood logic is applied to psychosocial hazards, several predictable distortions occur:

- **Acute hazards are underestimated:** Severe but infrequent events are driven down the scale by low likelihood, despite their real impact.
- **Chronic hazards are inflated:** Frequent low-level stressors dominate risk registers to distinguish early warning signals from established harm.
- **Severity, frequency and duration either aren't considered or are double-counted:** These factors are often double-counted, conflated, or overlooked across consequence and likelihood, producing internally defensible but misleading outcomes.

Even where organisations have moved beyond simple likelihood and consequence scoring, challenges remain.

Here are some reasons why traditional risk assessment models fall short

Assessment logic does not reflect psychosocial risk exposure	Most psychosocial risk assessments rely on traditional WHS consequence × likelihood models. Designed originally for physical safety hazards. This logic generally holds for physical safety hazard because the consequence of exposure is relatively linear and the likelihood of harm can often be controlled or prevented outright. Conversely Psychosocial risk does not behave this way.
Psychosocial harm is cumulative, non-linear and uneven.	Psychosocial harm is rarely the result of a single event. It is influenced by a combination of: ▪ **Severity** of exposure ▪ **Duration** of exposure ▪ **Frequency** of exposure ▪ The **interaction and cumulative impact** of exposure to multiple hazards over time.
Crucially, not all psychosocial hazards operate in the same way.	Some hazards are **acute**, where a single exposure can result in significant harm. Think exposure to violence and aggression, bullying and harassment, or traumatic events**.** Others are **chronic**, where harm tends to occur through prolonged or repeated exposure often beginning with early indicators before escalating into injury. Traditional assessment models struggle to tell these two risk profiles apart.

The result is risk profiles that may appear technically sound, yet are inaccurate, impractical and often unhelpful.

Improving psychosocial risk assessment is not simply a matter of collecting more data, refining hazard lists or building more complex matrices.

It requires a different way of calculating risk, one that mirrors real world harm.

Our proposed solution – a better way to assess psychosocial risk

The EY psychosocial risk assessment tool builds on our established framework, simplifying the assessment logic to improve risk outcomes.

At its core, our psychosocial risk assessment methodology:

- Treats severity as the primary driver of consequence
- Frequency and duration augment severity rather than compete with it
- Acute and chronic hazards are assessed using the same model, but do not collapse into the same outcome
- Likelihood is applied in its true sense: the reasonable likelihood that harm will occur

This is achieved through a nonlinear weighted algorithm, deliberately designed to reflect how psychosocial harm occurs in practice.

The result is a single, intuitive risk rating that:

- Elevates severe, low frequency hazards appropriately
- Differentiates early indicators from established chronic harm
- Aligns with workforce experience and executive judgement

And most importantly – it is easy for organisations to use.

Let's explore this further through a case study.

The EY psychosocial risk assessment tool addresses these challenges through an algorithm designed to reflect how psychosocial harm occurs in practice.

Case study: When assessment logic obscures true psychosocial risk

A large customer-facing organisation undertook a comprehensive psychosocial risk assessment in response to increased regulatory focus. The assessment process drew on survey data, incident and claims data, and workforce consultation.

What the assessment showed:

Two hazards stood out:

- Occupational violence and aggression (OVA): Linked to psychological injury and real harm, but rated moderate due to low frequency
- Workload pressure: Not linked to injury claims, but rated high, driven by consistently low engagement survey scores

Leaders immediately questioned the outputs - OVA appeared understated, with its severity not reflected in the overall rating.

On the contrary, workload appeared overstated, with likelihood driving a high-risk rating despite lower consequence. This created uncertainty in how to prioritise action.

What went wrong

The issue was not data or consultation, but the calculation model. Severity, frequency and duration were treated separately across consequence and likelihood. As a result:

- Severe, low-frequency risks were diluted
- Frequent, lower-impact risks were inflated
- Risk ratings were defensible, but misaligned to real-world experience

Applying the EY approach

Using the psychosocial risk assessment tool, OVA risk was elevated to reflect its true impact. Workload risk was reframed to distinguish emerging pressures from sustained harm.

The resulting risk profile aligned with workforce experience and supported clearer prioritisation.

Why it matters

When assessments reflect how psychosocial harm manifests, they become a genuine decision-support tool. When they do not, they undermine the assurance they are intended to provide.

What steps organisations can take now to address this.

When combined with a clear framework for defining psychosocial hazards, improved assessment logic supports organisations to move from administratively complete risk registers to risk insights that genuinely support decision-making and protect their workforce as well as the organisation's reputation.

There are practical steps your organisation can take today to better manage its psychosocial risks and make sense of its hazard profile.

Move away from 'lists' and volume-based approaches

Stop expanding hazard lists or risk registers as the primary solution

What to do instead

- Focus on identifying **true sources of harm**, not cataloguing every possible issue
- Recognise that overly long risk registers:
  - dilute clarity
  - increase administrative burden
  - weaken oversight rather than strengthen it.

Redesign how psychosocial risk is calculated

Current models underestimate severe, low-frequency risks and inflate chronic stressors.

What to do instead

- Move away from standard likelihood × consequence scoring, which distorts psychosocial risk outcomes
- Replace it with an approach where:
  - Severity drives consequence
  - Frequency and duration shape (not duplicate) impact
  - Likelihood reflects the probability of harm, not exposure.

Differentiate how psychosocial harm actually manifests

Help ensure acute and chronic risks are considered accurately within the same model

What to do instead

- Avoid collapsing all hazards into a single, linear rating approach
- Ensure severe, low-frequency events are appropriately **elevated**, not diluted by likelihood.

How the EY organisation can help

We work with organisations to rethink how psychosocial risks are identified, assessed and represented – supporting clearer prioritisation, stronger assurance and more confident decision-making for organisations.

Building on the EY Psychosocial Risk Framework, the psychosocial risk assessment tool represents the next stage: moving from structured hazard identification to meaningful risk assessment and prioritisation. We have developed the EY psychosocial risk assessment tool to support any organisation to:

- Simplify psychosocial risk assessment by reducing unnecessary complexity.
- Integrate psychosocial risk into broader enterprise risk frameworks to support visibility at an organisational level.
- Focus on the risks that matter most to support clearer prioritisation of action.
- Remain agile by enabling reassessment as organisational conditions change.

Contact us

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Experience the psychosocial risk assessment tool in action

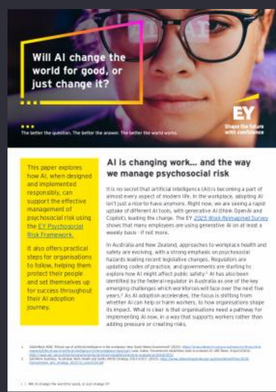
Access a demonstration of the psychosocial risk assessment tool and see how it improves the accuracy and usability of risk assessments.
Scan the QR code to request a demonstration and explore how it could support your organisation.

Recent and related publications

Below are links to our recent thought leadership pieces on psychosocial risk management.

Psychosocial hazards - think risks not lists

Why your psychosocial risk register is making things worse



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