

Psychological Wellbeing in the Workplace

HOW DOES YOUR BUSINESS STACK UP?



A deep dive into how Australian businesses rate for psychological wellbeing awareness and culture, according to their employees. Plus, discover the steps business owners and Human Resource managers can take to meet legal obligations – and match it with industry leaders.

Research partner:



readiness
for Business



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Introduction

In an Australian first, new workplace research shows how businesses are addressing psychological safety and wellbeing – with some organisations and industries doing exceedingly better than others.

At a time when prioritising employee mental health has never been so important as we emerge from the COVID-19 pandemic, the results raise some alarming insights into a widespread lack of awareness about legal requirements to protect workers from psychological risks.

A new study titled, "Organisational Practices for Wellbeing: How is Australia doing?" has prompted experts to urge Australian business leaders to step up psychological safety measures in the workplace.

Commissioned by [Readiness](#) and undertaken by our key research partners, Swinburne University of Technology's Centre for Mental Health and Centre for

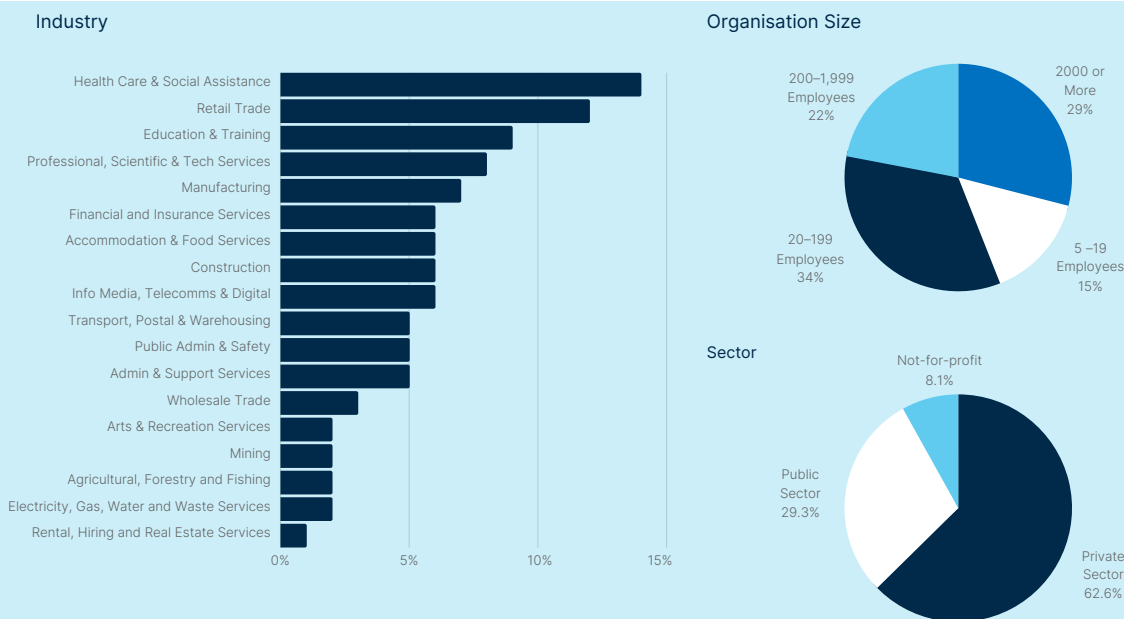
Transformative Innovation, the study took place in August 2021. It was led by human resource experts Associate Professor Eva Kyndt, Dr. Fiona Brown and Dr. Tim Bednall.

The first part of the study published in November 2021, explores if – and how – organisations are addressing psychological wellbeing in the workplace, including:

- Policies, practices and systems implemented to promote and address psychological wellbeing in the workplace;
- Comparison with physical safety; and
- Awareness of legislation.

A nationally-representative sample of 1058 Australian working adults based on age, gender and state covering a range of industries, organisation sizes and business sectors were surveyed.

NATIONALLY REPRESENTATIVE SAMPLE



A second study, to be published in early 2022, will assess what wellbeing services are available to Australian employees in the workplace including, access to specific psychological wellbeing services and prioritisation of specific aspects of psychological wellbeing in the workplace.

The research is the first of its kind in Australia to provide a detailed understanding of where the Australian business landscape is at on its wellbeing and psychological safety journey. It is hoped that with a renewed focus on workplace mental health and wellbeing off the back of the COVID-19 pandemic, this study serves as a call to action for those organisations and industries who are falling short of meeting their legal obligations to ensure the physical and psychological health of their employees.

PAUL FRANCIS

Readiness Co-founder
and Chief Technology Officer

Defining wellbeing culture and legislation awareness in Australian organisations.

Physical safety culture

The degree to which employees perceive their organisation considers physical safety in the workplace important and addresses it adequately.

Psychological wellbeing culture

The degree to which employees perceive their organisation considers psychological wellbeing in the workplace important and addresses it, as well as the openness and acceptance around psychological wellbeing issues.

Psychological wellbeing systems

The extent to which employees perceive their organisation has systems, procedures, resources and training in place to support psychological wellbeing in the workplace.

Awareness of legislation

Awareness of legislation requiring businesses to protect their workers from psychological risks.

Why is psychological wellbeing important in your workplace?

Only around half of the business leaders and HR managers surveyed by Swinburne in this study know they have a legal obligation to ensure the physical and psychological health of all employees. Which leaves an alarming portion that were unaware of their requirements under the [Work Health and Safety Act \(2011\)](#).

Under the Act, businesses have a duty of care to eliminate or minimise risks to psychological health; monitor the health of workers and workplace conditions; and regularly consult with workers.

Work pressure, work-related harassment and/or bullying, exposure to workplace or occupational violence, other mental stress, exposure to a traumatic event, being assaulted and sexual or racial harassment are just some of the work-related mental health conditions (also known as psychological injuries) that have become a major concern in Australian workplaces.

Without psychological safety measures in place, businesses face a number of potential risks, including reduced productivity, costly compensation claims and even prosecution.

The Australian Bureau of Statistics estimates that the untreated mental health cost to the Australian economy is \$10.9 billion per year. This figure includes \$4.7 billion in absenteeism, \$6.1 billion in presenteeism and \$146 million in compensation claims.

Businesses that prioritise the mental health and wellbeing of their employees enjoy flow on benefits such as greater productivity, reduced absenteeism, reduced presenteeism, happy and loyal staff, and becoming an employer of choice, says Paul Francis, Readiness Co-founder.

"If employees feel psychologically safe they will also be more comfortable to speak up about ideas, ask questions, solve problems, learn from mistakes and feedback in the workplace without the fear of punishment, humiliation or bullying from others."



Key Takeouts From The Research Study

Australian business leaders need to 'lift their game'.

Awareness of the legislation around psychological safety in the workplace across Australia is alarmingly low, according to the Swinburne research.

Just 48 per cent of business leaders, including CEOs and organisation heads, reported being aware of the relevant legislation, which was lower than the management level below them at 56 per cent.

The awareness among HR managers was 67 per cent, however, concerningly, 33 per cent of HR managers reported having no awareness or understanding of the legislation at all. In organisations where there is no formal HR department, the awareness dropped to just 52 per cent.

"These results are concerning and a wake-up call for business owners across Australia, particularly those small to medium sized businesses without a HR representative," says Associate Professor Eva Kyndt, study lead and an internationally recognised [expert in human resource management and development](#).

At a state-by-state level, the awareness is generally low across the country. Queensland recorded the lowest rating with just 30 per cent of businesses aware of their legal obligations, and the ACT recording the highest with 54 per cent of respondents understanding the legislation.

"If business leaders – no matter the sector they are in – don't fully understand how to protect the psychological safety of employees, they risk not only harsh penalties, but a less productive and well workforce," adds Associate Professor Kyndt. "Across the board, they need to lift their game before it's too late. Wellbeing is key to future-proofing careers, in the knowledge economy, mental wellbeing might impair knowledge work more than certain physical injuries."

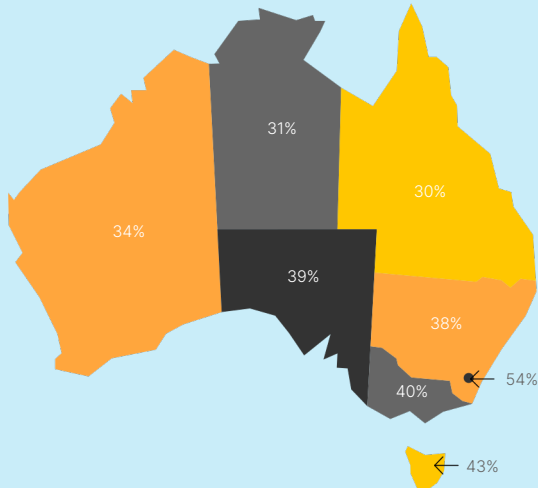
In September 2006, 19-year-old Brodie Panlock ended her life after enduring ongoing humiliating and intimidating bullying by her co-workers at a café in Hawthorn. Her death was a tragic reminder of the serious consequences that bullying can have on victims, their families and the community and resulted in the introduction of Victoria's anti-bullying legislation, [Brodie's Law](#).

Victorian state government workplace manslaughter laws were introduced in 2019. This rules that negligent bosses can face up to 20 years in jail and \$16 million in fines over the suicide deaths of their workers. The laws cover deaths caused by mental injuries, including trauma from bullying or other forms of abuse, sustained on the job as well as accidents and illnesses caused by unsafe workplaces.



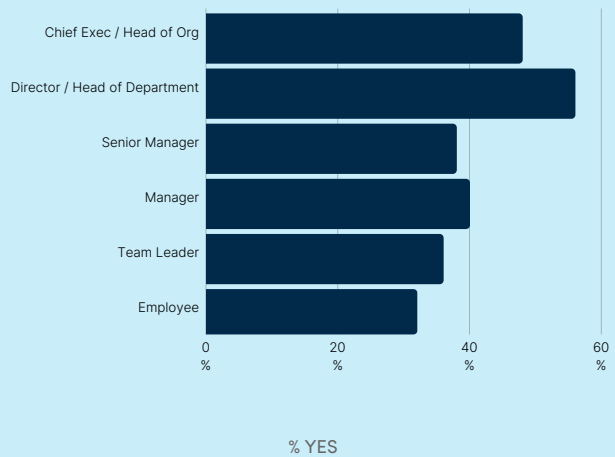
LEGISLATION AWARENESS ACROSS STATES

Awareness of legislation is generally low throughout Australia



AWARENESS ACROSS ORGANISATION HIERARCHY

The more senior your position in the organisation the more likely you are to be aware of relevant legislation



How does your industry compare?

The level of awareness of the [Work Health and Safety Act \(2011\)](#) requirements to ensure the [physical and psychological health](#) of all employees varies across industries:

Highest within sector proportion of awareness

- Manufacturing (49.3% aware)
- Construction (46.7% aware)
- Transport, postal and warehousing (46% aware)

Lowest within sector proportion of awareness

- Wholesale and retail trade (75.2% not aware)
- Financial services (75% not aware)
- Administrative and supportive services & public administration (65.6% not aware)





Key Takeouts From The Research Study

2. Psychological wellbeing can no longer be the poor cousin of physical safety.

The research confirms what Readiness has been observing in Australian businesses during recent years – that the obligation to provide a psychologically safe work environment is not widely known, nor acted upon.

In fact, 79.8 per cent of employees rated the physical safety culture in their organisation higher than the psychological safety culture.

“It’s clear employees generally feel that their organisation considers physical safety more important than psychological safety. In other words, psychological wellbeing is still the poor cousin of physical health and safety,” says Paul.

The research also revealed that only 23% percent of employees surveyed perceive that organisations are more proactive than reactive around psychological safety.

Larger organisations were perceived to have a poorer psychological wellbeing culture compared to small and medium sized enterprises. However, small organisations were perceived to have less extensive psychological wellbeing systems.

Professor Jane Burns, a mental health and suicide prevention expert and a strategic advisor for Readiness, urges businesses to prioritise staff mental health and wellbeing as the workforce tries to recover from the impact of the COVID-19 pandemic.

“Without psychological health and safety in the workplace, businesses risk losing employees to mental health issues, including burn out,” she says.

An International Committee of the Red Cross (ICRC) [survey](#) found one in two participants from across seven countries reported the pandemic is negatively impacting their mental health.

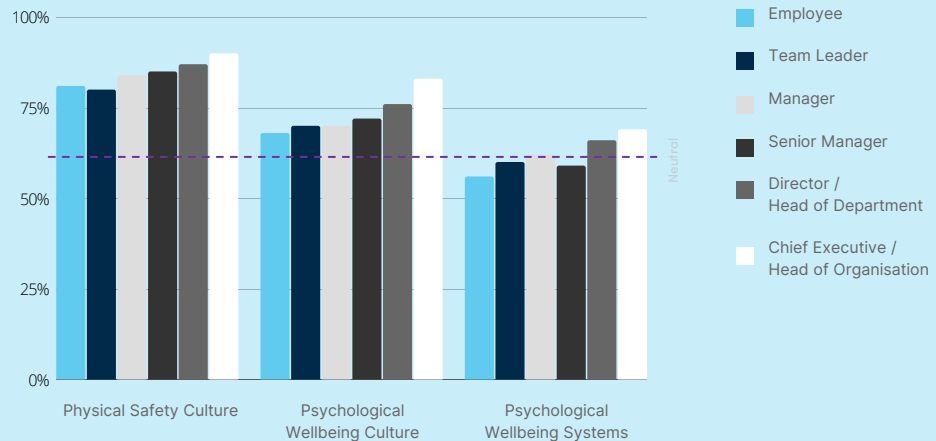
“There have been many associated disruptions to the workforce since early 2020, including impacts of self-isolations, working from home, home schooling, and casual employees and other cohorts experiencing job insecurity,” she says.

“Put simply, there has never been a more important time to support staff mental health and wellbeing.”

ORGANISATION HIERARCHY

Across all levels of the organisation, employees perceive that their organisation is doing more to address physical safety than psychological wellbeing.

The **more senior** the position the higher they score their organisation on both physical safety and psychological wellbeing.



3. There is a disconnect between employees, managers and HR departments.

Employees are less likely to believe enough is being done about psychological safety at work when compared with their managers and those working in the HR department, according to the Swinburne research.

The research revealed, the more senior the position, the higher participants scored their organisation as doing enough on both psychological and physical safety. Furthermore, the larger the organisation, the poorer the perceived culture was around psychological wellbeing.

“Individual employee demographics can also have an impact on this perception, explains Associate Professor Kyndt. “For example, males perceive their organisation was doing more than females, and the older the employee, the lower they scored their organisation’s psychological wellbeing culture.”

Meanwhile, fixed term contract employees had the most positive perceptions of their organisation’s support for wellbeing – compared to casuals and permanent employees.

“These results tell us that leaders need to be more in tune with their employees. Clear, consistent communication, and even regular one-on-one check-ins can help employees understand and acknowledge the wellbeing services and support available to them,” she adds.



4. The Australian industries leading the way – and falling behind.

When it comes to the most progressive industries for workplace psychological wellbeing, the Primary Production, Construction and Financial Services industries scored the highest rating across all three measures in the study; physical safety culture; psychological wellbeing culture; and psychological wellbeing systems.

INDUSTRY

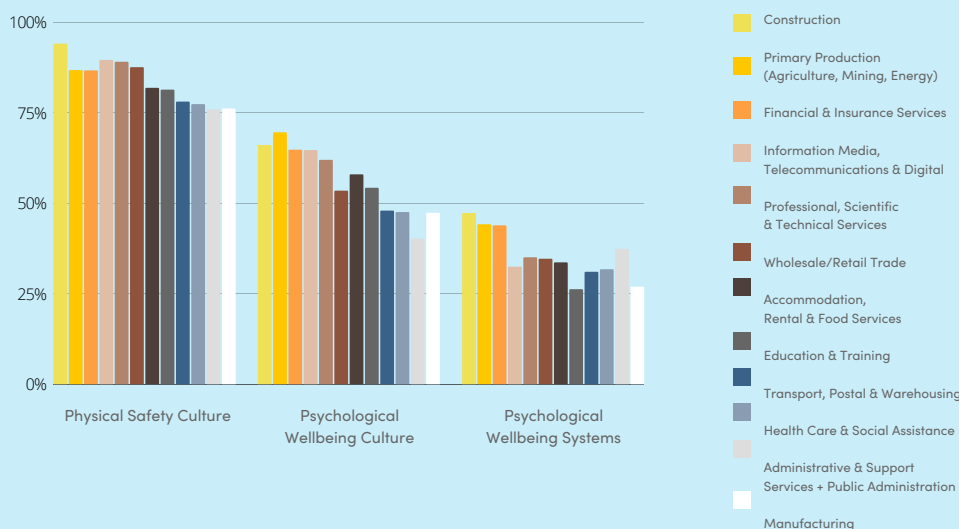
There were significant differences among industries for Physical Safety Culture and Psychological Wellbeing Culture.

Across all three measures, the highest rated industries were:

- Primary Production
- Construction
- Financial Services

The lowest rated industries were:

- Manufacturing
- Administration
- Health Care



The lowest rated industries were Manufacturing, Administration and Health Care.

Those in white collar jobs reported stronger psychological wellbeing cultures and systems, compared to those working in blue collar jobs.

"We believe Primary Production is at the forefront of understanding the legal obligations to provide a physical and psychologically safe workplace, however the industry falls down when it comes to providing employees access to mental health and wellbeing services," explains Associate Professor Kyndt.

"Our results showed an average of 15 per cent of employees reported a lack of access to any wellbeing services. While 50 per cent of those surveyed across all industries said they have access to more than six different types of services."

One Melbourne manufacturing business that is bucking the trend and has successfully embedded wellbeing into its culture is [Metaltex](#).

Prioritising staff wellbeing was much more than a box-ticking exercise for the precision manufacturing and engineering solutions business, which engaged Readiness in January 2021.

Sean Pieteron, Metaltex CEO, wanted to meet his legal obligations, but also provide a safe, engaging and progressive work environment.

"Before we [introduced Readiness](#), I would describe the overall mental health and wellbeing of our staff as fair. In 2021, we saw a 14 per cent improvement in staff wellbeing, a 17 per cent increase in sleep and a 15 per cent increase in mental health. Now I have the confidence – and data – to show that employee wellbeing has improved at Metaltex."



WHAT NEXT?

Where to start if you haven't given enough – or any – consideration to psychological safety.

If you are concerned that you haven't implemented adequate physical and psychological safety measures in your workplace, and you could be open to the consequences, you are obviously not alone.

You can start making psychological safety a priority in your workplace by considering the following strategies:

1. Educate yourself on your legal obligations.

The first step is to educate yourself on the [legal obligations](#) and how [changes to the way we work](#) are impacting the mental health of Australians.

In short, the purpose of the Workplace Health and Safety laws is to eliminate or minimise risks to the health and safety of workers, and 'health' is [defined](#) as meaning psychological as well as physical health.

Remember, Work Health & Safety (WHS) and workers' compensation laws do not operate in isolation and other laws may also be relevant. These include criminal laws, anti-discrimination laws, the Fair Work Act 2009 and some jurisdictional industrial laws, privacy laws, disclosure by an employee during employment, and disclosure during recruitment processes.

2. Identify the potential causes for psychological stress in your workplace and eliminate them.

These could be factors like high or low job demands, low job control, remote or isolated work or traumatic events. Safe Work Australia's [guide](#) to work-related psychological health and safety identifies psychosocial hazards that are present in many workplaces.

3. Build a wellbeing culture

This might include encouraging leaders to facilitate open conversations about their own mental health, promoting [help-seeking and reducing stigma](#).

4. Make wellbeing a year-round commitment

Commit to a workplace wellbeing program [which supports your employees every day](#). For example, [Readiness](#) is a scientifically-backed wellbeing platform, which monitors and supports the mental health and wellbeing of employees. Introducing measures like these will help ensure you not only reduce potential health risks, but also improve mental health and wellbeing at your business.





A better future for your workforce

While many Australian businesses are taking steps to prioritise staff psychological safety and meet legal obligations, it's clear more work is needed across every sector.

"This research has put a spotlight on Australian businesses, and shows why leaders must step up and give psychological safety the focus it deserves, especially after all the widespread impact of the COVID-19 pandemic," says Paul.

"We hope these findings lead to greater awareness of the laws surrounding psychological safety in the workplace but, more importantly, also encourage businesses to create an environment where employees flourish, which in turn leads to better job satisfaction and overall business performance."

Readiness is well placed to support your business – regardless of size and sector – on taking this necessary, proactive approach to workplace wellbeing.

To find how Readiness can help your business to provide a psychologically safe work environment for your staff, visit: <http://www.readiness.com.au/>



The study, "Organisational Practices for Wellbeing: How is Australia doing" was commissioned by Readiness and undertaken by Swinburne University of Technology's Centre for Mental Health and Centre for Transformative Innovation.

If you wish to learn more about the study, please email info@readiness.com.au



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