

The Business Case for Psychological Safety & Health

How does employee psychological health impact an organization?

Negative Impacts

Compromised employee psychological health has a range of negative effects on organizations, including...

- **Financial.** Mental health conditions such as depression and anxiety are rapidly becoming the main cause of disability in developed countries. Employers are facing increased disability premiums, rising health and benefits costs and expenses associated with replacing absent employees.
- **Productivity.** In addition to absenteeism, psychological ill-health is a significant contributor to 'presenteeism', decreases in performance due to illness or injury while an employee is still at work. A recent study found that, compared to a variety of common disorders (e.g., asthma, migraine, arthritis), depression caused the greatest decline in work productivity and focus.
- **Safety.** Reduced psychological health and safety contributes to accidents, incidents and injuries. Most jobs require employees to have good concentration, social skills and the ability to solve problems effectively. These skills are undermined by most mental health conditions. As a result, co-workers and customers are at risk of serious, and sometimes dire, outcomes due to unrecognized or poorly managed mental health conditions.
- **Workplace morale.** Reduced psychological health and safety contributes to conflict and grievances. If one member of a team is struggling, the whole team is compromised. Unlike physical illnesses or injuries, which tend to be visible to fellow employees, mental health problems are often described as 'invisible', because these problems aren't apparent or recognized by team members. Changes in a colleague's usual behaviour or performance due to mental health problems may be perceived as intentional, resulting in misunderstanding, resentment and tense relationships. This, in turn, contributes to absenteeism and turnover.

Positive Impacts

On the other hand, a psychologically safe and healthy workforce has meaningful benefits for organizations, including...

- **Improved recruitment and retention.** In today's complex and ever-changing job market, current and potential employees have higher expectations for their jobs. They expect to be treated fairly, recognized appropriately and provided with opportunities to demonstrate their knowledge and develop new skills. Employers who create and sustain a 'great place to work' will attract and keep the best workers.

- **Improved employee engagement.** An engaged employee is someone fully involved in, and enthusiastic about, his or her work. When employees are engaged, they view their interests as aligned with those of the company. They are more willing to extend an extra or discretionary effort to assist clients, customers and their colleagues. The net result is improved performance, productivity and quality of goods and services.
- **Improved sustainability.** Organizations, like individuals, must be resilient in order to respond to external demands (e.g., market challenges, layoffs, mergers or restructuring). Businesses or work groups with psychologically healthy employees are best equipped not only to survive, but to thrive, when facing challenges.
- **Improved health and safety.** Employers strive to create an atmosphere where there is a shared commitment to employee well-being and security. In such environments, staff recognize their responsibility to care for their own physical and psychological health, but also to support colleagues whose behaviour indicates that they are struggling or whose actions place others at risk. In such environments, staff are also more accepting and collaborative when accommodating a colleague returning to work from a disability absence, whether physical or psychological.

The Business Case for your Organization

The argument for addressing psychological safety and health varies across sectors, regions, companies and teams or branches within organizations. For some, the strongest driver will be financial; for others, productivity and growth. Some employers will feel a moral imperative to ensure the psychological health of their workplace.

You may be the manager of a business or work team and be directly responsible for addressing workplace safety and health. Alternatively, you may be a member of a human resources department, a union representative or a concerned employee seeking to convince leaders in your organization to take action on this issue.

Regardless, it is important to determine the appropriate business case for your particular situation. Be realistic and identify specific and achievable outcomes. Collect any qualitative or quantitative information relevant to your situation and consider using this to measure the success of interventions. Some of the data that you may use to build your business case may include:

- Absenteeism
- Benefits costs
- Turnover
- Accidents and injuries
- Workers' compensation claims
- Disability rates

Remember that the risk factors within your workplace are not going to change without action, and doing nothing is costly. Finally, keep in mind that efforts to address the psychological safety and health of your workplace are most likely to succeed when employers and employees work together.