



## Psychological health for small business

**This fact sheet contains information on preventing and managing psychological health for small businesses in relation to their duty of care under the *Occupational Health and Safety Act 1984*. This information may also be applicable to large business.**

Individuals can develop a stress response from exposure to psychological risk factors. Prolonged exposure can result in physical or psychological injury. Psychological risks should be managed in the workplace by undertaking a risk management approach. A risk management approach is outlined in Figure 1.

### [The benefits of a risk management approach](#)

Minimising psychological risk factors of work-related stress in small business can have the following benefits:

- Positive working environment
- Job satisfaction and good morale

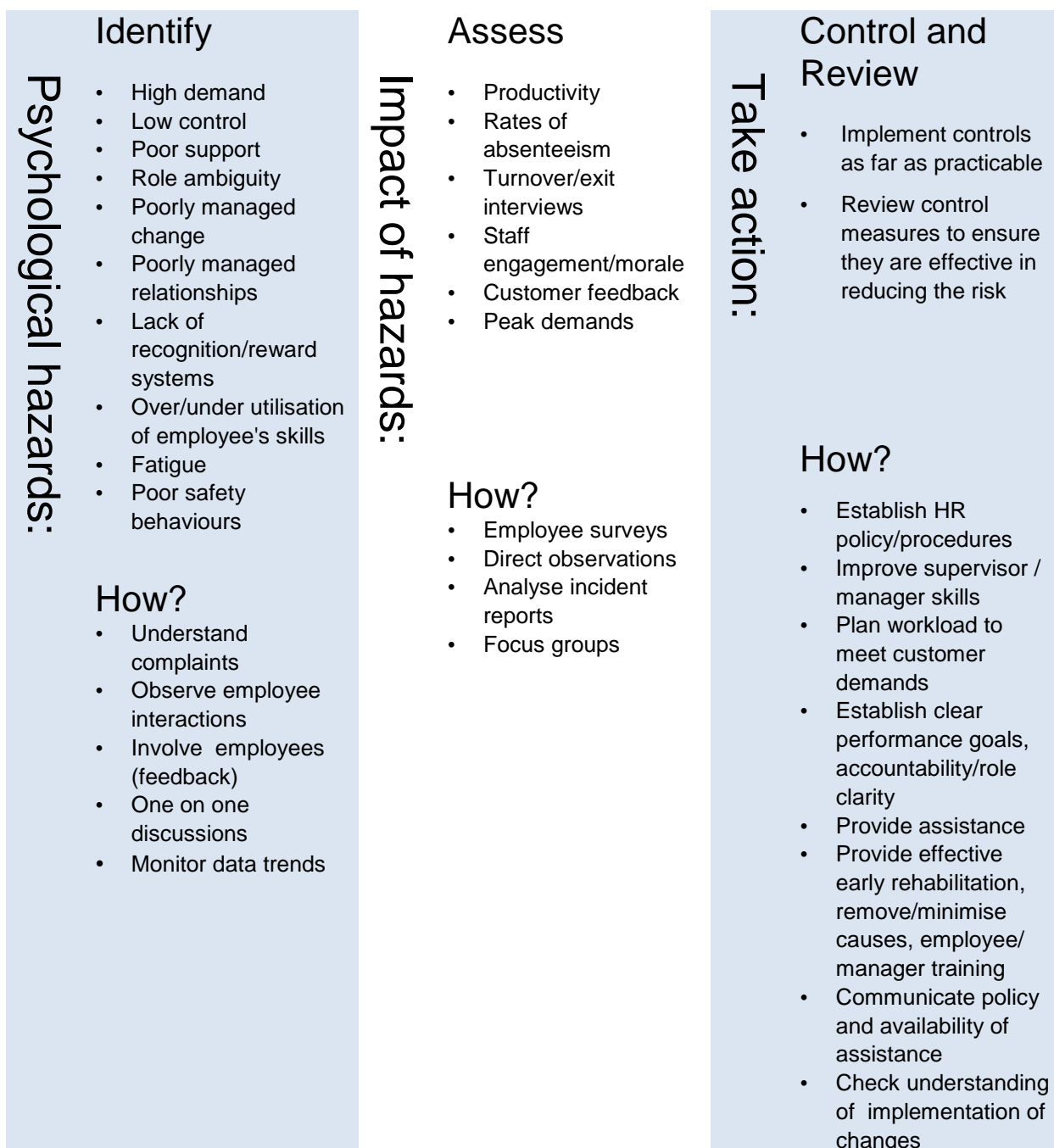
- Increase in productivity
- Sound decision-making
- Reduced turnover of staff
- Reduction in recruitment and training costs due to retention of staff
- Reduction in absenteeism
- Reduction in accidents/incidents
- Reduction in customer complaints
- Improved communication
- Loyalty to the organisation
- Low customer satisfaction

### [Possible consequences of exposure to psychological risk factors](#)

Exposure to unmanaged psychological risk factors in small business can lead to employees experiencing health effects such as:

- General low level distress
- Psychological injuries such as depression and anxiety
- Physical illness and injuries

Figure 1. Psychological Risk Management Approach



### Identify the risks

Identifying risks at work can be done by analysing workplace data, direct observation and by employee surveys.

### Demands

These include issues like workload, work patterns and the work environment:

- High physical, mental or emotional demands
- Tight timeframes and high output
- Shift work and extended hours of work

### Regional Offices

- Skills are appropriately utilised within work tasks
- Working alone/isolated

### Autonomy/control

This refers to how much control employees have in the way they conduct their work:

- Performance targets
- Resources available
- Decision-making
- Skill discretion

### Support

This refers to the level of support provided by the organisation, line managers and peers:

- Employee concerns are addressed
- Employees are provided with constructive feedback
- Employees have the opportunity to seek support from managers or colleagues
- Support mechanisms are available i.e. Grievance officer, Employee Assistance Program

### Role conflict/ambiguity

This refers to the amount of clarity the employee has about their duties, tasks and who they report to:

- Understanding of the role the employee has within the organisation
- The employer ensures the person does not have conflicting roles or duties
- Lack of role clarity between small business owners and employees or co-workers can lead to tension and conflict which may develop to become perceived as workplace bullying

### Relationships

This refers to the extent of good relationships within the workplace:

- Promoting positive working relationships to manage conflict

- Dealing with unacceptable behaviour such as workplace bullying

### Change

This involves the way planned and unplanned change is managed by the organisation and communicated to employees:

- Employees receive regular communication about the changes
- Employees are aware of how the changes will personally affect them or their position
- Employees have the opportunity to discuss any concerns about the changes

### Recognition and reward

This refers to rewarding individual and team efforts and acknowledging how these achievements are contributing to the overall business strategy / plan:

- Employees receive regular performance reviews
- Employees receive regular informal feedback on their performance
- Rewards and recognition is appropriate and relevant to the employee and the team

### Organisational justice

This refers to the perception of fairness about work procedures and how they are carried out

- Employees' concerns are respected and considered
- Work procedures are unbiased and transparent
- Work rules are consistently and fairly applied

### Assessing the risk

Assess the psychological risks in the workplace, to ascertain the degree of risk before developing control measures. This involves examining the likelihood of an injury or harm to

health occurring and the severity of the consequences that may result from exposure to the psychological risk factors.

## Controlling the risk

### Demands

#### Do:

- Hold regular team meetings to discuss projected workload for the following week, plan for any known absences
- Meet with individuals to discuss workload and identify challenges encountered or anticipated
- Develop personal work plans to ensure employees are aware of their job responsibilities
- Identify peaks and troughs for workload and incorporate into staffing rosters
- Allocate resources such as time and equipment to ensure employees can undertake their jobs properly
- Ensure utilisation of skills within everyday work
- Ensure that all employees have adequate time management skills and provide training where needed
- Give realistic deadlines
- Minimise environment distractions e.g. noise, vibration
- Limit employees exposure to repetitive and monotonous tasks

#### Don't:

- Ask people to undertake tasks they are not trained or skilled to do
- Expect people to work longer hours than rostered to complete tasks
- Increase an individual's workload without appropriate resources for the task
- Under-utilise skills

### Autonomy/control

#### Do:

- Engage employees in making decisions about the way they do their work
- Allow employees to participate in the decision-making processes about issues that affect their work
- Performance review processes can be an opportunity for employees to have input into the way they do their work
- Provide opportunities for skill development

#### Don't:

- Expect employees to stay after hours without prior consultation

### Support

#### Do:

- Provide a workplace culture that supports open communication so employees feel comfortable in discussing issues
- Provide training, skill development and employee assistance services to employees
- Promote work/life balance by allowing for flexibility at work
- Utilise annual performance reviews as a time to provide support and constructive advice for future performance
- Encourage team skills – promote cohesiveness, communication and job satisfaction
- Provide opportunities for career development such as acting in managerial roles during the manager's absence

#### Don't:

- Use annual performance tolls as a disciplinary measure
- Discriminate against people

## Role conflict/ambiguity

### Do:

- Provide up-to-date position descriptions
- Provide an organisational chart which enables a clear view of structure and communication channels
- Provide an induction to all new employees
- Develop personal work plans

### Don't:

- Change job functions or position descriptions without consultation and discussion

## Relationships

### Do:

- Provide education on workplace bullying, harassment and conflict resolution
- Define what is acceptable behaviour within the workplace e.g. Code of Conduct
- Promote communication
- Provide information on services available and how to access them as an Employee Assistance Program
- Put processes in place which address action to be taken in the event behaviour is unacceptable – e.g. complaints handling and investigations, potential disciplinary actions

### Don't:

- Allow unacceptable behaviour to continue

## Change

### Do:

- Involve employees in the change process via communication and consultation
- Identify the key issues of the change and provide information to employees

- Ensure that employees are informed of the implications of the change on their respective positions and roles
- Identify methods of communication to meet the needs of staff in advising of the change process

### Don't:

- Disregard the impact it may have on individuals or teams, as even minor changes can affect individuals
- Keep employees in the dark – keep them informed

## Organisational justice

### Do:

- Ensure that workplace rules are applied fairly, consistency and in an unbiased manner
- Ensure there is a transparent grievance and appeal process
- Promote and encourage a positive and fair work environment

### Don't:

- Ignore unfair work practices. The experience of perceived injustice at work can be harmful to both the individual and the organisation

## Recognition and reward

### Do:

- Recognise individual and team contributions and achievements within the organisation
- Ensure recognition and rewards are appropriate and relevant for the employee or team

### Don't:

- Show overt favouritism to a worker or group of workers

*(This information has been adapted from Workplace Health and Safety Queensland)*

For more information contact WorkSafe WA on 1300 307 877.

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