

Small Business Guideline: Identifying and Managing Psychosocial Risks

As a small business owner, it's important to identify and manage psychosocial risks. Psychosocial risk refers to the risk of psychological harm in the workplace, which can lead to stress, burnout, and other negative outcomes. Under Work Health and Safety law, you are required to take proactive steps to monitor and manage risks in your business the same that you would any physical safety hazard.



More importantly, it's not just about your legal obligations and doing the right thing for employees, when you prioritise the mental health and wellbeing of your employees, it can have a positive impact on their productivity, job satisfaction, and overall success of your business.

Here are some practical steps to minimising psychosocial risk in your workplace.

1. Understand the risks:

Start by understanding the types of psychosocial risks that can occur in the workplace. These can include things bullying and harassment, fatigue and workplace stress.

- 2. Conduct a risk assessment: Once you understand which risks are most relevant, assess the risks. This is achieved by breaking down the likelihood and potential consequences of the risks causing harm to your employees. Once you have assessed the current risk; identify realistic ways you can better control those risks to improve outcomes for employees and your business. Reassess the likelihood and consequence of the risks AFTER the control is implemented. The risk that remains after your control is called residual risk and as a business owner, you have to be comfortable that these risks are being adequately controlled and that the residual risk is reasonable and acceptable. You can use an online tool such as the Safework NSW Easy to do work health and safety toolkit or hire a professional to assist with the assessment.
- **3.** Develop an action plan: Take the controls you have identified in your risk assessment and turn these into an action plan. Think through each stage of the process – from design through to implementation and embedding. This may involve making changes to work practices, providing training and support for employees, or implementing policies and procedures to prevent harm. Safework NSW safe working environment toolkit may assist.





- **4. Communicate with employees**: It is important to communicate with your employees about psychosocial risk and what you're doing to manage it. This can help to create a culture of safety and support in the workplace. You can hold regular meetings or training sessions to discuss the risks and any changes that are being made. You should do this throughout the assessment, design, implementation, and review of your controls and action plan.
- **5. Provide support**: Providing support for employees who are experiencing psychosocial harm is crucial. This can include access to an employee assistance program, counselling, or other support services. NewAccess provides six mental health coaching sessions for free.
- **6. Review and improve**: Finally, it's important to regularly review your psychosocial risks and make improvements where necessary. This can involve gathering feedback from employees, monitoring the effectiveness of your strategies, and making changes as needed.

These steps can help protect your employees and your business against the negative consequences of psychosocial hazards at work. While it is not always possible to remove these risks, there are steps you can be taking right now to minimise the likelihood and consequence of psychosocial risks at work. Where you can prevent harm and foster positive workplace mental health – you are not only meeting your legal obligations under the WHS laws, but you provide a positive workplace culture improving the engagement, productivity and effectiveness of your employees and business.

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