Mind the Gap: 5 Practical Fixes to Close Psychosocial Compliance Gaps

AI Summary of Webinar

1. Overall focus

The webinar explored **how HR, HSE and senior leaders can move from basic, reactive activity to a mature, legally compliant psychosocial risk management system**.

It covered:

- The **legal and regulatory context** for psychosocial risk in Australia (Model WHS Regulations, Victorian Psychological Health Regulations, regulator expectations).
- A **psychosocial compliance maturity journey** – from "just getting started" to "embedded and leader-led".
- **Five common compliance gaps** and practical fixes:
    1. Identifying psychosocial hazards
    2. Controlling psychosocial risk
    3. Monitoring, reviewing, and revising controls
    4. Consultation (beyond one-way communication)
    5. Ensuring competent advice

FlourishDx's tools (tailored training and psychosocial risk assessment products) were mentioned as ways to quickly address some of the most visible gaps (eLearning and QuickStart psychosocial risk assessment).

2. Key topics covered

2.1 Regulatory and enforcement context

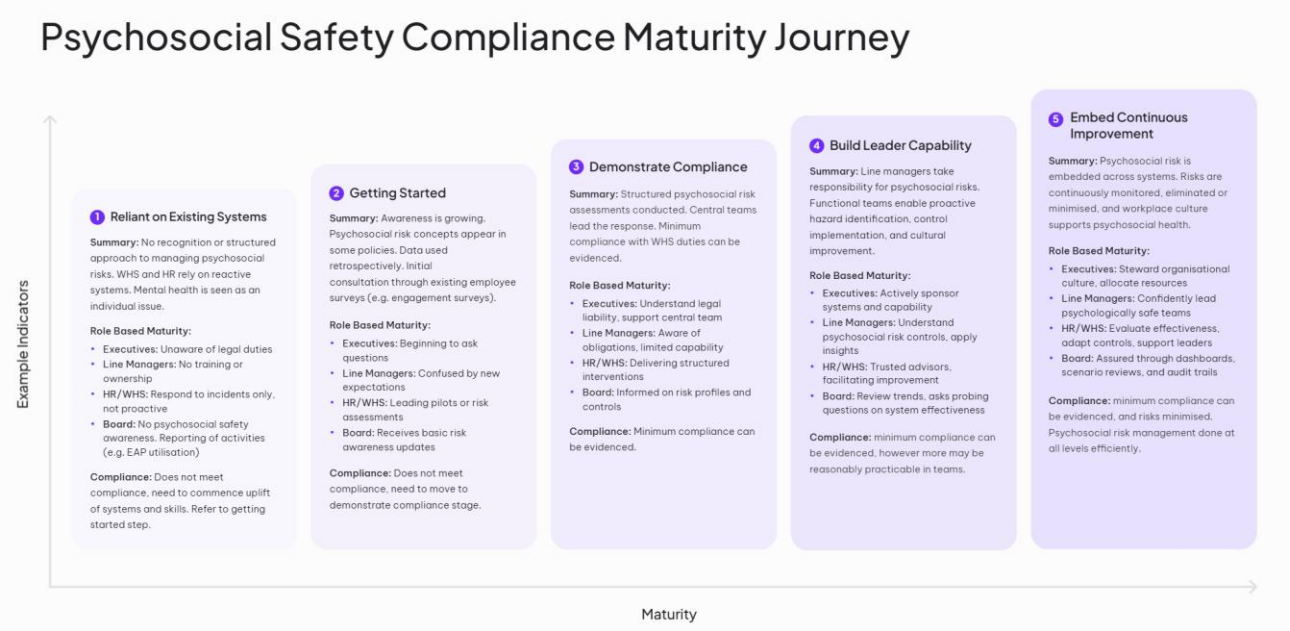
- Psychosocial safety was framed as a **clear legal duty**, not a wellbeing nice-to-have.
- Dr Libby Brook drew on her experience at **WorkSafe Victoria**:
    - Regulators are issuing **improvement notices** where:
        - Organisations have **no or poor psychosocial training** (no training, or no records).
        - Organisations have **not completed a psychosocial risk assessment**.
        - Other failures stemming from a lack of a **safe system of work for psychosocial safety**.

- Psychosocial duties sit alongside other frameworks (Fair Work, Respect@Work, positive duty, etc.), which can create overlaps and confusion if not managed systematically.

- The discussion emphasised **officer due diligence**:
  - Boards and executives must understand:
    - The organisation's psychosocial **hazards**.
    - The **systems and controls** in place.
    - Whether those controls are **working and resourced**.

2.2 Psychosocial compliance maturity journey

Jason introduced a **maturity model** for psychosocial risk management:



- **Embedded and Continuously Improved (Level 5)**:
  - Psychosocial health and safety is **embedded** and **business as usual**.
  - It is **leader-led**, efficient, and supported by good data for board assurance.

- **Earlier stages** typically involve:
  - A **central project team** running psych-health and safety as a series of projects, often costly and disruptive.
  - Limited integration into day-to-day operations.

- **Progression to higher maturity** typically follows:

1. **Foundational literacy** – basic organisational understanding of psychosocial hazards, risks and controls.

2. **Broad consultation and quantifying risk** – structured psychosocial risk assessment with genuine worker input.

3. **Embedding controls and monitoring** – ensuring controls are fit-for-purpose and monitored over time.

4. **Leader-led and continuous improvement** – line leaders recognising and addressing hazards as part of normal management.

A live poll showed:

- Around **half of attendees felt they were "just getting started"**.
- About **a third** were at a "demonstrate compliance" level.
- Very few were at advanced levels; **no one reported being fully at Level 5**.
  Libby noted some FlourishDx clients are at level 4–5 on certain elements, but no one has everything perfect.

2.3 Five common compliance gaps and organisational challenges

1) Identifying psychosocial hazards

Challenges discussed:

- Organisations **fail to recognise certain hazards** in risk registers or incident systems, especially:
    - **Bullying, harassment and interpersonal behaviours** (often trapped in HR systems, not WHS systems).
    - **Workload / high job demands**, which many leaders avoid because it's "too awkward".
- **Psychosocial literacy is low**:
    - Leaders, HR and HSE may **not recognise** that interpersonal issues, grievances or conflict are psychosocial hazards.
    - Data is **fragmented** across HR, safety, complaints and compensation systems.

Practical fixes:

- **Create clear reporting and identification systems** for psychosocial hazards (not just injuries or claims).
- Build **basic psychosocial literacy** across the organisation:
    - Workers: understand what psychosocial hazards look like and how to report them.

    - Leaders: able to name hazards and discuss controls in their teams.
    - HR/HSE: recognise that bullying, grievances, performance/conduct issues often signal system-level hazards.
- Ensure HR data (complaints, investigations, grievances, comp claims, exit interviews) is explicitly treated as **hazard data**, not just employee relations noise.

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2) Controlling psychosocial risk

Challenges discussed:

- Risk registers may list **many controls**, but:
    - People **don't know what they are** or how to use them.
    - They're not framed as **risk controls**, just generic HR or business processes.
- Organisations commonly **re-badge individual wellbeing supports** as psychosocial controls:
    - EAP, mental health first aid, lunch-and-learns, internal therapists.
    - These are **reactive, low-order or not true controls** for systemic risk.

What regulators expect to see as controls (often missing from risk registers):

- **Workload management / workforce planning**.
- **Recruitment and onboarding** (ensuring roles and resourcing are realistic).
- **Change management** (particularly organisational redesign and restructuring).
- **Conduct, performance and grievance processes** that are fair, safe and risk-informed.

Practical fixes:

- **Inventory your existing systems** that can act as controls:
    - Workforce planning, resourcing, scheduling, change management, performance and conduct processes, flexible work policies, etc.
- Review each system through a **psychosocial risk lens**:
    - Does it actually **reduce exposure** to known hazards?
    - Or does it unintentionally **create additional risk** (e.g. a harmful investigation process)?
- Explicitly **document effective systems as controls** in the risk register.
- Design **tailored, higher-order controls**:
    - Adjust work design, staffing, processes, decision authority, and workload allocation.

- Treat EAP and resilience/awareness training as **supplements**, not primary controls.

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3) Monitoring, reviewing and revising controls

Challenges discussed:

- Organisations focus on **one-off activities** (e.g. run a survey, update the risk register) but do not:
  - Build regular **monitoring** of hazards and controls.
  - Use incidents, complaints and changes as **triggers to review and revise** controls.
- Change management is often **not treated as a WHS issue**, despite examples like UTS, where a mass redundancy process was halted by the regulator.

Regulator-style lens Libby described:

- As an inspector, she would:
  - Pull a **bullying complaint** and check:
    - Were psychosocial hazards identified?
    - Were controls reviewed and adjusted?
    - Was a risk management approach applied – or just a narrow HR investigation?
  - Review the **change management procedure**:
    - Does it explicitly consider psychosocial risk before and during change?
  - Examine **hazard/incident reporting systems**:
    - Are psychosocial issues being captured and escalated?

Practical fixes:

- Give the **board and officers meaningful data**, not just good-news stories:
  - Hazards, incidents, complaints, trends, and control effectiveness.
  - Data from multiple channels (HR, safety, surveys, turnover, vacancy rates).
- Treat **bullying complaints, grievances and major change programs** as:
  - Signals to **review underlying system hazards** (e.g. workload, role conflict, poor design).
  - Opportunities to implement **system-level corrective actions**, not just deal with individuals.

- Bake psychosocial risk into **change management processes**:
    - Assess risks before major change, during implementation, and after.
- Use the **maturity model** in governance:
    - Show where you are now and where you intend to get to.
    - Use that to justify **resourcing and system changes**.

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4) Consultation – not just communication

Challenges discussed:

- Many organisations equate **consultation with communication**:
    - "We told people about the change / the policy."
- Staff are sometimes **asked to "consult" on psychosocial issues without understanding** what a psychosocial hazard is.
- Consultation may happen only at **one point in time**, not across the whole risk management cycle.

What genuine consultation looks like:

- Use existing **representative structures**:
    - Health and Safety Representatives (HSRs) and Designated Work Groups (DWGs).
    - Health and safety committees and other worker forums.
- Engage workers **throughout** the risk management cycle:
    - Hazard identification.
    - Risk assessment.
    - Control design and selection.
    - Monitoring and review.
- Use consultation to **understand root causes**:
    - Don't jump straight from "workload is high" to "we need more staff".
    - Explore whether systems, processes, decision bottlenecks, design choices or culture issues are the true drivers.

Practical fixes:

- Ensure **workers have a basic understanding** of psychosocial hazards before consulting them on risk.

- Match the **depth of consultation to the risk**:
    - Simple communication may be enough for minor tweaks.
    - High-risk changes (e.g. redesign, restructures, rosters) require deeper, iterative consultation.
- Use reps and committees to **co-design and test controls**, not just to endorse decisions already made.

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5) Ensuring competent advice

Challenges discussed:

- The market is crowded with people suddenly calling themselves **"psychosocial experts"**.
- Organisations are unsure **who is actually competent**:
    - Some assume they must hire someone with multiple degrees to be compliant.
    - Others rely on roles (e.g. internal therapists) that are focused on individuals, not systems.

Regulatory guidance on competency (summarised from WorkSafe WA and WorkSafe Victoria):

- A competent person has **knowledge and skills acquired through training, qualifications or experience** to carry out the relevant tasks.
- For psychosocial safety, three domains are key:
    1. **Understanding of psychosocial hazards and work design** (often from organisational psychology or equivalent experience).
    2. **Health and safety risk management** capability.
    3. **Knowledge of WHS/OHS legislation and regulatory expectations**.

Practical fixes:

- Distinguish between:
    - **Experts** – deep specialist training and experience (e.g. endorsed organisational psychologists trained in WHS).
    - **Competent practitioners** – people who, after appropriate training, can design and run systems, but know when to call in deeper expertise.
- Use **short courses** to build internal competence, but:
    - Be clear they do **not turn someone into a full expert**.
    - Encourage people to **know their limits** and escalate complex issues.

- Be **wary of consultants** who:
    - Talk about **"psychological safety"** as if it solves compliance obligations (psychological safety ≠ psychosocial safety).
    - Claim **regulator endorsement** of specific commercial products.
- When internal capabilities are limited:
    - **Outsource selectively** while building internal understanding.
    - Prioritise advisers with clear experience in **psychosocial risk management, WHS and organisational systems**, not just mental health counselling.

2.4 Risk assessment and tools

- Libby emphasised that robust **psychosocial risk assessments** should:
    - Consider **frequency, severity and duration of exposure**, and **interactions** between hazards (as required in most jurisdictions outside Victoria).
    - Use the **hierarchy of controls**, aiming for elimination or higher-order controls where reasonably practicable.
- The webinar highlighted that regulators frequently issue **improvement notices** for:
    - Lack of a psychosocial risk assessment.
    - Lack of appropriate training and training records.
- FlourishDx's **two "low-friction" offerings** were mentioned:
    - **Tailored psychosocial safety training** aligned with organisational policies and procedures.
    - **Psychosocial risk assessment in consultation with workers**, designed to be delivered quickly and affordably.

2.5 Systems integration and multiple disclosure pathways

- A recurring theme was the need to **integrate HR, WHS, security and other "functional teams"**:
    - Different parts of the organisation have different remits and data.
    - Failure to collaborate leads to gaps in hazard identification and control.
- In the context of sexual harassment and bullying:
    - Multiple **disclosure pathways** are required by guidance/codes.

- But they must be managed to avoid **multiple, duplicative interviews** and added harm for the person disclosing.
- The goal is a **co-ordinated, worker-centred process** that still meets legal obligations.

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3. Key challenges highlighted

Across the webinar, these recurring challenges were emphasised:

- **Low psychosocial literacy** among leaders, HR and HSE.
- **Failure to recognise bullying/behaviour issues** as system-level psychosocial hazards.
- **Avoidance of workload discussions** and high job demands.
- **Fragmented systems** and siloed data (HR vs WHS vs IR vs security).
- Over-reliance on **individual-level wellbeing measures** as "controls".
- Weak **governance and officer oversight** – boards not getting meaningful, risk-based information.
- **Change management** not being treated as a WHS matter.
- **Inadequate risk assessments** that ignore exposure characteristics or the hierarchy of controls.
- Difficulty **finding and verifying competent advice** in a noisy market.

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4. Webinar Summary

Bringing the "five fixes" together:

1. **Build foundational literacy and reporting**
   - Implement clear psychosocial hazard reporting pathways and train workers and leaders on what to report.
   - Make sure HR and WHS both view behavioural and interpersonal issues as **psychosocial hazards**.
2. **Review and reframe existing systems as controls**
   - Audit workforce planning, change management, performance and grievance processes.
   - Explicitly define and document them as **controls** where they manage psychosocial risk.
   - Redesign them where they **create or exacerbate risk**.

3. **Establish proactive monitoring and governance**
    - Create regular reporting to the board/executive on hazards, complaints, incidents, trends and the status of controls.
    - Use complaints and change initiatives as **triggers to review and upgrade controls**.
4. **Embed genuine consultation**
    - Use HSRs, committees and other mechanisms for **ongoing two-way consultation** at each step of the risk cycle.
    - Focus on understanding **root causes** and co-designing controls, not just informing workers of decisions.
5. **Secure competent psychosocial advice**
    - Identify or appoint people with capability across **psychosocial hazards, WHS risk management and legislation**.
    - Use structured training to build internal competence but maintain **access to deeper expertise**.
    - Be cautious of simplistic, buzzword-driven solutions.

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5. Audience questions and answers (summary)

1. "Who is actually doing this well?" (Karina)

- *Question*: Are there examples of organisations that are genuinely advanced in psychosocial compliance?
- *Answer*:
    - Yes, there are a **small number** of organisations operating at **Level 4–5** on parts of the maturity journey.
    - Most large organisations sit around **Level 2–3**.
    - No one has completely "nailed" Level 5 across the board.
    - PHSCON often showcases case studies from clients who are doing specific aspects well.

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2. "Do confidential incidents need to be reported to the board?" (Petra)

- *Question*: Does due diligence require confidential cases (e.g. bullying complaints) to be reported to the board by name?
- *Answer*:

- No – **identifying details are not required**.
- The board needs **statistics, trends and assurance** that the system is working and risk-based.
- Focus on visibility of **hazards, risk levels and control effectiveness**, not individual identities.

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3. "Managers are afraid to escalate serious issues" (David)

- *Question/comment*: Managers sometimes minimise or sit on serious issues to "protect their patch" and avoid negative attention from executives.
- *Answer*:
  - This is a **known problem**.
  - Officers have an obligation to **enable systems and people** to work effectively, not punish bad news.
  - They need to demonstrate that they **welcome honest reporting** and will support system improvements, rather than directing blame back down.

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4. "How do we manage multiple disclosure pathways?" (Prudence)

- *Question*: What's an effective way to manage multiple disclosure pathways for issues like sexual harassment, while protecting workers from further harm?
- *Answer*:
  - Multiple pathways are important and are **required in guidance** (e.g. sexual harassment codes).
  - The main challenge is **coordination between functional teams** (HR, WHS, security, etc.).
  - Good practice is to:
    - Keep multiple routes available, **but integrate the response** behind the scenes.
    - Aim wherever possible for **one, well-handled interview**, not repetitive questioning across different functions.
    - Bring key functions together on a **shared view of obligations and process**.

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5. "If HR finds a bullying complaint 'unsubstantiated', is there still a hazard?" (Lisa)

- *Question*: HR concluded a bullying complaint was unsubstantiated; does that mean there's no psychosocial hazard?
- *Answer*:
    - No. HR investigations and WHS risk management have **different purposes**.
    - HR looks at whether an **allegation is substantiated**.
    - WHS must still consider whether there are **system failures or hazards** (e.g. workload, role conflict, culture) that need controls.
    - Regulations are clear that a **risk management approach** is required regardless of investigation findings.

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6. "Workloads and 'reasonable overtime' – is that a risk?" (Dennis)

- *Question*: How do we manage psychosocial risk where the culture expects extensive "reasonable overtime" and workloads are excessive?
- *Answer*:
    - An inspector would look for **evidence of risk**:
        - Injuries, illness, turnover, hours worked, workload allocation, etc.
    - If there is evidence of current risk and **controls are missing or ineffective**, there are grounds for regulatory action (e.g. an improvement notice).
    - The organisation must **assess and control workload-related hazards**, not hide behind "reasonable overtime".

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7. "What if a psychosocial complaint ends in suicide and possible industrial manslaughter?" (Glen)

- *Question*: How should a PCBU handle a psychosocial hazard complaint that results in a worker's suicide and potential industrial manslaughter charge?
- *Answer*:
    - There are **no known finalised industrial manslaughter cases** of this type yet, but there **are suicide-related cases**.
    - Focus must be on **prevention and systems**:
        - Have robust systems in place **beforehand**.
        - Don't wait passively for an investigation to conclude.
        - Put in place **supports for everyone affected** and **strengthen controls** as soon as issues are identified.

- Each case is highly fact-specific, but a strong, proactive system is the best protection for workers and PCBUs.