Psychosocial Risks at Work in a Capitalist Economy and the Role of Psychosocial Safety Climate

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University of Nottingham.
Asia Pacific Centre for Work Health & Safety
A WHO Collaborating Centre in Occupational Health
1. State of Affairs  
2. Values, Political Economy of Work Stress  
3. Causes of Work Stress; PSC Theory  
4. Where does PSC come From  
5. The Practical Value of PSC- Human & Economic Case  
6. How to Build PSC  
7. Future Research Agenda
Mental Health Costs

- The scale of mental ill-health in society is being described by some as a crisis.
- According to the WHO (2016) the burden of depression and other mental health conditions is on the rise globally.
- Mental health problems are a major contributor to the overall disease burden worldwide accounting for 21.2% of years lived with disability (Vos et al, 2013).
- 300 million of all ages suffer from depression --- a main contributor to overall disease burden -- leading cause of disability (WHO, 2016).
- Calls for national policy responses to tackle the rising burden of mental health have come from the WHO and the ILO.
Mental Health Costs

• In Australia 2014-15, almost one in five people had a mental health or behavioural condition = suicide is the leading cause of death for working age (ABS, 2015).
• Australia has the second highest level of antidepressant use in the OECD (OECD, 2015).
• Only 52% of Australian workers consider their workplace to be mentally healthy; 56% believe that their most senior leaders value their mental health.
• Productivity Commission 2018 Inquiry to consider the role of mental health in supporting economic participation, enhancing productivity and economic growth

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Figure 3b: Prevalence of common mental health problems by employment status

Frontline Healthcare Workers

“I’ve been nursing for nearly 40 years and I think that the pressure over those years outweighs the rewards, but it is still a rewarding career, and its very collegial. But there’s certainly one day out of ten that I would say; ‘jee, I feel really great today, I’ve had a lovely day, and my patients really loved me, and thanked me,’ and I’ll have nine days out of ten where I’ll say; ‘I felt pressured today, I felt unsafe at times, I felt overworked, and my patients were lashing out at me…’ and I’m the person that takes the brunt of that home at the end of the day..”

• Full title: “The dynamic interplay of physical and psychosocial safety in frontline healthcare workplaces in Australia and Malaysia

Investigators: Prof Maureen Dollard; Dr Michelle Tuckey; Prof Peter Chen; Prof Bill Runciman; Dr Sharon Morton; Ms Mardi Webber, and; Dr Awang Idris

Participating Organisations and Groups: University of South Australia; SafeWork SA; University of Malaya; Southern Adelaide Local Health Network; Flinders Medical Centre, and; Calvary Health Care Group.

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Political economy and work conditions

- Developing economies moving to extreme capitalism (neoliberalism)
- The driving beat is economic rationalism; the drummers the economists!
- Competition, relentless demands for increased profits, performance and productivity coupled with reduced resources → workers poor quality work conditions
- Costs to workers → mental and physical ill-health
- Costs to organisations → high rates of sickness absence and reduced performance
- Costs to society → loss of potential labour supply and high rates of unemployment, workers compensation.

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I think that Work stress is an infinite problem under extreme capitalism (unequal power, unfair resourcing)

*Politics of the Mind, Marxism and Mental Health*, Iain Ferguson (2017) highlights the link between the economic and political system we live under – capitalism – and the extremely high levels of distress evident in the world today.

Even the Pope is talking about the perils of capitalism - poverty, climate! (inclusive growth for all)

Capitalism and controlling climate change incompatible

*Naomi Klein 'This Changes Everything: Capitalism vs The Climate 2014*

“the fiction of perpetual growth on a finite planet”

On judging the US by its GDP

GDP is the total market value of all goods and services produced in an economy in a country in a year.

Robert F Kennedy
Remarks at the University of Kansas March 18, 1968

It does not include the beauty of our poetry, or the strength of our marriages, the intelligence of our public debate or the integrity of our public officials. It measures neither our wit nor our courage, neither our wisdom nor our learning, neither our compassion nor our devotion to our country. It measures everything in short, except that which makes life worthwhile.
Australia Disparity between Wages and Productivity

- Decline in Unions
- Difficult to strike
- Fair Work Australia
- Cuts to penalty rates
- Underpaying migrant workers
- Executive Salaries
42 billionaires own as much wealth as the poorest half of the world’s population – 3.7 billion people.
Mulhall (1996) sounds a salutary reminder that “the discourse on stress, or indeed anything else does not arise in a political or ideological vacuum” p. 456.
Work Stress and Values

Values that underlie views of occupational stress

(a) a humanistic-idealistic desire for a good society and a good working life;
(b) a drive for health and well-being;
(c) a belief in worker participation, influence, and control at the individual level; and
(d) economic interest in competitiveness and profits of the business organisation and the economic system" (Levi, 1990, p. 1144).

Placed within this framework occupational stress is a social and political problem as much as a health problem (Levi, 1990).
Psychosocial Safety Climate

- Psychosocial safety climate addresses value conflict: concerns the value and priority given to worker psychological health vs productivity imperatives.
- Psychosocial safety climate (PSC) offer a point of resistance to capitalist pressures.
- Pro-social options embodied in high PSC organisations that value worker psychological health will lead to better quality work.

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Psychosocial Safety Climate

*Psychosocial safety climate (PSC)* refers to shared perceptions regarding policies, practices, and procedures for the protection of worker psychological health and safety.

Addresses competing Values—a balance of productivity and worker health.

Evidence based tool that predicts psychosocial risk and psychological health.

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PSC-12 Measure

Management commitment
1. In my workplace senior management acts quickly to correct problems/issues that affect employees’ psychological health
2. Senior management acts decisively when a concern of an employees’ psychological status is raised
3. Senior management show support for stress prevention through involvement and commitment

Priority
4. Psychological well-being of staff is a priority for this organization
5. Senior management clearly considers the psychological health of employees to be of great importance
6. Senior management considers employee psychological health to be as important as productivity

Communication
7. There is good communication here about psychological safety issues which effect me
8. Information about workplace psychological well-being is always brought to my attention by my manager/supervisor
9. My contributions to resolving occupational health and safety concerns in the organization are listened to

Participation and involvement
10. Participation and consultation in psychological health and safety occurs with employees’, unions and health and safety representatives in my workplace
11. Employees are encouraged to become involved in psychological safety and health matters
12. In my organization, the prevention of stress involves all levels of the organization

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3. The Cause of the Causes of Work Stress; PSC Theory
Layers of influence on worker health

External
Organisational
Job design
Individual
Multi-level model of psychosocial factors at work (Dollard, 2013)

Fig. 1.3
Dollard, M.F., Shimazu, A., Nordin, R. Bin, Brough, P., Tuckey, M.R (Eds.), (2014). Psychosocial Factors at Work in the Asia Pacific Dordrecht; Springer International Publishing. 978-94-017-8974-5
3. The Cause of the Causes of Work Stress; PSC Theory

Job Demands-Resources Model
Demerouti, Bakker et al., 2001

Where does job design come from

Demands $\rightarrow$ Psychological Health

Resources $\rightarrow$ Engagement
Psychosocial safety climate: a multilevel theory of work stress in the health and community service sector

M. F. Dollard* and W. McTernan
Psychosocial safety climate as a precursor to conducive work environments, psychological health problems, and employee engagement

Maureen F. Dollard and Arnold B. Bakker

School PSC

- Work Pressure Emotional Demands
- Learning Possibility Decision Influence

Psych Distress Emotional Exhaustion

Engagement

Controls for Time 1 Dependent measures

N = 282 Time1; N = 196, Time 2
18 schools

PSC predicts future work conditions, psychological health and engagement
Psychosocial safety climate as an antecedent of work characteristics and psychological strain: A multilevel model

Main effects and mediation model

- Independent samples matched by work unit
- Time 1 → Time 2: 24 months

PSC predicts future work conditions, psychological health and engagement in other workers.

(2012). Maureen F. Dollard, Tessa Opie, Sue Lenthall, John Wakerman, Sabina Knight, Sandra Dunn, Greg Rickard & Martha MacLeod
PSC predicts future pro-social procedures (job design, social relational) that prevent bullying.
Resilient Organisations, Resilient Individuals

Organisational Resilience

Psychosocial Safety Climate
Adaptive Management
Interdepartmental Coordination

Emotional Demands
Demand
Psychosocial Safety Climate
Organisational Resilience

Resources
Decision Authority
Skill Latitude

Engagement
Vigour
Dedication
Absorption

Individual Resilience

Psych. Health Symptoms

Work Pressure

Psychological Distress
Emotional Exhaustion

371 humanitarian service workers
Leveraging psychosocial safety climate to prevent ill-being: The mediating role of psychological need thwarting

Tiphaine Huyghebaert, Nicolas Gillet, Claude Fernet, Fadi-Joseph Lahiani, Evelyne Fouquereau

Needs
autonomy, competence, and relatedness

18 French healthcare centers
A total of 910 nurses
PSC predicts circulatory disorders over 5 years

Table 3. Predicting Circulatory Diseases at Time 2.

<table>
<thead>
<tr>
<th>Models</th>
<th>Variables</th>
<th>B</th>
<th>SE</th>
<th>Wald</th>
<th>Sig.</th>
<th>Odds Ratio</th>
<th>Low CI</th>
<th>High CI</th>
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<td></td>
<td>Constant</td>
<td>-3.08</td>
<td>0.98</td>
<td>9.81</td>
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<td>0.05</td>
<td>0.01</td>
<td>0.31</td>
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<td></td>
<td>Age Time 1</td>
<td>0.04</td>
<td>0.01</td>
<td>12.99</td>
<td>0.00</td>
<td>1.04</td>
<td>1.02</td>
<td>1.06</td>
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<tr>
<td></td>
<td>Education Time 1</td>
<td>-0.13</td>
<td>0.06</td>
<td>4.84</td>
<td>0.03</td>
<td>0.87</td>
<td>0.78</td>
<td>0.99</td>
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<td>Effort-Reward Imbalance Time 1</td>
<td>0.51</td>
<td>0.47</td>
<td>1.18</td>
<td>0.28</td>
<td>1.66</td>
<td>0.66</td>
<td>4.18</td>
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<tr>
<td>Model 2</td>
<td>JCO Job Stress Time 1</td>
<td>-0.47</td>
<td>0.43</td>
<td>1.08</td>
<td>0.30</td>
<td>0.62</td>
<td>0.26</td>
<td>1.51</td>
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<tr>
<td></td>
<td>Psychosocial Safety Climate Time 1</td>
<td>-0.02</td>
<td>0.01</td>
<td>4.34</td>
<td>0.04</td>
<td>0.98</td>
<td>0.96</td>
<td>1.00</td>
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</tbody>
</table>

Note: PSC was entered as a continuous measure as was effort-reward ratio. Job strain was entered with 3 other dummy variables. SE: standard error.
Climate congruence: How espoused and enacted psychosocial safety climate affects emotional exhaustion

Yulita, Awang Idris, University Malaya, Maureen Dollard, University of South Australia,

- 23 schools in Selangor, Malaysia
- 109 secondary school teachers across
- 545 diary data points - five consecutive days from

Figure. The interaction of espoused PSC and daily enacted managerial support predicting emotional exhaustion

PSC is most effective if it is constantly reinforced -- in this case by managerial support

Participants included 214 hospital employees (18 teams) linked to the hospital workplace injury register (T1, 2012; T2, 2013; T3, 2014).

Concordance between survey-reported and registered injury rates was low (36%).

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Predicting Happiness in Australian Workers Over 5 years, 2014-2015 (National Sample)

<table>
<thead>
<tr>
<th>2009-2010</th>
<th>B</th>
<th>SE</th>
<th>Beta</th>
<th>t</th>
<th>p</th>
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<tr>
<td>(Constant)</td>
<td>5.99</td>
<td>0.36</td>
<td>0.00</td>
<td>16.61</td>
<td>.000</td>
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<td>Age</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.06</td>
<td>.949</td>
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<tr>
<td>Gender</td>
<td>0.09</td>
<td>0.08</td>
<td>0.03</td>
<td>1.11</td>
<td>.268</td>
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<tr>
<td>Psychosocial Safety Climate</td>
<td>0.02</td>
<td>0.00</td>
<td>0.15</td>
<td>4.78***</td>
<td>.000</td>
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<tr>
<td>Bullying</td>
<td>-0.06</td>
<td>0.02</td>
<td>-0.10</td>
<td>-3.51***</td>
<td>.000</td>
</tr>
<tr>
<td>Skill Discretion (Control)</td>
<td>0.02</td>
<td>0.01</td>
<td>0.07</td>
<td>2.28*</td>
<td>.023</td>
</tr>
</tbody>
</table>

Gender, 1 = Males, 2 = Females

N = 1139

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Outstanding question...

4. Where does PSC come from?

The cause of the cause of the cause of the cause

The context
Worker health is good for the economy: Union density and psychosocial safety climate as determinants of country differences in worker health and productivity in 31 European countries

Maureen F. Dollard, Daniel Y. Nesen

Centre for Applied Psychological Research, School of Psychology, Social Work and Social Policy, University of South Australia, Magill Campus, Adelaide, Australia
Dollard & Jain, 2018
Main reasons for dealing with OHS risks were
• Legal Requirements (63%),
• Requests from employees or representatives (45%), and
• Absence rates (18%)

We found that type of society, social and economic factors (e.g., welfare regimes, work related policies) explain in part national differences in workplace protection (PSC)
Psychosocial Safety Climate Trickle Down Effects

Individual Level 1

Worker Work Quality

Worker PSC

4.64***

4.08***

Direct effect, significant
Direct effect, formerly significant
Mediated path, significant

Worker PSC

4.18***

4.12***

4.75***

Agency Level 3

Senior Executives PSC

Middle Managers PSC

8.53**

7.64**

5.17***

Mediated path, significant

Work Unit Level 2

Middle Managers PSC

Worker PSC

2.83*

4.18***

4.08***

23 agencies, 179 work units.
1071 senior executives, 2307 executives, 21809 public sector workers.

TLI = .995, CFI = .999

M Dollard 08_03_2018

Worker work quality is affected by cascading climates
PSC Team Vs PSC Leadership

How leaders rate their PSC leadership and how team members see the PSC is very different.
5. The Practical Value of PSC-
Human and Economic Case
A National Standard for Psychosocial Safety Climate (PSC): PSC 41 as the Benchmark for Low Risk of Job Strain and Depressive Symptoms

Tessa S. Bailey, Maureen F. Dollard, and Penny A. M. Richards
University of South Australia

<table>
<thead>
<tr>
<th>PSC Standards</th>
<th>Range 12 — 60</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low risk (High PSC)</td>
<td>41 or above</td>
</tr>
<tr>
<td>Medium risk PSC</td>
<td>38 — 40</td>
</tr>
<tr>
<td>High risk PSC</td>
<td>37 or below</td>
</tr>
<tr>
<td>Very High risk PSC</td>
<td>26 or below</td>
</tr>
</tbody>
</table>

Elimination of low PSC –
14% reduction in job strain
16% reduction in depression

Urgent action to prevent further dramatic increases in depressive periods.

Translating cross-lagged effects into incidence rates and risk ratios: The case of psychosocial safety climate and depression
Christian Dormann\textsuperscript{a,b}, Mikaela Owen\textsuperscript{a}, Maureen Dollard\textsuperscript{b} and Christina Guthier\textsuperscript{a}
\textsuperscript{a}Johannes Gutenberg-University, Mainz, Germany; \textsuperscript{b}Asia Pacific Centre for Work Safety & Health, University of South Australia, Adelaide, Australia

Work & Stress (2017)
# Mental Health Treatment by PSC Levels

<table>
<thead>
<tr>
<th>PSC Standards</th>
<th>Range</th>
<th>M</th>
<th>SD</th>
<th>N</th>
<th>Percentage of Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low risk PSC (High PSC)</td>
<td>≥ 41</td>
<td>.07</td>
<td>.26</td>
<td>761</td>
<td></td>
</tr>
<tr>
<td>Medium risk PSC</td>
<td>41 &lt; and &gt; 37</td>
<td>.05</td>
<td>.22</td>
<td>62</td>
<td></td>
</tr>
<tr>
<td>High risk PSC</td>
<td>37 ≤ and &gt; 26</td>
<td>.06</td>
<td>.24</td>
<td>192</td>
<td></td>
</tr>
<tr>
<td>Very high risk PSC (Very low PSC)</td>
<td>≤ 26</td>
<td>.12</td>
<td>.33</td>
<td>213</td>
<td>70% more likely than low risk; 100% more than high risk</td>
</tr>
</tbody>
</table>

Population based study 1200 SA workers

*indicates a significant difference between the categories of risk. 1 = in treatment, 0 = no treatment.
### Using PSC to estimate productivity loss

(Becher & Dollard, 2016)

<table>
<thead>
<tr>
<th>Workers PSC</th>
<th>Annual sickness absence (hours)</th>
<th>Cost via sickness absence</th>
<th>Productivity Loss</th>
<th>Cost via presenteeism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>60.3</td>
<td>$2,109</td>
<td>5.5%</td>
<td>$3,113</td>
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<tr>
<td>Moderate</td>
<td>59.1</td>
<td>$2,067</td>
<td>5.4%</td>
<td>$3,042</td>
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<tr>
<td>High</td>
<td>42.3</td>
<td>$1,479</td>
<td>3.2%</td>
<td>$1,856</td>
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</tbody>
</table>

Using PSC to estimate productivity loss
(Becher & Dollard, 2016)
A Pro-Social Approach to Productivity using the Australian Workplace Barometer

Cost of low PSC via sickness absence: AUD 2.4 billion p.a.
Cost of low PSC via presenteeism: AUD 3.6 billion p.a.
Total cost of low PSC to employers: AUD 6 billion p.a.

High PSC predicts lower sickness absence across 100 agencies
PSC and Workers’ Compensation in South Australia
Harry Becher & Maureen Dollard

Demographic variables (Socioeconomic status, gender, and age) were controlled in all analyses.
PSC was measured in 2010, workers compensation claims include those made between 2011 and 2014.

PSC and Workers’ Compensation Expenditure
PSC levels in organisations (AWB data) is significantly linked to Expenditure in SafeWork SA data.
The average compensation claim in SA is $16,753.
The average PSC in this sample was 38.
Each PSC point above 38 can save approximately $580.
In a company with low PSC of 28 we expect average claim cost of $22,550.
In a company with a high PSC of 48 we expect average claim cost of $10,955.

The really amazing thing about this research is that we can predict future Workers Compensation Time OFF and Expenditure by knowing about company PSC.
6. How to Build PSC
Healthy Conducive Production Model

External resources, Expected, controllable

External demands Random, Unexpected, Uncontrollable

Controller
Management
Political will
Resources
Union relations
Surplus

Social Level Controller
Collective/Management

Conducive production
Strong PSC

Neg-Entropy

Neg-Entropy Spiral Sub-coordination possible Strong PSC

Healthy Conducive Production Model

Dollard & Karasek, 2008

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State level policy: Victorian Public Sector Leadership Group endorsed the following key approaches to assist employees (March 2018):

1. performance indicators relating to mental health and wellbeing to be used for each department's baseline, measure improvement, and benchmark across similar organisations to assist with continuous improvement on learning and mental health and wellbeing outcomes

Psychosocial Safety Climate is included in the minimum data set!!
A fundamental assumption of PSC theory is that PSC can be modified. Empirical evidence?

- System/ organisational level intervention Rickard et al. (2012) PSC increased over two years in two hospitals (nursing workload tool to assess workloads, roster audits, nurses to address shortfall, access to clinical supervision).

- Workplace transformational policy change (Haar, 2018) a New Zealand company

- Educational individual focused - occupational safety website video to increase police understanding about stress and how to manage stress that arises in their daily work life. (Rasdi et al., 2018).
How to Change PSC---Enact It!

PSC Acts items were drawn from the European Survey on New and Emerging Risks – Psychosocial Risks (ESENER) (2009).

In the last 3 years, has your establishment used any of the following measures to deal with psychosocial (stress) risks?”

- “Changes to the way work is organised?”;
- “A redesign of the work area”, or
- “Set-up of a conflict resolution procedure?”

(αT2 = .61, αT3 = .58).
7. Research Agenda

1. Development of a 4 item measure
2. Investigate how PSC is transmitted and built at all levels of the organisation
3. PSC in emerging economies—how does PSC work in cooperatives
4. Does PSC work for informal workers—where is the care coming for them?
5. Trading human rights for profits—PSC links with alienation
6. Asia Pacific Regional Surveillance of PSC

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Conclusion

1. PSC is an important theoretical construct links the external social political pressures to internal functions

2. Important role for national values and societal power actors including unions and management, WHS, in PSC development for healthy work

3. Economists of a capitalist kind have too much say in running the world—we need more pro-social influences—that means you!

4. PSC is an evidence based leading indicator and risk factor, best target for work quality, stress prevention/intervention (top management support, all levels involved etc).

5. PSC should be mandated KPI for strategic ethical management
In summary, we have discussed contemporary economic policies, work stress issues, PSC theory and evidence-based implications for organisations and national level, policy, practices and procedures for worker psychological health. We highlighted how PSC affects working conditions, employee health and well-being, and organisational outcomes, with evidence from around the globe.
Join us in Melbourne for ICOH 2021
Visit www.icoh2021.org
Dollard, M.F., Shimazu, A., Nordin, R. Bin, Brough, P., Tuckey, M.R (Eds.), (2014). *Psychosocial Factors at Work in the Asia Pacific*. Dordrecht; Springer International Publishing. 978-94-017-8974-5


**Refereed Journal Articles**


Dollard, M. F., Neser, D.Y. (2013). Worker health is good for the economy: Union density and psychosocial safety climate as determinants of country differences in worker health and productivity in 31 European countries. *Social Science and Medicine, 92*, 114-123.


Reports

Potter et al., 2017; An Evaluation of the WHS Policy Framework: *Stakeholder perspectives of the achievements, challenges and needed future directions*. Aimed to evaluate the effectiveness and implementation of the current WHS/OHS regulatory framework in relation to the management of psychosocial risks and psychological health. Stakeholders interviewed across Australia (WA, Vic, Qld, SA and NSW).