

blanchard[®]
AUSTRALIA

Safe Conversations[™]

The Practical Way to Increase Psychosocial Safety



The Growing Challenge

Why Psychosocial Safety Matters

Australian organisations are facing increasing expectations to manage psychosocial hazards and protect employee wellbeing.

The challenge is significant:

- 17,600 serious mental health claims were lodged in 2023–24, up 14.7% on the previous year. Mental health conditions now represent 12% of all serious workers' compensation claims—the highest level on record—and have grown by 161% over the past decade. Workers experiencing these claims are absent from work almost five times longer than those with other injuries. ¹
- There were approximately 14,600 serious mental health claims in 2022–23, representing a 19.2% increase from the previous year and a 97.3% increase over the past decade. ²
- Mental health claims result in substantially longer recovery periods and higher costs than physical injuries. ³
- Research shows that the quality of everyday leadership conversations has a direct impact on psychological wellbeing, with unsupportive interactions increasing the risk of psychological harm. ⁴

The cost of psychosocial harm is rising.

Psychosocial safety is more than a compliance risk workplace obligation—it is a leadership capability and a competitive advantage.

1. <https://data.safeworkaustralia.gov.au/insights/key-whs-statistics-australia/latest-release>

2. <https://www.safeworkaustralia.gov.au/media-centre/news/key-work-health-and-safety-statistics-2024>

3. https://www.legislation.gov.au/F2024L01380/asmade/2024-11-01/text/original/epub/OEBPS/document_1/document_1.html

4. <https://www.safeworkaustralia.gov.au/media-centre/news/new-research-examines-pathways-secondary-psychological-injury>

Psychosocial Safety starts where policy stops. In the conversation.

More than one-third of serious mental health claims are linked to workplace bullying and harassment (33.2%), while work pressure (24.2%) and exposure to violence and aggression (15.7%) are also leading causes. ⁵

These hazards are often shaped by the quality of interactions between leaders and their people. Leaders who build trust, create role clarity, address conflict constructively, providing people with what they need and treat mistakes as opportunities for learning help create environments where people feel safe, respected and supported.

With females experiencing serious mental health claims at more than twice the rate of males (17.2% versus 8.2%) ⁵, organisations have an opportunity to build leadership capability that creates safer, more respectful and supportive workplace conversations before issues escalate into claims.

5. <https://data.safeworkaustralia.gov.au/insights/key-whs-statistics-australia/latest-release>

Important Insight

Most psychosocial hazards are a function of conversations or behaviours between people.

This means building conversational capability becomes a way to reduce costs and improve organisational performance.



Compliance vs Capability

Compliance Identifies Risks.
Capability Reduces Them.

Most organisations respond by:

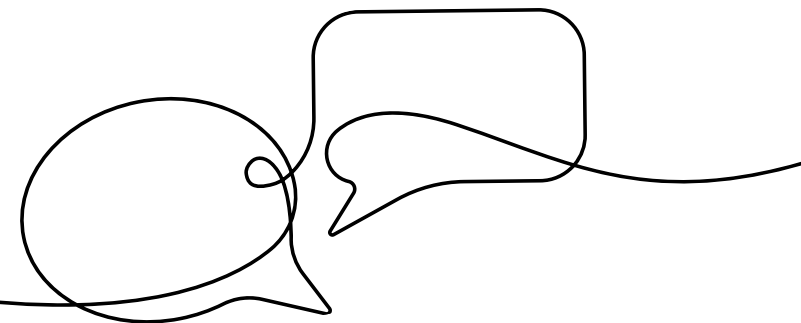
- ✓ Conducting assessments
- ✓ Updating policies
- ✓ Compliance training on what to do
- ✓ Implementing reporting systems

These activities are important, but policies do not build trust.
Procedures do not resolve conflict.
Risk registers do not improve conversations.

Real Improvements Occur When Leaders Know HOW to:

- Listen effectively
- Focus on the future, not the past
- Create trust
- Provide clarity
- Address conflict early
- Remove over and under supervision
- Lead through uncertainty

***Psychosocial
safety is created
one conversation
at a time.***



The Safe Conversations Framework

Five Conditions People Need

SAFE

My manager focuses our conversations on what we will do differently when things don't go to plan

TRUST

In know my manager has my back, the 'trust piggy bank' is full

CURIOSITY

My manager is curious about my suggestions and we come up with great solutions

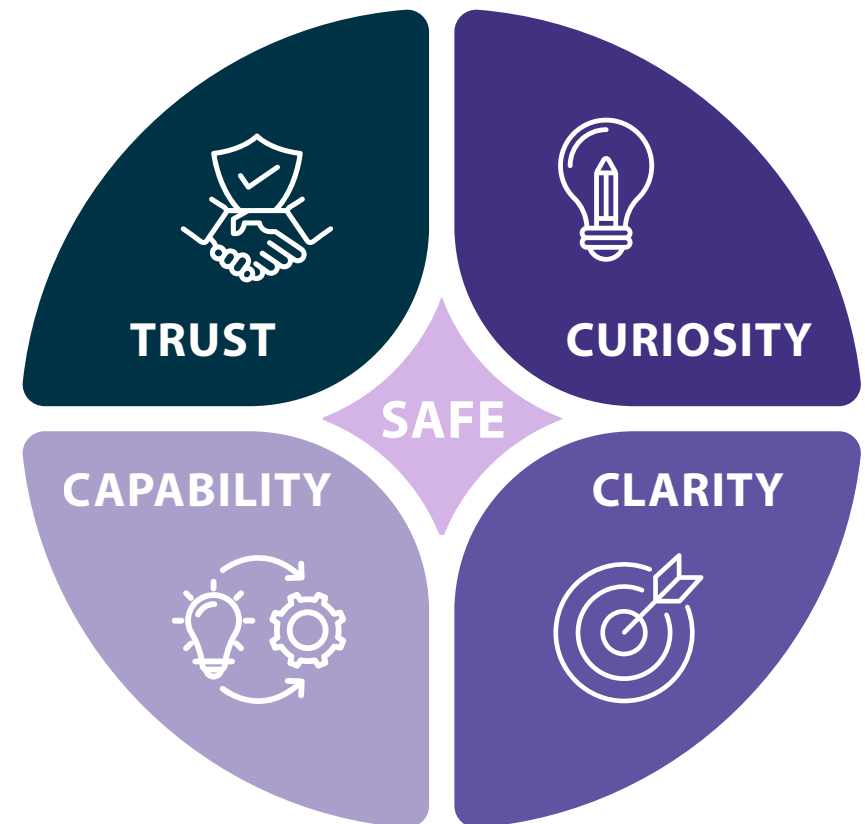
CLARITY

I know exactly what's expected of me and I am accountable for things I can control

CAPABILITY

I can learn and grow knowing I am safe

These five needs form the foundation of psychosocial safety.



Creating Safe Conversations

The vast majority of leaders genuinely want to support their people. Yet psychosocial safety is not created by intention, it is created through capability. If leaders have not learned the skills to listen, provide clarity, address concerns or address performance conversations constructively, they cannot consistently create an environment where people feel safe to contribute.

When people fear blame, judgement or criticism, they stop speaking up. Mistakes become hidden, feedback is avoided and concerns remain unspoken until they become larger problems.

Possible Symptoms:

- People feel unheard
- Expectations are unclear or unrealistic
- Mistakes result in blame rather than learning
- Performance issues persist because conversations are avoided
- Positive contributions go unnoticed





Organisational Outcomes

A workplace where people feel safe to speak up, ask questions, admit mistakes and contribute ideas without fear of embarrassment or negative consequences.

- ✓ People feel heard and understood
- ✓ Expectations and priorities are clear
- ✓ Mistakes become learning opportunities
- ✓ Performance conversations occur early and respectfully
- ✓ Positive behaviours are recognised and reinforced

Psychosocial Safety Insight

Psychosocial safety is not created by avoiding performance or behaviour conversations. It is created by having them in a way that helps people feel respected, supported and focused on learning rather than blame.

Trust Creates Safety

Trust is the foundation of every psychosocially safe workplace.

When trust is high, people share ideas, collaborate openly and feel comfortable raising concerns.

When trust declines, people become more concerned with protecting themselves than contributing their best thinking.

The result is reduced communication, lower collaboration and a reluctance to speak up.

Possible Symptoms:

- Communication shifts from face-to-face conversations to emails and messages
- Information is withheld
- Collaboration declines
- Blame increases when things go wrong
- People remain silent instead of speaking up





Organisational Outcomes

A workplace where people trust one another's intentions, communicate openly and collaborate confidently.

- ✓ Open and transparent communication
- ✓ Greater sharing of information and ideas
- ✓ Stronger collaboration across teams
- ✓ Shared accountability and problem solving
- ✓ Confidence to raise concerns and challenge assumptions

Psychosocial Safety Insight

The most effective leaders understand that trust is built one interaction at a time. Through consistent behaviours, they create environments where people feel safe, valued and willing to contribute their best.

Increasing Curiosity

Psychosocial safety grows when curiosity becomes the default response instead of judgement.

Curious leaders and team members ask questions to understand rather than to defend, challenge or persuade. They listen openly, seek different perspectives and create space for people to share ideas, concerns and mistakes without fear of being dismissed or criticised. This openness strengthens trust, encourages learning and helps teams address challenges before they escalate. When people feel genuinely heard and valued, they are more willing to speak up, contribute diverse viewpoints and collaborate on better solutions, creating healthier relationships and stronger organisational performance.

Possible Symptoms

- Fight, flight or freeze reactions emerge
- Honest dialogue becomes difficult
- People become defensive or overly cautious
- Assumptions replace facts
- Collaboration declines and silos emerge





Organisational Outcomes

A workplace where differences of opinion are explored constructively and challenging conversations strengthen relationships rather than damage them.

- ✓ Open and honest dialogue
- ✓ Diverse perspectives are welcomed
- ✓ Healthy debate with both candour and curiosity
- ✓ Greater collaboration and teamwork
- ✓ Better decisions and problem solving

Psychosocial Safety Insight

Leaders who cultivate curiosity create psychosocially safe environments where people can disagree respectfully, explore different perspectives and work through difficult issues.

The safest teams are not those with the least conflict. They are the teams that know how to have it well.

Leadership Clarity

When leaders fail to match their leadership style to an individual's needs, psychosocial safety can be undermined with two likely outcomes. Some people experience micromanagement, eroding trust, low motivation and reluctance to take initiative or share ideas. Others might receive too little direction or support, leaving them uncertain, isolated, and feeling they have to navigate challenges on their own.

Both leadership mismatches can reduce psychosocial safety because it feels like a sustained pattern, reducing trust and motivation, increasing frustration and discouraging people from speaking up or asking for help.

When people get the right blend of direction and support, they are more inspired and engaged.

Possible Symptoms

- People feel micromanaged
- People feel abandoned or unsupported
- Role clarity is lacking
- Confidence and motivation decline
- Productivity and discretionary effort decrease





Organisational Outcomes

A workplace where people receive the right balance of direction and support to perform at their best.

- ✓ People feel trusted and empowered
- ✓ Support matches individual needs
- ✓ Clear goals and expectations
- ✓ Greater confidence and competence
- ✓ Increased ownership and accountability

Psychosocial Safety Insight

People rarely leave because of work alone. They leave because they don't feel supported, trusted or set up for success. Great leaders adapt their leadership to the needs of the individual so they perform at their best.

Building Capability

People do their best work when they feel psychosocially safe. They are able to ask questions, share ideas, admit mistakes and learn without fear of blame or judgement. When this foundation is in place, capability grows because people are more willing to develop new skills, solve problems collaboratively, adapt to change and take on new challenges.

Leaders play a critical role in creating these conditions. By fostering trust, encouraging open communication and supporting learning, they help people build the confidence and capability to adapt, contribute and perform at their best.

Symptoms

- Reluctance to speak up
- Learning and development stalls
- Collaboration and knowledge sharing decline
- Limited innovation and initiative
- Reduced engagement and performance





Organisational Outcomes

A workplace where people feel psychosocially safe to learn, contribute and grow, enabling them to build the confidence and capability needed to perform at their best.

- ✓ Open communication and knowledge sharing
- ✓ Continuous learning and capability growth
- ✓ Increased collaboration and problem-solving
- ✓ Higher levels of confidence, engagement and performance

Psychosocial Safety Insight

Capability flourishes when people feel psychosocially safe. Leaders who foster trust, encourage open dialogue and respond constructively to questions, concerns and mistakes create an environment where people are willing to learn, collaborate and grow. By modelling curiosity, inviting diverse perspectives and supporting continuous development, leaders build the confidence and capability their teams need to perform at their best.

Compliance helps organisations identify psychosocial risks. Developing leadership capability teaches them how to have the conversations and prevent the risks from occurring.

While policies, procedures and reporting frameworks are important, they do not change the quality of everyday interactions between leaders and their people. Sustainable psychosocial safety is built when leaders develop the skills to create safe conversations, build trust, adapt their leadership, navigate conflict and lead people through change.

These capabilities not only reduce psychosocial risks, they improve engagement, collaboration, accountability and performance. Most importantly, they are measurable.

If you want a safer workplace today, focus on compliance. If you want a safer, stronger and higher-performing workplace for years to come, invest in leadership capability today.

Psychosocial safety is not a policy to implement. It is a leadership capability to develop. And the organisations that build it will be the organisations that thrive.



CONNECT

Contact us today to learn how we can help you cultivate leadership capabilities that accelerates your business growth.

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