



The three most relevant psychosocial risks for small business

In October 2022, NSW made key changes to its Work Health and Safety (WHS) laws to include regulations on managing psychosocial risks in the workplace. This means that all employers are legally obligated to prevent psychological harm to their employees. Whilst there are many different psychosocial risks that employees may be exposed to some common risks include:

- 1. Work-related stress:** can be caused by a variety of factors, such as heavy workloads, long hours, lack of control over tasks, or poor communication. Small businesses may be particularly susceptible to work-related stress due to limited resources and high work demands. Work-related stress can lead to a variety of negative outcomes, such as burnout, reduced productivity, and increased absenteeism.
- 2. Workplace bullying and harassment:** can have a significant impact on employee wellbeing and can lead to a toxic work environment. Small businesses may be particularly vulnerable to workplace bullying and harassment due to closer working relationships and fewer resources to address these issues. Workplace bullying and harassment can lead to a variety of negative outcomes, such as anxiety, depression, and decreased job satisfaction.



3. Job insecurity: can have a significant impact on employee wellbeing and can lead to feelings of stress and anxiety. Small businesses may be particularly susceptible to job insecurity due to the volatile nature of the market and limited resources. Job insecurity can lead to a variety of negative outcomes, such as decreased job satisfaction, increased absenteeism, and reduced productivity.

Small businesses should be aware of these psychosocial risks as well as any others that may be relevant and take proactive steps to address these. For example, this may include implementing policies and procedures to prevent work-related stress, providing training on workplace bullying and harassment, and promoting job security through clear communication and transparency. By identifying and addressing psychosocial risks, small businesses can lower the risk of psychological injury and create a safe and healthy work environment for their employees.



This information was sourced and adapted from a variety of resources from industry associations and safety regulators. The content has been developed for general guidance and information purposes only. While reasonable care is taken to keep the content updated, icare makes no warranties of any kind about its accuracy, currency or suitability for any particular purpose. icare will not be liable for loss or damage that results from the use of this content.