Submission to the Productivity Commission

Scope of submission

We welcome the opportunity to submit our response to the Productivity Commission's inquiry into the role of improving mental health to support economic participation and enhancing productivity and economic growth.

Our submission targets how we can achieve better mental health, greater economic participation and enhanced productivity through work.

About us

The Future of Work Institute at Curtin University (campaign.curtin.edu.au/future-of-work-institute/) promotes productive and meaningful work as essential foundations of a healthy economy and society. Our mission is to support thriving people and organisations through leading-edge research and collaborative partnerships, with a strong focus on translation and dissemination activities

Embedded within the Future of Work Institute is the Centre for Transformative Work Design (www.transformativeworkdesign.com); a research centre led by Australian Research Council Laureate Fellow Professor Sharon Parker that brings together passionate organisational psychology researchers and professionals to understand the role of work design in generating healthy and productive work.

Vision

Our vision is one in which all working Australians, regardless of age, race, gender, job, industry, or organisation, thrive in their work. We aspire to see organisations that:

- care about the health and wellbeing of their workforce: they understand that proactive steps must be taken to combat rising levels of mental ill health in the workplace;
- understand that interventions must be focussed on the design of quality work and not solely on individualistic stress management and resilience strategies;
- understand that the success of their business, and the health of their workforce, go hand in hand;
- cope with, and benefit from, radical technological and societal change; employers embrace, and benefit from, new technologies without sacrificing employees.

The impact of work on mental health in Australia

Approximately 45% of adults between the ages of 16 and 85 will experience a mental health issue in their lifetime.[1] Mental health is a growing problem for Australia, and indeed, Western society. Untreated mental health conditions cost Australian

employers $10.9 billion every year, comprising $4.7 billion in absenteeism costs, $6.1 billion in presenteeism costs, and $145.9 million associated with compensation claims[2]. Moreover, the true cost of untreated mental health conditions is much higher when turnover and other impacts are considered. Organisations, therefore, have strong imperatives to better address mental health issues in the workplace.

But beyond this cost imperative, most adults in employment spend more than 100,000 hours of their lives in work. Unsurprisingly, therefore, work has a huge influence on people's mental and physical health. Research consistently demonstrates a clear relationship between work and mental health and wellbeing[3], which means that work itself must be considered.

Poor quality work, such as work that is highly repetitive, lacking in support or having excess work load, can cause great harm to its incumbents, with further ramifications to performance and productivity outcomes for business and agencies[4]. A large body of research evidence shows that poor quality work can cause work stress, burnout and mental ill health[3]. As an example, our recent research into the impact of FIFO work arrangements on the mental health and wellbeing of FIFO workers supports this, with results systematically linking work factors to the mental health, use of alcohol and other drugs, and wellbeing of FIFO workers[5].

Mental health is more than the mere absence of poor mental health – it includes positive states such as feeling engaged and empowered, being motivated and productive, and having a work-life that enriches home life rather than impeding it. When work is well-designed, individual workers experience these positive psychological states. There is strong evidence that work design promotes, for example, self-efficacy, creativity, thriving, and employees' active engagement in improving safety[6, 7, 8].

Positive outcomes are not limited to the individual. For organisations, too, high quality work has productivity benefits both in terms of reduced absence, turnover, and compensation costs, as well as improved performance over sustained periods of time[9]. In addition, well designed work enhances employee motivation and commitment, innovation, learning and development, and efficiency [4].

An opportunity: Improve work

The above research highlights an important opportunity. Creating high quality work creates benefits for worker health, with associated productivity and performance benefits to the individual, the organisation and the broader Australian community. If the work itself is neglected as an avenue for intervention, the already serious mental health challenges in work will become greater, especially as we face digitalization and associated radical technological changes.

Given that every single organisation, regardless of size or industry, can look to positively enhance the mental health of their workers, there is great potential for large-scale impact. And unlike other factors impacting mental health, such as genetic

predisposition, work can be changed for the better by making positive strategic choices about work design. Based on our Thrive at Work framework, we identify three ways that organisations can act to actively create an enabling environment.

1. **Mitigate illness.** Introduce initiatives that support individuals currently experiencing mental illness, such as providing counselling to those who need it.
2. **Prevent harm.** Introduce initiatives that prevent harm, such as work redesign and the eradication of bullying.
3. **Promote**. Introduce initiatives to promote positive mental health and well-being, such as developing effective leaders.

Current issues

We highlight three key issues that need to be addressed in order for organisations to effectively enhance worker mental health.

Issue 1: Lack of integrated, multi-level approach to mental health at work

Currently, organisations are not investing in *integrated and comprehensive initiatives* that address each of the three sets of strategies noted above.

Our observation is that many organisations have invested in tertiary interventions (or 'mitigate illness' interventions, 1. above) that aim to support those already experiencing a mental illness (e.g. Employee Assistance Programs, Return to Work Programs). Such interventions are crucial given the high levels of mental ill health in the working population.

It is also reasonably common-place for organisations to invest in preventative interventions such as resilience training, to enhance individuals' ability to cope with stress. These interventions, too, can play a role in aiding mental health.

However, in isolation, mitigating illness coupled with preventative interventions that seek to enhance coping ability at the individual level *are insufficient to address the growing mental health concerns in Australia*. For example, resilience training is useful, but it will not suffice if the overwhelming demands of the job, coupled with a lack of job resources, surpasses an individual's capacity to cope. Interventions that seek to prevent harm (2. above) and to promote mental health (3. above), especially those at the *team and organisational level,* are also needed.

Research shows that the most effective means to improve the mental health of individuals is to take an integrated approach that focuses on mitigating illness and preventing harm *at the individual, team, and organisational level*[10]. Unlike individually-directed resilience programs, preventative interventions at the team and organisational level ensure that psychosocial risks are actively addressed, and workers are provided with well-designed work and positive leadership. Good quality work balances an employee's job resources and demands and can protect against psychological harm. Example interventions include: reducing job demands, increasing the support provided by supervisors, enhancing job control, and allowing individuals to engage in job crafting. For more information on designing high-quality work, see Safe Work Australia's Principles of Good Work Design[11].

Lastly, there is an opportunity to go beyond mitigating illness and preventing harm, to also focusing on promoting positive mental health such that employees thrive. Employees that thrive are more confident and energised, and continually improving and getting better at what they do[12]. People who thrive are better equipped to learn and adapt – enabling organisations to capitalise on opportunities presented by changes in the future of work[13]. Example interventions include: enabling community engagement, fostering diversity and inclusion, and strength-based development.

Recommendations:

- Campaigns to educate the community, managers, and other key stakeholders on the impact work can have on mental health.
- Ensure that relevant stakeholders understand the full suite of work-based interventions that can improve mental health.
- Develop and implement an accessible framework for holistically addressing mental health at work that goes beyond mitigating illness to also prevent harm and promoting wellbeing. This should include interventions at the individual, team, and organisational level.

Issue 2: Capability to deal with mental health at work

There is need to build the capability within and outside of organisations to address mental health at work, especially with respect to interventions that prevent harm. Despite the overwhelming evidence of the relationship between work and mental health, there is a lack of understanding within workplaces as to how work can negatively and positively affect the mental health of employees, and there is a lack of understanding as to how to effectively redesign work to remove psychosocial risks.

Furthermore, when looking to put in place interventions employers are currently not well equipped to determine what interventions are required and how to do so. This requires upskilling individuals or consulting experts in the field who can appropriately diagnose what is required and intervene. This is vital as not all organisations are the same and, for example, the approach for a small business will differ to that of a large multi-national organisation. Crucially, the provision of written guidance and checklists is usually insufficient. Expertise is often needed on topics such as diagnosis of work psychosocial risks, work redesign, change management, and evaluation, but this expertise is not widely drawn on or available.

Recommendations:

- Better guidance for employers on how to implement evidence-based interventions that mitigate illness, prevent harm, and promote wellbeing, e.g. case studies, tools, communities of practice, trained consultants.
- Greater consultation with experts. There is a depth of expertise within Australia to provide guidance, information and resources to support diagnosis and implementation of evidence-based mental health interventions within the workplace. Example experts include human factors, organisational psychologists, clinical/counselling psychologists, and other allied health professionals.

Issue 3: Poor monitoring, measurement and evaluation

Evaluations in which changes to work are assessed so as to track whether an intervention is working are essential. Organisations often embark on redesigns of their work, for example, without any serious effort to evaluate the impact of the change on employee mental health.

There is currently a lack of measurement systems for mental health at work that are readily available and psychometrically valid. Typically, organisations invest in engagement surveys to uncover information relevant to mental health at work, however, this will not provide insights into the antecedents of mental health and wellbeing at work, nor will it accurately measure the effectiveness of interventions targeting mental health. In addition, surveys are currently limited in that they do not link to other sources of data such as absenteeism, turnover, etc.

Organisation-wide surveys, when valid and reliably assessing mental health at work are beneficial for strategic decision making within the individual organisation, and for tracking the effects of strategic initiatives.

At the national level, there is a need to conduct a regular nationwide survey to gain a thorough understanding of the current state of mental health at work in Australia with results informing employers and policy-makers as what actions need to be taken. A similar initiative has been run within Europe with the European Working Conditions Survey which was launched in 1990. This type of national initiative allows the evaluation of policy changes at the highest level.

Finally, the research in this field is largely limited to cross-sectional studies. Cross-sectional studies do not allow us to definitively establish whether interventions are having a direct causal effect on mental health outcomes. To do this, large-scale longitudinal intervention research is required. This type of research is important for building the evidence base as to what sorts of interventions are most powerful, as well as how to make them most effective.

Recommendations:

- Organisations should evaluate the impact of changes they make on mental health.
- Provision of readily available, psychometrically valid measures
- Nationwide longitudinal survey of work and mental health
- Rigorous, independently evaluated longitudinal intervention studies, especially those that are primary interventions and organisational-level interventions

Conclusion

By addressing these issues, employees experiencing mental ill health are supported in their return to normal functioning, and mentally healthy employees are protected from harm and are supported to achieve optimal functioning and positive mental states. The benefits include reduced absenteeism, presenteeism, workers compensation claims, employee turnover, as well as increased performance, job

satisfaction, productivity, innovation, engagement. Each of these outcomes will also be associated with significant economic and financial benefits to organisations and the broader Australian community.

Key Contact

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