Psychosocial factors: Pathways to harm and wellbeing

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The design and management of work are fundamental considerations for creating mentally healthy workplaces, and a major challenge for occupational health and safety. This chapter will introduce psychosocial factors as a key determinant of mentally healthy work and briefly outline the link between work and psychosocial hazards, before drawing upon three theories of work stress (job demands-resources theory; effort-reward imbalance theory; and organisational justice theory) to explain how psychosocial factors can lead to adverse outcomes for workers and the organisations in which they work. Psychosocial Safety Climate (PSC) is then introduced as one approach to the management of psychosocial factors. The chapter concludes with an overview of research findings on psychosocial factors, PSC, and mentally healthy work in Aotearoa New Zealand.

What are psychosocial factors?

The term 'psychosocial factors' emerged from the development of psychological models to define and address occupational stress (Cooper & Dewe, 2004), itself a much-researched topic throughout the twentieth century. The definition most widely used is that psychosocial factors refer to aspects of the design and management of work, and its social and organisational contexts, that have the potential to affect employee psychological or physical health (Cox & Griffiths, 2005).

Importantly, psychosocial factors can have a positive impact, helping to foster uplifting and enjoyable work, or they can have a negative impact (i.e., constitute psychosocial hazards), and cause harmful health outcomes for workers (Lovelock, 2019). Although work can give rise to psychosocial hazards, the International Labour Organization (2016) has also identified the workplace as the "ideal venue" for addressing and promoting worker health and wellbeing. Further, given the World Health Organization's (1986) definition of health as "a state of complete physical, mental and social wellbeing and not merely the absence of disease or infirmity", a mentally healthy workplace does not just feature the absence of workplace hazards but is one that actively facilitates and promotes healthy conditions of work (Leka, Griffiths, & Cox, 2003).

How does work give rise to psychosocial hazards?

The ever-changing work landscape creates new hazards and challenges for organisations. For example, accelerated by COVID-19, working from home brings a range of potential benefits such as increased flexibility, work-life balance, and reduced commuting, but also introduces potential psychosocial risks, such as social isolation, lack of support, and the blurring of work-home boundaries (Leka & Jain, 2010). Greater reliance on non-standard and precarious work arrangements also lead to lower job security and reduced control over working conditions. Increasing international competition and the constant drive for greater productivity have resulted in new forms of work organisation (e.g., lean production) which have been linked to employee exhaustion and poorer wellbeing (Huo et al., 2019), and are often coupled with restructuring and downsizing and resulting in job insecurity and difficult organisational change management. Further, as the workforce continues to diversify, the needs of different groups of workers require recognition, with implications for support, career development, training and communication.

Table 1 includes a more comprehensive list of psychosocial hazards and examples of these in a work context. In addition to the presence of these hazards are three further variables which can have an impact on the degree of risk they pose. First, psychosocial hazards can affect individuals differentially – what harms one may be of less harm to another. Second, psychosocial hazards can be cumulative so that risks increase as people are further exposed to the hazard. Third, psychosocial hazards can be additive, and the risk increases as the number of psychosocial hazards and non-work factors increases.

How do psychosocial hazards impact employee health and wellbeing?

Psychosocial hazards can both directly and indirectly impact worker health and wellbeing (Cox, 1993). While not all psychosocial hazards impact individuals in the same way, extensive research evidence shows that workers exposed to psychosocial hazards are at greater risk of a range of poorer wellbeing outcomes related to both physical and psychological health, including, for example, stress, exhaustion and burnout, anxiety and depression, musculoskeletal disorders, and cardiovascular disease (Leka & Jain, 2010; Siegrist, 2008). In turn, organisations in which psychosocial risks are present are more likely to face lower worker engagement, commitment, and job satisfaction, greater absenteeism and turnover of staff, and lower productivity (Leka & Jain, 2010).

We now turn to three prominent stress theories which provide an understanding on how the conditions of work may harm or facilitate worker health and wellbeing.

Table 1
Psychosocial Hazards

How work is organised	
Roles and expectations	Role conflict, ambiguity or change; unclear task guidelines and expectations
Job control or autonomy	Low participation in decision-making; lack of control over workload; low levels of influence and independence
Job demands	Underuse of skills; continuous exposure to people through work; conflicting demands and deadlines; repetitive tasks; fragmented or meaningless work; exposure to traumatic situations
Organisational change management	Prolonged/recurring restructuring; lack of transition support; lack of consultation and communication about workplace changes
Remote and isolated work	Working far from home or support networks; working without social/human interaction; working in others' private homes
Workload and work pace	Work overload or underload; high levels of time pressure; continually subject to deadlines; machine pacing
Working hours and schedule	Lack of variety; shift work; inflexible work schedules; unpredictable hours; long or unsociable hours; fragmented work
Job security and precarious work	Uncertainty regarding work availability; possibility of redundancy or temporary loss of work; low paid or insecure employment

Social factors at work	
Interpersonal relationships	Poor communication and information sharing; poor relationships between managers and colleagues; interpersonal conflict; harassment, bullying and violence
Leadership and supervision	Lack of clear vision and objectives; management style unsuited to nature of work; failing to listen; withholding information; inadequate communication and support; inconsistent or poor decision-making; abuse or misuse of power; lack of accountability; lack of fairness
Organisational/ work group culture	Poor communication; low levels of support for problem solving or development; lack of definition or agreement on organisational objectives; inconsistent or untimely application of policies/procedures
Recognition and reward	Imbalance between worker effort and reward; lack of appropriate acknowledgement or recognition of worker effort
Career development	Career stagnation and uncertainty; under-promotion or over-promotion; lack of opportunity for skill development
Support	Lack of supervisor or colleague support; lack of access to support services; lack of training/ information to support performance
Work/life balance	Tasks, roles or expectations causing workers to work in their own time; conflicting demands of work and home; work that impacts workers' ability to recover
Work environment, equipment, and hazardous tasks	
Inadequate equipment availability and reliability; lack of resources to complete work tasks; poor workplace conditions such as lack of space or lighting; working in extreme conditions (e.g. temperature or at height); working in instable environments such as conflict zones	

Source: Adapted from tables 1–3, ISO45003 (2021)

Job Demands Control-Support

One of the most recognised psychological theories of stress that accounted for interactions between individuals and their work environment is Karasek's (1979) Job Demands-Control (JDC) theory. Initially conceptualised as 'decision latitude' (control), the model suggests that the combination of a worker's work-related demands (workload or time pressures) interact with the decision-latitude (control and skill discretion) in their role to impact levels of psychological strain or stress. This model was later extended to include social support (JDC-S) – from colleagues or managers – as an additional factor that could mitigate psychosocial risk (Johnson & Hall, 1988). Accordingly, roles with lower levels of job demands and greater levels of control and/or support are more likely to result in positive outcomes for worker health. In this way, control and support act as 'buffers' against the demands of work, thereby reducing workplace stress (Wright, Eddy, & Kent, 2020).

A variation on the JDC-S model was later proposed by Demerouti, Bakker, Nachreiner, and Shaufeli (2001) who developed the Job Demands-Resources (JDR) model. Here, the authors expanded the model to include a wider range of 'resources' than control and support (e.g., rewards, participation in decision-making, job security) and suggested that the net 'buffering' effect of resources against job demands can result in work stress or burnout when negative, and employee engagement when positive (Demerouti et al., 2001). The JDC-S and JDR models are not without their criticisms – the former being considered too simplistic in a post-industrial world (Siegrist & Li, 2020), while the latter is thought to be too general in its conceptualisation of resources (Karasek, 2020; Widerszal-Bazyl, 2010). Despite these criticisms, it remains one of the more dominant and well-supported stress theories that explain how psychosocial factors at work interact to impact worker health.

Ngahuia works in a fast-paced, competitive organisation as a management consultant. Her work is incredibly busy, with consultants expected to be constantly bringing in new clients and increasing their billable hours. Her work is demanding – there's a lot of work to be done, and it is intensive work that requires her to think laterally and draw on the latest evidence from business research. It's not unusual for Ngahuia or her colleagues to work late into the evening to meet the deadlines of demanding clients.

While her work is highly demanding, Ngahuia wouldn't have it any other way. The nature of her job also allows her a high level of autonomy and flexibility over how she carries out her work, when she works and where she works. Her manager trusts that as an experienced consultant, she knows the best way to get her work done.

Were Ngahuia's manager to tightly monitor her work hours and process, the lack of control and resources coupled with the big and intensive workload is more likely to result in stress and burnout. However, in this case, being able to choose when, where and how she does her work allows her greater control over her work demands, and she is therefore at less risk of stress and burnout.

Effort-Reward Imbalance

Another interactional theory of stress is the Effort-Reward Imbalance (ERI) model proposed by Siegrist (1996) which suggests that stress and ill-health result from a continued imbalance in the level of efforts an individual exerts in performing their job, against the rewards received. Here, rewards include money, self-esteem, and career opportunities (Siegrist & Li, 2020). This model suggests that a high effort-low reward imbalance represents a failure of reciprocity, which violates social norms and produces strong negative emotions while activating a chronic stress response in the long term (Siegrist & Li, 2020). However, Siegrist (1996) also maintains that in certain circumstances individuals may continue to stay in a high effort-low reward situation, such as when they perceive limited alternative job options or for strategic reasons. A key strength of this model is its validity across different regions globally (Mutambudzi & Vanajan, 2020), as well as its applicability to other contexts beyond formal paid work such as caregiving or volunteer work (Siegrist & Li, 2020).

James is a store manager for a large chain store selling men's clothing. His pay is below the market rate for the responsibility that he has, but he was eager to take this job to gain management experience. At first, James felt that the rewards provided by this role balanced the effort he was exerting at work – he was gaining useful experience and learning a great deal about running the store and managing staff, which was an important step in his career progression. However, he has been in the role for almost two years now and has proven to be a highly competent and successful store manager – staff satisfaction is high and turnover is low, and the store has seen profits increase. James feels as though he is creating a huge amount of value for the business, but the pay, benefits and intrinsic rewards he receives in return no longer match the long hours, responsibilities, and other efforts required of James in managing the store successfully.

James is becoming increasingly disgruntled and upset with the clothing chain. He expected to be acknowledged and rewarded for his efforts and success well before now and feels that the chain is taking advantage of his willingness to work hard. Each month that goes by, James feels increasingly stressed and it is impacting his mental wellbeing.

Organisational justice

Organisational justice or fairness is another research avenue that attempts to explain links between psychosocial hazards and stress outcomes, such as burnout (see Cropanzano, Goldman, & Benson III, 2005) and other mental health outcomes (Elovainio & Virtanen, 2020). While different justice-related theories have been investigated, the underlying premise of these theoretical explanations is based on three aspects of justice: 1) fairness of processes and rules in decision-making, with the opportunity for input or control (procedural justice); 2) fairness with the outcomes of decision-making (distributive justice); and 3) fairness in the treatment of workers (relational justice). For example, Elovainio, Kivimäki, and Helkama (2001) found that higher levels of procedural justice (evident in higher levels of job control) and relational justice (evident in greater social support) were associated with lower levels of stress. Organisational justice theories of stress have been critiqued for their relevance to modern ways of working, such as remote or virtual working, (Siegrist & Li, 2020; Rupp, Shapiro, Folger, Skarlicki, & Shao, 2017) wherein workers may have different expectations of fairness and develop new forms of psychological contracts. This group of theories also remains comparatively less researched (Wright et al., 2020) than JDC-S or ERI models.

Alex has been a sales consultant for a food manufacturer for three years. They enjoy the role and would like to stay with the company and progress their sales career. The job involves office-based work, visiting clients, and attending marketing events. Everyone in the sales team has their own territory and reports to a regional manager who sets targets and reviews sales performance.

Since the pandemic began, work processes have changed and require significantly more time to complete. Sales targets have also increased, reflecting the greater demand through being an essential service. None of the sales staff had input into the changes to processes or targets, and several staff think that they disadvantage those with territories in Auckland which has often been locked down. Additionally, the regional manager appears to have favourites, granting some staff requests for target variations but not others. At their recent performance review, Alex was put under review for not meeting sales targets. Alex feels unfairly targeted for events outside anyone's control (the pandemic) and for changes to work demands on which they had no input.

As dissatisfaction grows due to the way they have been treated, Alex is finding it even harder to achieve targets, and feelings of stress and anxiety are increasing as a result. Unfortunately, as the job market is flat at the moment, Alex has decided to continue in the role at the expense of their wellbeing.

It is important to recognise that there is no single cause of stress, nor is it always possible to eliminate or minimise all psychosocial hazards in the workplace (Forastieri, 2013) – a challenge made additionally difficult due to the cumulative and differential ways in which these hazards interact to affect worker health and wellbeing across time. Thus, the causes of workplace stress cannot be addressed in isolation, and it becomes essential that such interventions are aimed at not only managing immediate or current hazards but in preventing their occurrence in the future. One means of doing this is through creating an organisational climate that is facilitative of and prioritises worker wellbeing – referred to in academic literature as a high 'psychosocial safety climate'.

Psychosocial Safety Climate

Psychosocial Safety Climate (PSC) reflects the process and policies that an organisation has in place to protect the psychological health and wellbeing of workers (Dollard et al., 2019). PSC comprises four key domains:

1. **Management Prioritisation**: The extent to which senior management prioritises psychological health and wellbeing of workers, considering it as important as productivity

2. **Management Commitment**: The extent to which senior management acts quickly and decisively when concerns about psychological health and wellbeing are raised

3. **Organisational Communication**: The extent to which there is good communication about psychological health and wellbeing, fed down from management to staff, and vice versa

4. **Organisational Participation**: The extent to which all levels of the organisation are encouraged to participate in psychological health and wellbeing matters

PSC has been found to be both an antecedent and a moderator of psychosocial hazards (Dollard & Bakker, 2010). At its core, PSC encourages an environment where workers feel safe and confident to communicate about issues that affect their wellbeing, there are opportunities for participation and consultation in such issues, and employee input is listened to and actioned by the organisation. As such, psychosocial hazards are able to be prevented prior to them arising, and existing hazards are able to be identified and addressed. A growing body of research shows organisations that foster a strong PSC are likely to benefit from lower levels of employee stress and burnout, greater job satisfaction and engagement, and generally better employee wellbeing (Dollard & Bakker, 2010; Idris et al., 2012).

Macro-level system influences on psychosocial factors and mentally healthy work

Since the changing landscape of work can give rise to several workplace psychosocial hazards discussed above, most intervention efforts have naturally been focused within the workplace context (Forastieri, 2013). However, it bears mention that a number of upstream macro-level factors – including socio-economic conditions, labour market structures, regulatory frameworks, welfare institutions, as well as social dialogue mechanisms and union representation – can collectively shape how psychosocial hazards play out at the organisational level, with differential implications for workers (Benach et al., 2007; Kortum & Leka, 2014). For example, gig workers such as Uber drivers may experience greater risks through the nature of their work (i.e., fragmented tasks, unpredictable hours and pay, working within tight deadlines) while also having less access to social protections, employment rights, and collective representation. In this way, labour market arrangements and policies can influence inequities in patterns of psychosocial risk. Together, this indicates the need to adopt a multi-level approach when examining the management of workplace psychosocial hazards.

Psychosocial hazards and PSC in Aotearoa New Zealand

Research on psychosocial hazards in the New Zealand context is relatively minimal. While scholars have largely focused on exploring the nature, prevalence and impact of individual hazards (see, for example, Bentley et al., 2010 on understanding workplace bullying and stress), there are few large-scale studies exploring psychosocial hazards in the New Zealand context.

One existing study that does shed light on psychosocial hazards and their impact on mentally healthy work is the New Zealand Workplace Barometer (NZWB). The NZWB surveyed around 1200–1400 New Zealand workers annually between 2018-2021 to gain insights on leading workplace indicators of mental health and wellbeing, namely psychosocial hazards and PSC. Results since 2018 indicate that many of the outcomes arising from psychosocial hazards evidenced in the international literature have a similar impact on workers here in Aotearoa New Zealand. Themes from the NZWB seem to indicate four key features of the work environment that have strong relationships with mentally healthy work:

1. **Organisational justice:** As previously discussed, organisational justice is about the perception that one is being treated 'fairly' within the employment relationship and across all areas of the organisation. The NZWB results show that where organisational justice is high, workers are likely to have better mental wellbeing, job engagement and satisfaction, and are less likely to experience work-family conflict or bullying and harassment.

2. **Inclusion:** Inclusion refers to the ability of individuals to be meaningfully involved in decisions which affect their work. Results of the NZWB indicate that non-managerial workers generally experience less inclusion than managerial workers. However, where inclusion is practised, workers at all levels are more likely to benefit from better mental wellbeing, work engagement and satisfaction, better co-worker support and more job flexibility.

3. **Management Competence:** Management competence refers to the behavioural competencies that managers hold in relation to managing workplace stress. Competencies include, for example, integrity, empowerment, conflict management, being empathetic and being accessible. Again, the results indicate that in organisations where management competence is high, workers are likely to benefit from greater co-worker support, better job satisfaction and work engagement, less bullying and harassment, and they are less likely to want to leave the organisation.

4. **Psychosocial Safety Climate (PSC):** As previously discussed, PSC reflects an organisation's prioritisation of, and commitment to, employee psychological wellbeing, along with opportunities for communication and participation in psychological wellbeing matters. For the four years that the NZWB has run, the overall findings show moderate PSC scores in New Zealand workplaces, meaning that workers are at moderate risk of psychosocial harm such as job strain and burnout, and this in turn poses moderate risks for organisations in terms of outcomes such as employee productivity, turnover and absenteeism. Although findings vary considerably by organisation, the results indicate that those organisations with stronger/higher PSC are more likely to benefit from better co-workers support, flexibility, engagement and satisfaction, and mental wellbeing, and are less likely to experience work-family conflict, bullying, and staff intending to leave.

Conclusion

The design and management of work, along with the social and organisational contexts, are strongly linked to mentally healthy work. Work that is well organised, competently managed and resourced, where strong interpersonal relationships and inclusive supports exist, is likely to encourage higher levels of employee wellbeing and other positive organisational outcomes. On the other hand, where work is poorly designed and managed, and where harmful or unfair social interactions are present in the workplace, work can be toxic for workers, leading to stress and poor mental wellbeing which, in turn, can be costly for organisations. Alongside identifying and addressing psychosocial hazards, research evidence points to the benefits of fostering a high Psychosocial Safety Climate, where there is prioritisation of and commitment to wellbeing by senior management, and where there is clear communication about wellbeing and opportunities for all levels of the organisation to participate in wellbeing-related issues.
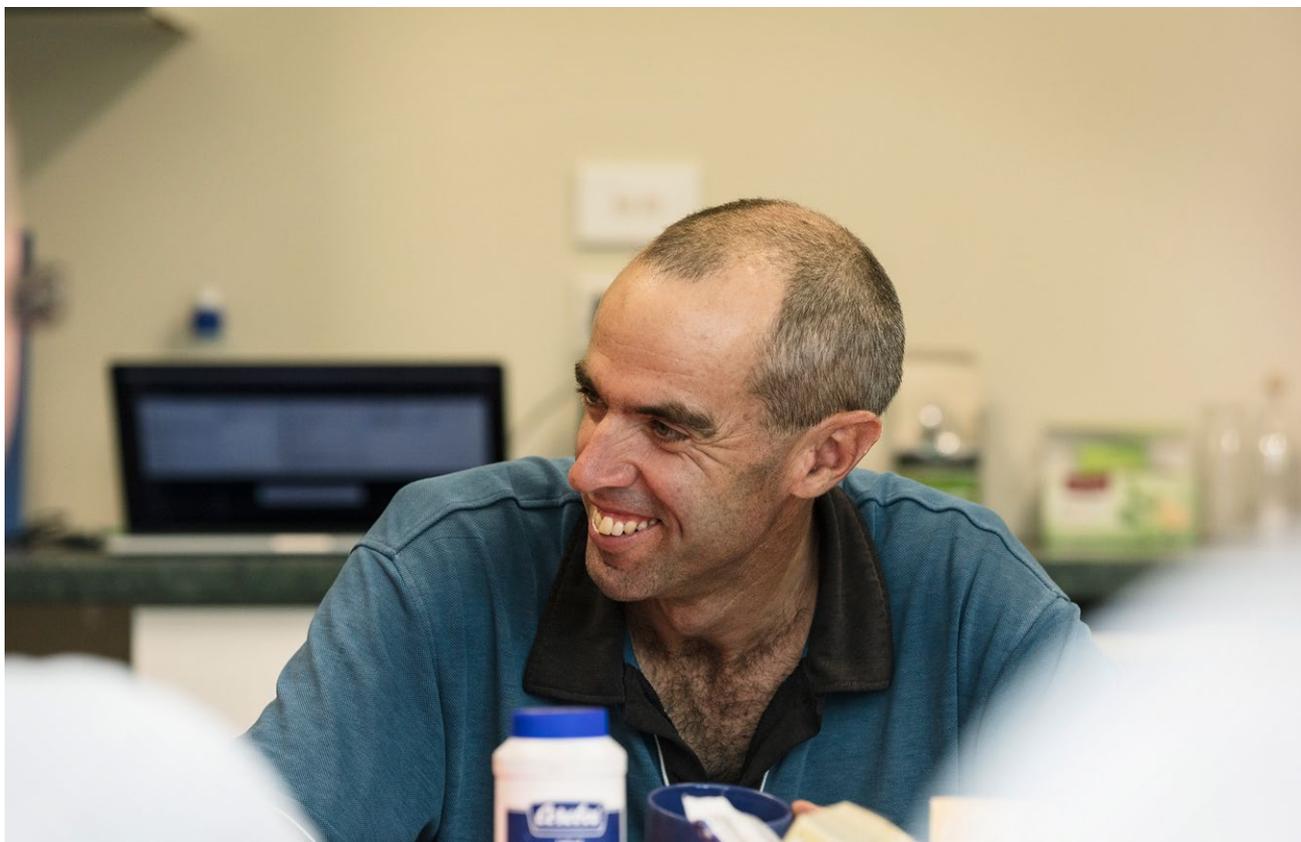
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