

ENHANCING WORKPLACE WELLBEING

Marsh explores the critical role of psychosocial safety in the workplace

Protecting employee health and safety is a fundamental aspect of any effective people strategy. Traditionally, organisations have concentrated on physical health and safety, often neglecting the mental wellbeing of employees. However, in today's fast-paced work environment, various 'unseen' factors – including stress management, work-life balance and organisational culture – can

significantly affect employees' mental health, physical wellbeing and job performance.

By leveraging the right data and understanding its implications for both the current and future state of the business, organisations can effectively support their employees while gaining a competitive edge.

PSYCHOSOCIAL HAZARDS IN THE WORKPLACE

The modern workplace is increasingly recognised as a critical factor in employee health

16.4 MILLION

working days were lost due to work-related stress, depression or anxiety in 2023/24.

Source: Labour Force Survey

and wellbeing. In the UK, mental ill health is the leading cause of work-limiting conditions among individuals aged 44 and younger, costing employers an estimated £42 billion to £45 billion annually due to absences and staff turnover.

Beyond financial costs, mental health issues can lead to serious incidents involving misconduct, errors and safety concerns, including workplace violence stemming from unmanaged stress and fatigue.

According to the US Department of Transportation, 94 per cent of fleet collisions result from driver error, often exacerbated by stress.

Work environments that contribute to stress face reputational damage, high employee turnover and loss of key talent. The longer an individual is unable to work due to mental health issues, the less likely they are to return.

BENEFITTING WORKERS AND ENHANCING ORGANISATIONAL RESILIENCE

The Mercer Marsh Benefits *Health Trends 2025* report highlights that psychosocial risks are the third most significant risk factor affecting employer-sponsored medical plan costs globally, yet only 29 per cent of employers have initiatives to foster a psychologically safe workplace.



776,000 WORKERS

suffered from work-related stress, depression or anxiety (new and long-standing) in 2023/24.

Source: Labour Force Survey

Despite perceived misconceptions about the cost-effectiveness of mental health investments, the benefits of targeted support for employees are compelling. Not only does a focus on health and safety improve productivity, engagements and satisfaction, but it can also potentially reduce accidents and insurance claims, ultimately enhancing the organisation's reputation.

Clearly, employers need to do more to tackle psychosocial risks and create a healthy, supportive work environment. Where should they start?

IDENTIFYING PSYCHOLOGICAL RISKS

Measuring psychosocial safety involves a systematic approach that combines quantitative and qualitative methods to assess employees' mental and emotional wellbeing.

Multiple strategies for measuring psychosocial safety, such as surveys, assessments and training can lead to a better understanding of employee wellbeing and the development of targeted interventions. A typical pathway may look like:

1. Comprehensive survey

An in-depth employee survey can identify areas for improvement in the organisation's health and safety culture. By gathering insights directly from the workforce, organisations can understand perceptions and experiences. Survey data can also be used to benchmark an organisation's performance across different metrics.

2. Identify strengths and weaknesses

Once the survey is complete, the findings can be evaluated to discover strengths and weaknesses within current health and safety practices.

3. Deliver tailored solutions

Tailored solutions can address the specific needs identified in the survey and that resonate with the organisation's values and objectives. For example, regular safety updates or behaviour-based observation programmes.

4. Strategy implementation

Ongoing risk improvement and consulting support can help organisations implement and measure the strategies foster a culture of safety and wellbeing.

Throughout these four steps, technological tools can be used to better understand the causes of psychosocial risk in teams and organisations, offer personalised solutions and help with monitoring the effectiveness of tools.

This may include:

- **Data-driven interventions:** Wearable devices can gather

physiological data, helping predict risk and facilitate personalised interventions.

- **Awareness and empowerment:** Digital tools can educate employees about symptoms and risk factors, encouraging them to seek appropriate support.

- **Analytic tools:** These tools can alert employees when it's time to recharge and notify leaders of elevated stress levels, connecting data insights to productivity.

For example, Marsh collaborates with Samsara to enhance fleet safety, efficiency and sustainability. By leveraging AI-powered technology, real-time data and risk advisory services, this initiative aims to influence driver behaviours and foster a safety-conscious culture within organisations.

Additionally, it provides fleet managers with greater visibility into their operations, enabling more informed decision-making. By integrating innovative technology with Marsh's risk transfer solutions, organisations can develop a comprehensive risk management approach and implement effective risk mitigation strategies.

BUILDING BETTER CARE PATHWAYS

By focusing on programmes that yield the highest return on investment, organisations can allocate budgets more strategically, ensuring funds are directed towards initiatives that support employee wellbeing. To justify these initiatives, leaders must quantify their impact effectively.

- **People risk modelling:** Analysing demographic risks can help tailor support for various workforce segments.

- **Inventory and benefits mapping:** Conducting a comprehensive inventory of health resources can show how they address key mental health risks.

- **Measurement and evaluation:** Organisations must track investments in health services and compare data on benefits utilisation to identify correlations in resource usage.

A JOINED-UP APPROACH

As the workplace continues to evolve, prioritising psychosocial safety will be essential for organisations seeking to thrive. Governments worldwide are introducing legislation to promote psychosocial health and safety practices. However, compliance is not enough; organisations must go beyond legal duties to safeguard employee mental health.

A holistic approach is needed to manage psychosocial risks, emphasising a culture of openness regarding mental health. Successful efforts to normalise mental health require cultural change from the top down, creating a sense of psychological safety that empowers employees to care for themselves and their colleagues. ♥

Find out more at www.marsh.com/en-gb/services/risk-advisory.html



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Transforming risk – understanding and enhancing safety culture

