



Australian Government

Comcare



## PSYCHOLOGICAL INJURY AND PERFORMANCE

The APS needs a healthy and engaged workforce to ensure it can meet the challenges faced by a modern public service. Fostering a positive work environment that promotes mental health and wellbeing is fundamental to building organisational health and makes good business sense. Workplaces that encourage performance and support people to thrive and participate will be the most successful over time. However, too many workers are getting harmed in the workplace.

### FACTS

Psychological injury is a major source of lost time and compensation costs within the Comcare scheme.

- > Psychological injury accounts for approx 11 per cent of claims.
- > Psychological injury accounts for approx 30 per cent of the cost of claims.
- > Workers with psychological injury are staying off work for longer. 55 per cent of Australian Government psychological injury claims that reach four weeks lost time continue on to 13 weeks of lost time.
- > The impact of mental harm is delayed recovery, slow return to work and increasing claim liabilities resulting in premium pressures.

### MENTAL HEALTH AT WORK

Creating mentally healthy workplaces delivers improved productivity and workforce participation. The benefits go beyond simply reducing the costs associated with negative outcomes (for example, absenteeism, mental health disorders, and psychological injury compensation claims). Organisational practices that improve employee psychological health and wellbeing (and reduce the incidence and duration of mental health symptoms) also result in improved performance for people with or without a mental health condition.

Managing work-based risks to mental health is a responsibility under federal law. Risks to mental health can arise out of the nature of work—including customer related stress, remote work, shift work and exposure to traumatic events.

Risks can also arise out of the context of work, including poor team climate and poor quality people management practices such as lack of role clarity, poorly managed change, a breakdown in relationships and high work pressure and demands.

When risks to mental health are not addressed it can cause mental ill health, have an impact on employees and their families, and lead to workers' compensation claims. It can also adversely affect team relations and productivity, absenteeism, employee turnover, accidents, and customer and client complaints.

## PERFORMANCE MANAGEMENT

Sometimes performance is not at the usual standard when a person is unwell or managing a personal issue (for example ill health, illness in the family, bereavement or other personal crisis). A decline in performance can be an early warning sign of a decline in health, including mental health.

People with chronic conditions, including mental ill health and who are good performers sometimes need time away from work to manage their health condition. Workplaces have an obligation to make reasonable adjustments to eliminate and minimise barriers which may exist for the worker to perform the job.

### Principles for a High Performing Government

- > Purpose and clarity
- > Alignment and integration
- > Mutuality and motivation
- > Adaptability and progress
- > Capabilities
- > Evidence and data
- > Pragmatism

*Strengthening the performance framework: Towards a high performance APS*, available at <http://www.apsc.gov.au/publications-and-media/current-publications/strengthening-performance>

## DEALING WITH CONFLICT AND REASONABLE MANAGEMENT ACTION

Reasonable administrative action is defined in the *Safety, Rehabilitation and Compensation Act 1988* to include a performance appraisal, counselling, suspension or disciplinary action.

The critical issue is the way in which an administrative action is actually undertaken in the workplace. The action must be lawful and fair, objectively assessed in the context of the circumstances, the knowledge of those involved at the time, and the emotional state and psychological health of the employee.

The importance of creating and retaining proper records in relation to administrative actions concerning a person's employment must be emphasised, especially when issues of underperformance, interpersonal conflict and poor conduct are alleged. Failure to do so may lead to unfairness and difficulty establishing the facts.

### **Reasonable management action: Case Law**

The Full Federal Court judgment in *Commonwealth Bank of Australia v Reeve* (2012) has provided important guidance on the scope of the reasonable management action provision, by drawing a distinction between “administrative” and “operational” actions of an employer. An instruction to an employee to perform work at a particular location, or to perform particular duties, is not administrative action but would be regarded as operational and would not trigger the exclusionary provision, so that any injury to an employee resulting from an operational action is compensable.

*Safety, Rehabilitation and Compensation Act Review Report*, February 2013, available at [www.employment.gov.au](http://www.employment.gov.au)

This factsheet was sourced from 'Working Together: Supporting mental health and wellbeing at work' available on the Comcare and APSC website.

### **FOR MORE INFORMATION**

Available through the Comcare and APSC website:

- > *Working together: Promoting mental health and wellbeing at work*

Available through the Department of Employment website:

- > *Safety, Rehabilitation and Compensation Act Review*, February 2013.

Available through the Australian Public Service Commission website:

- > *Strengthening the performance framework: Towards a high performance APS*