

From Harm to High Performance

The Awaiting Opportunity of Psychosocial Risk Management

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From Harm to High Performance: The Awaiting Opportunity of Psychosocial Risk Management

The psychosocial environment is a critical strategic priority for organisational success. When managed effectively, it drives underlying dynamics and provides accessible levers for **improving employee health and work outcomes**.

Some organisations are already reaping the benefits of recognising this reality and using psychosocial risk management as a **vehicle for high performance**. While others who resist or still treat it as solely a compliance exercise are quickly **falling behind**.

The evidence is clear: when done well, psychosocial risk management elevates employee experience and performance by improving factors like leadership capability, social support, role clarity, job control, fairness, change management, and psychological safety. This in turn **positively impacts** employee mental health and well-being **while reducing** productivity hindrances and work-stress-related absenteeism, presenteeism, and turnover.

In this paper, we'll explore:

- Groundbreaking real-world data from Australian organisations, the first of its kind globally, revealing the true financial cost of psychosocial environments
- An early Mibo case study that reshaped our understanding of psychosocial environments
- The significant cost savings achievable through supportive and well-designed work environments
- The greater vision: how psychosocial work factors act as levers for high performance
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An Early Client Case Study

One of Mibo's early client studies revealed insights that fundamentally shaped our understanding of the variable nature of psychosocial environments.

The organisation, a large white-collar company, had reasonable overall psychosocial safety results. Overall, staff reported slightly higher cumulative protective factor scores than risk scores, indicating that, on average, work was slightly more beneficial than harmful to their psychological wellbeing.

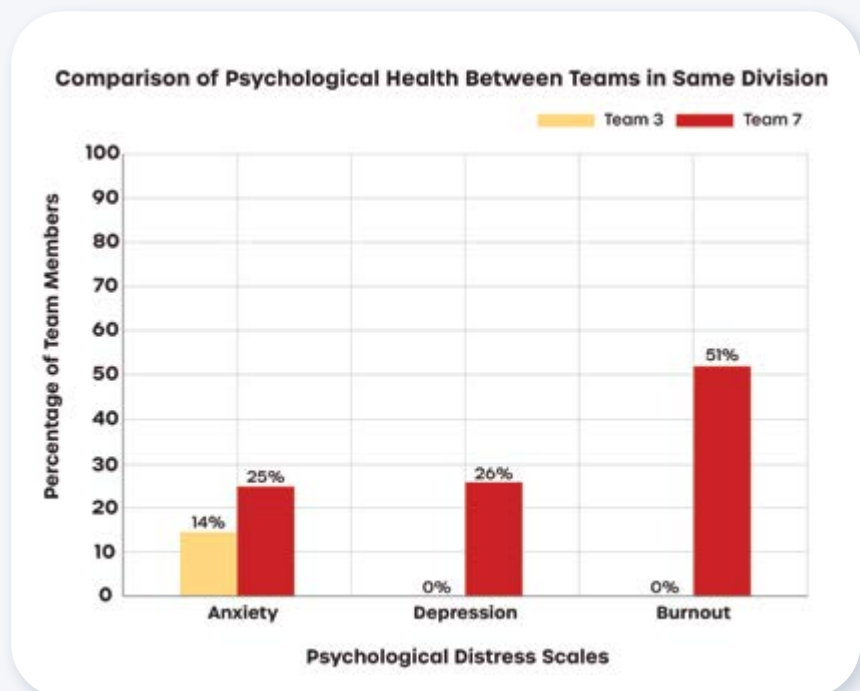
However, when we analysed the data at a more granular level, a striking pattern emerged. Beneath the average were wildly differing results across divisions, and even between teams within the same divisions. Some groups were thriving, while others were struggling significantly. These variations balanced each other out at the aggregate level, masking both localised thriving and risks.

Importantly, this organisation had chosen to assess not only psychosocial factors but also the health outcomes work was contributing to. When we examined a particular department, the contrast between teams was extraordinary. For example, **Team 3**, which reported the best psychosocial environment, appeared to operate in an entirely different orbit from **Team 7**, which had the poorest.

Team 3 reported several very high protective factors and all psychosocial demands in the very low-risk zone. In contrast, Team 7 reported **no protective factors** in the high or very high benefit zones and **six factors** causing moderate to high psychological or wellbeing harm.

The differences in these environments were directly reflected in health outcomes. Using the DASS (Depression, Anxiety, Stress) scale:

- In **Team 3**, none of the members reported concerning symptoms of depression, stress, or burnout, and only **14%** experienced significant symptoms of anxiety.
- In **Team 7**, however, **25%** reported symptoms that might indicate clinical anxiety, **26%** reported symptoms that might indicate clinical depression, and a staggering **51%** reported suffering from burnout.



When considered alongside their team-level work environment scores, these results clearly demonstrated the powerful relationship between the psychosocial environment and employee wellbeing.

Since this early case, Mibo's advanced factor influence analytics have consistently demonstrated not just correlation but **causal influence** between the psychosocial environment and key health outcomes, including mental health, musculoskeletal health, sleep quality, and overall wellbeing. These findings align closely with long-standing research using the gold-standard **Psychosocial Safety Climate (PSC)** scale, reinforcing that the work environment powerfully impacts both psychological and physical health outcomes.

The Incredible Cost Savings of Supportive Psychosocial Environments

So what does this influence of the psychosocial environment on staff psychology and well-being mean for organisational financial outcomes?

A growing body of global evidence demonstrates that organisational interventions targeting psychosocial factors such as work design, psychosocial leadership capability, and psychosocial hazards significantly **reduce distress** and **improve key outcomes**, including reduced absenteeism and enhanced performance (WHO, 2022). Similarly, EU-OSHA reviews highlight the **substantial financial burden of work-related stress** across sectors, with major costs arising from absenteeism, presenteeism, turnover, and lost productivity.

However, one of the persistent challenges in engaging executive leaders has been the lack of specificity in quantifying the financial impact of the psychosocial environment. To address this, Mibo has developed next-generation analytics that provide decision-makers with precise, actionable insights into the organisational and financial significance of psychosocial factors.

Drawing on over 500,000 data points from the **Mibo Psychosocial Risk Management Assessment (PRMA)**, independently evaluated by the Griffith University RISE Research Centre as a highly valid measure, Mibo's **Risk-Protective Ratio (RPR)** offers a clear, single-metric summarising the cumulative balance of an organisation's psychosocial environment across five zones, integrating both risk and protective factors.

In addition, Mibo assesses the tangible impact of work-related stress on work outcomes. This analysis incorporates job stress specific intent to leave, absenteeism, and presenteeism, along with work design related productivity hindrances that are barriers to worker productivity. Applying organisational salary bands and a proprietary calculation model informed by leading literature, Mibo then determines the **proportion of salary lost to the psychosocial environment**.

This table shows the average % of salary lost to the psychosocial environment for Australian companies that are in each zone.

Risk-Protective Ratio Zone	Average Salary Lost
Above 1	20%
.25 to 1	27.9%
-.25 to .25	32.0%
-1 to -.25	40.3%
Below -1	54.5%

Very Low

Low

Moderate

High

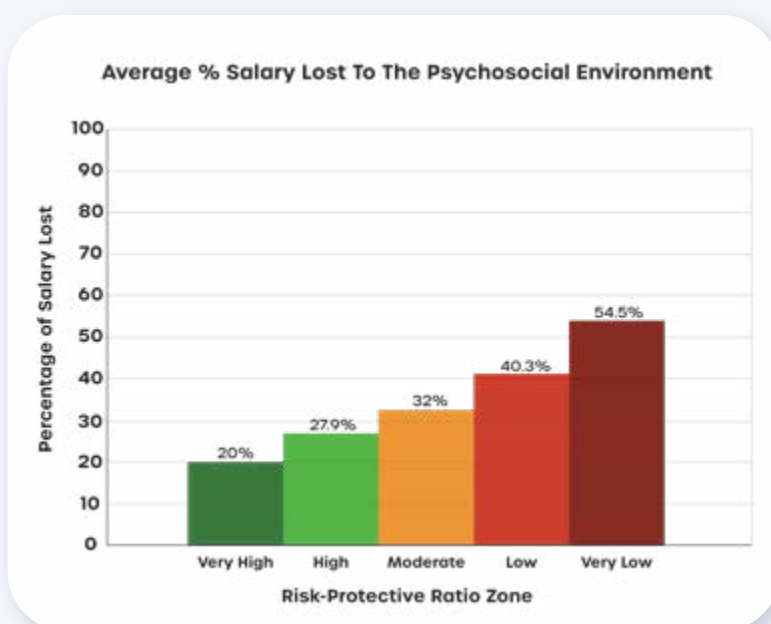
Very High

-1

-0.25

0.25

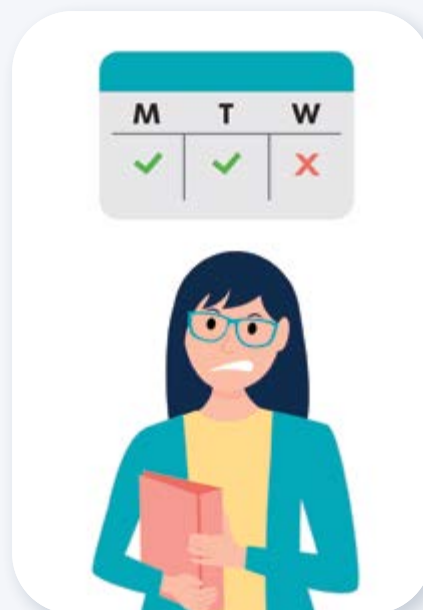
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On average, Australian organisations lose around **31% of total salary expenditure** to the psychosocial environment, equivalent to nearly **one in every three workdays per employee**.

At the poorer end of the scale, one Mibo organisation with a **Risk-Protective Ratio of -2.75** is losing **59% of salary expenditure** to psychosocial factors. In contrast, another organisation with a **Risk-Protective Ratio of 2.8** is losing **only 15%**.

It's also worth noting that these figures are **conservative**, as Mibo does not attempt to quantify additional losses associated with the **Counterproductive Workplace Behaviour factor**, due to the absence of a validated way to measure the financial cost.



Overall:

- In a **Very High Risk-Protective Ratio Zone**, an organisation with 1,000 employees and an average salary of **\$150,000** would lose approximately **\$30 million per year**.
- In a **Very Low Risk Protective Ratio Zone**, the same organisation would lose approximately **\$81.75 million per year**.

Very High Risk-Protective Ratio Zone



Very Low Risk Protective Ratio Zone



The Message Is Clear:

The psychosocial environment is a major driver of financial performance. Moving from a Very Low to a Very High psychosocial environment, as measured by Mibo's RPR could represent a **saving of more than \$50 million annually** for a 1,000-person organisation. Importantly, the RPR also provides a reliable indication of overall team and organisational performance.

A Greater Vision: Psychosocial Work Factors as Levers for High Performance

Beyond reducing the enormous costs associated with the psychosocial environment, it also represents hindrances such as absenteeism, presenteeism, turnover, and counterproductive work behaviours, the psychosocial environment represents one of the most underutilised levers for driving high performance.

Many psychosocial work factors are not just about preventing harm, they provide the very conditions that underpin excellence. Factors such as role clarity, job control, fairness, meaningful work, supportive leadership, team cohesion, and manageable demands are consistently linked to higher engagement, satisfaction, and discretionary effort. These are the same levers that are important to high-performing teams.

By shifting focus from not only compliance and harm prevention to cultivating conditions that actively support thriving, organisations unlock even greater value. A psychologically healthy work environment is not only safer but also more adaptive, creative, and productive. Teams with stronger protective psychosocial factors consistently demonstrate better collaboration, higher motivation, and greater resilience in the face of change.

Psychosocial safety also lays the foundation for psychological safety by ensuring work conditions are fair, supportive, and well-designed, creating an environment where people feel valued, secure to speak up, take risks, and collaborate openly, all of which are hallmarks of high-performing teams.

This is the greater vision, recognising psychosocial work factors not as regulatory obligations, but as powerful performance multipliers. The same systems that protect wellbeing are those that propel excellence. Organisations that act on this insight move beyond simply reducing harm to creating the conditions where people and performance can truly thrive.



Best Practice, Simplified: How Mibo Delivers Standards-Aligned Psychosocial Risk Management

Best-practice psychosocial risk management emphasises worker consultation, systematic hazard identification and risk assessment, effective controls, and continuous review

Mibo brings these principles to life in one coherent, regulator-ready system, making the process not only compliant but strategically valuable for high performance.

Through structured worker participation, Mibo ensures genuine consultation across teams, locations, and roles, capturing both psychosocial hazards and protective resources. Its independently evaluated assessment measures the felt experience of harm and benefit, highlighting where systemic factors most influence outcomes. By focusing on interrelated dynamics rather than isolated risks, Mibo identifies a small number of high-leverage levers for change, ensuring control measures address the most important root causes or harm, and opportunities for benefit.

Each stage can be recorded in a living psychosocial risk register that links hazards, resources, and actions with accountable owners and review cycles, creating a transparent, defensible governance trail.

Total assessments and pulse checks maintain a continuous improvement rhythm, while dashboards translate complex data into practical insights that managers can act on immediately.

By operationalising recognised standards into a clear, data-driven cadence, Mibo makes psychosocial risk management simpler, safer, and more effective, turning what was once a compliance challenge into a sustainable system for better wellbeing, performance, and organisational learning.



Conclusion

Psychosocial risk programs, when done well, are far more than compliance tools, they are value-creation systems. With rigorous, standards-aligned processes and ongoing measurement, organisations can now quantify not only the reduction in cost from job stress specific absenteeism, presenteeism, and turnover, but also the gains in engagement, learning, and innovation that define high-performing teams.

Through Mibo, we've operationalised this approach, enabling organisations to accurately measure what high performance looks like, track improvements over time, and directly link psychosocial conditions to outcomes. Mibo isn't just about managing risk; it's about elevating culture, unlocking human potential, and systematically building high-performing, future-ready teams.



Authors



Sean Fyfe

Founder,
Managing Director at Mibo



Dr. Anthony Ross

Founder,
Chief of Psychosocial
Safety at Mibo

Introducing Mibo

Mibo is a **next-generation** Psychosocial Risk Management technology platform helping organisations embrace a rigorous approach to creating supportive psychosocial work environments.

Our solution combines the **Psychosocial Risk Management Assessment (PRMA)**, industry-leading **analysis** and **reporting**, an **advanced Control Measure Module system**, and the leveraging of **emerging technologies** to enhance capability, efficiency, and precision in managing psychosocial risks.

Discover more about Mibo's innovative approach to Psychosocial Risk Management [here](#).



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