

Great
Place
To
Work®

Safe for work

Psychological
safety in the
workplace

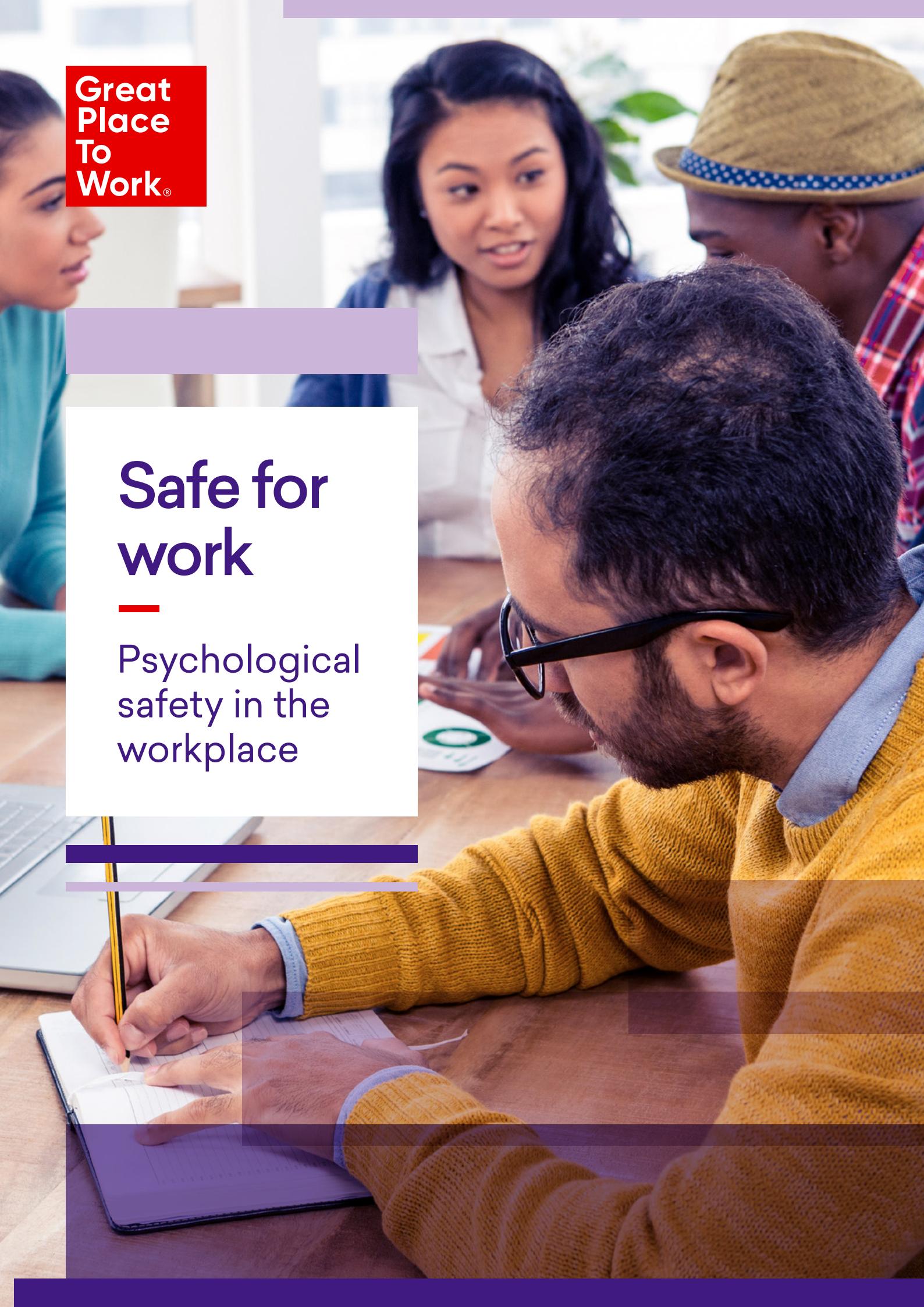


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Definition and context

What is psychological safety and why is it important?

Psychological safety is defined by a person's ability to feel that they won't be shut down, punished or humiliated for speaking up with ideas, questions, concerns or mistakes in the workplace. This extends to their ability to innovate, to speak out against injustices and campaign for changes. For the individual, it translates to less stress, more job satisfaction, and greater confidence.

Businesses also reap the benefits. "We know from research that if somebody goes to work and feels that they are going to be taken care of, they are going to do much better at work," says Michael Bush, CEO of Great Place to Work.

Mounting research backs these claims including a two year study by Google that revealed their highest performing teams all have one thing in common: psychological safety.¹

Great Place to Work has also been amassing a wealth of data on the topic. By surveying employees for 30 years, they have been able to track the successes of companies that score highly in this area.

"We found that psychological safety is the biggest driver of earnings," says Mr Bush. "Of our question set, it is the most important predictor of profitability."

Another notable attribute of companies recognised by Great Place to Work with high degrees of psychological safety are less stress among the workforce. This has a direct correlation with less absenteeism and higher retention. Data also shows that creating environments of high psychological safety will make organisations more productive and have higher levels of customer advocacy.

It all starts with trust

Feelings of trust and psychological safety are interwoven. You cannot talk about one without talking about the other.

If there is no trust between a worker and their colleagues and their leaders, a worker cannot feel safe in any sense of the word. Without trust, a worker feels that if they say the wrong thing, it can derail their career. And without trust, if an employee wants to try a new idea, such as a new service for a customer but fear they will be penalised for it, then they'd rather not. It stunts innovation and impacts potential.

To quantify psychological safety, Great Place to Work has been measuring "trust" through employee surveys for 30 years. "It's become a new thing for a lot of people, but for us it's been decades of research knowing that trust is the foundation," says Mr Bush.

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We know from research that if somebody goes to work and feels that they are going to be taken care of, they are going to do much better at work.

Michael Bush, CEO, Great Place to Work.

¹ <https://www.sagepeople.com/about-us/news-hub/how-to-create-psychological-safety-for-employees-google/>

The research shows that trusting and caring for those on your team, and feeling it in return, is what drives exceptional performance and pride in their work. “That’s what causes somebody to double check their work, or triple check their work,” says Mr Bush. “It’s not the hourly wage, it’s not stock options. Exceptional work comes from people caring.”

At organisations identified as great workplaces:

94% of employees say people care about each other in their workplace

92% of employees say they feel a sense of pride in what they do

91% of employees say they look forward to coming to work



Furthermore, where measures of trust are high, Great Place to Work data suggests you can fairly reliably pick other positive characteristics of a company's workplace. For example:

- Workers enjoy and respect the people that they work with and work for
- When they speak to colleagues and leaders, they are speaking honestly
- Workers feel a sense of camaraderie and a sense of belonging
- Workers believe if they work hard and live out the values of their company, their future is going to be good
- Workers feel that management is going to develop them, listen to them and reward them
- If something is wrong, workers feel they can bring it to management, and that they will be fairly treated when that happens
- Workers say employers care for them as a person, and not just as an employee
- Workers feel promotions go to those who deserve it, and that pay is fair

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If you want a highly engaged, productive, happy workforce then you have to invest in your people. You've got to create this psychologically safe culture. It's got to be created in your line managers, hiring executives, in the leadership, it's got to permeate through this institution. And you know it pays back in so many ways.

Professor Dame Carol Black

Cultivating psychological safety in the workplace

Cultivating psychological safety rarely comes under an employer's legal duty of care.² Years ago, it was arguably rare to find many companies that valued such trust, engagement and psychological safety in their workforce. But data demonstrating the beneficial impacts of psychological safety—along with increased awareness among executives, and higher competition for top talent—has increasingly made it incumbent upon leaders to create the safe environments that allow employees to flourish.

No company or sector is immune to the influence of psychological safety on their performance. Companies that top Great Place to Work's list tend to have long histories and strong cultures of employee support, trust and innovation. But many new companies also succeed in creating the appropriate conditions. In fact, organisations from less-traditional sectors are flourishing when it comes to psychological safety.

"A new CEO joined a large soft drinks manufacturer in the UK about 6 years ago," recalls Ben Gautrey, managing director at Great Place to Work. "He came with the message that he wanted to create a truly great workplace for employees because he knew it was the right thing to do and it would also greatly benefit the organisation. I think it took HR aback as it's a largely blue-collar organisation with thousands of employees." But over three years of continuous listening and responding to worker feedback and creating conditions that would help them to contribute and innovate, "this organisation saw their levels of trust increase by double digits."

But such bold changes are not achieved overnight. Trust and feelings of psychological safety are cultivated over time through a series of small behaviours. "It's a whole ecosystem," says Michael Egermann, head of human resources in Europe at the biopharmaceutical firm Amgen. "You can build the social architecture and build the foundation and talk about it, but at the end of the day it is in the actions that you take over a long period of time that people actually see if it's real or not."

At great workplaces,
88%
of employees surveyed say their organisation is a psychologically and emotionally healthy place to work

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Our energy around psychological safety starts with our culture—and it's real, it's not just a word, it's genuinely influences the way we practice in our business here.

Brent Hyder, president & chief people officer, Salesforce

²<https://archive.acas.org.uk/index.aspx?articleid=3751>

At great workplaces...

94%

of employees say they are able to take time off from work when they think it's necessary

87%

of employees say they are encouraged to balance their work life and their personal life



The secret sauce: culture

Companies interviewed for this report all achieved high rankings and special recognition for being a great workplace with an excellent record of psychological safety. When asked about how they grew and achieved their positions, they pointed to their workplace culture.

“Culture” may seem a cop-out because the term can seem vague and unquantifiable. But through Great Place to Work’s unique diagnostics, organisations are able to measure their employee experience and benchmark it internally and externally to continuously make gains in the right direction. Organisations recognised as Europe’s Best Workplaces consistently speak to the unique tangibility culture has in the everyday workplace. It is the organisational values and subsequent leadership behaviours that align workers’ mindset and unite them behind the mission. And in great workplaces they are reinforced day after day.

“Our energy around psychological safety starts with our culture—and it’s real, it’s not just a word, it genuinely influences the way we practice in our business here,” says Brent Hyder, President & Chief People Officer at Salesforce, recognised regularly as a top 10 best place to work in Europe.

“We intentionally take culture, sense of purpose and our principles off the page and live it in everything we do,” echoes Kate Menzies, vice president of people & organisation in a division of Mars, a family owned multinational manufacturing and services company recognised as a top 10 best place to work in Europe.

To understand what lies at the heart of a psychologically safe work culture, the essential components are described here.

At great workplaces...

94%

of employees say they are proud to tell others where they work

90%

of employees say they strongly endorse their company to family and friends



Leadership

“Leaders define at least 70% of the work experience, and usually more than that”, says Mr Bush. As people managers, they have the opportunity to listen to what employees are asking for and experiencing. If they genuinely listen and act on what employees are saying, this is what builds trust.

Companies with strong psychological safety know this to be true, and typically dedicate resources to develop their leaders for this purpose.

“If you don’t have your leaders engaged in creating an environment of psychological safety, it doesn’t land,” says Ms Menzies. Her organisation, like many on the Great Place to Work list, invests in leadership capability. “We want our leaders to bring out the best of everyone on an everyday basis. To make sure associates want to come to work and do what they do best in their own style to deliver what they need to do. We develop leaders to be able to have really open conversations around that.”

At great workplaces...

93%

of employees say they are treated as a full member by leadership, regardless of their position

91%

of employees say management is easy to talk with and approachable

98%

of employees say management delivers on its promises, and their actions match their words



Onboarding

New hires need to be welcomed, onboarded and developed by HR and their direct managers. How new hires are treated in this process helps set the tone for the employee’s trust and emotional attachments to the workplace.

Unfortunately, at many companies this is often a disjointed experience. Poor onboarding is responsible for almost one-third of new hires leaving a job within the first 90 days.³ Early-exiters often cite that the job was not as they expected and that they had a bad sense of the company culture.

“You can have an outstanding hire and when they get to work there is no place for them to sit, they don’t have a laptop and no work to do. And nobody seems to care. That person will likely leave,” explains Mr Bush. “That’s what good leadership can address by creating a chain of experiences so when they begin they are actively developed and cared for in an equitable and fair way.”

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I think of onboarding like launching a new product - you only have one chance to get it right.

Michael Bush, CEO,
Great Place to Work.

³2018 Job Seeker Nation Study. https://www.jobvite.com/wp-content/uploads/2018/04/2018_Job_Seeker_Nation_Study.pdf

"I think of onboarding like launching a new product," says Mr Egermann. "You only have one chance to get it right." To that end, he says at Amgen they have a structured onboarding programme and that they encourage leaders to go above and beyond the checklist of all the essential things that have to be in place when a new person starts. "For example, calling somebody a week before they start to let them know you are excited to have them join the team—I can't tell you how often I hear that this was greatly appreciated."

At great workplaces...

96% of employees said when they joined the company they were made to feel welcome

93% of employees say when people change jobs or work units, they are made to feel right at home



Celebration

Another major indicator of a psychologically safe workplace is that employees are not scared to speak up with new ideas or feel embarrassed by errors. There is a sense that a plan-gone-wrong will not derail careers, but can be openly analysed without repercussion and contribute to greater organisational success.

A great place to work makes a point of living this practice. When companies openly celebrate things that don't go well, workers' feelings of safety can be reinforced through observation and experience.

"Companies shouldn't celebrate the same failures twice, but by calling out a teaching moment, workers will see what happens when things don't necessarily work out," says Mr Bush.

For example, at Amgen, regional teams are tasked with searching for pockets of innovative success that are shared with the wider corporation so that others can learn from them. According to Mr Egermann, "In these corporate communications, it's highlighted that it took multiple trials and errors to be successful. We know innovation rarely works the first time around. Our culture really puts innovation at the heart of what we do, so in this way we can showcase that even when you take calculated risks it can take multiple efforts to get it right."

At great workplaces...

93% of employees say special events are celebrated at their organisation

86% of employees say their company celebrates people who try new and better ways of doing things, regardless of the outcome

86% of employees say management shows appreciation for good work and extra effort



Equality

In great places to work, there is an overarching feeling that management is going to develop and listen to employees, and that they will reward, celebrate and recognise them. The key is that workers feel they have an equal chance of this as everybody else.

Mr Bush says “when you see high scores of psychological and emotional safety across all demographic groups, you can predict a host of other benefits for all demographic groups. The trouble is when you find some people feel safe and others don’t.”

Fair and equitable treatment has been a long, uphill battle for many companies. Addressing racial and gender representation and pay inequalities has been a big focus of the past few decades, and coming increasingly ahead in 2020 along with other important social justice issues.

Most companies have progressed but will admit there is still work to be done, but that a great leader will make this part of their agenda. Great companies are also using data, particularly from pulse surveys and benchmarking, to track success across departments and teams, to ensure everybody has a sense of belonging.

At great workplaces...

91%

Management is approachable,
easy to talk with

87%

Everyone has an opportunity
to get special recognition.



Autonomy

Job autonomy translates into a set of employee experiences that provide room for freedom, independence, and the exercise of judgment.

When a workplace culture directly or indirectly discourages autonomy and enables micromanagement, levels of stress tend to be high. Colleagues don't feel that they can be themselves or contribute as much as they want to. However, when leaders loosen the reigns, they can create an environment where everybody's brain and voices are encouraged to be part of the solution.

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Business leaders have to acknowledge the value of having a culture where curiosity exists, where workers ask questions and provide feedback.

Ben Gautrey, managing director at Great Place to Work

"Day to day, our associates all know that their role is important. And the work they do is really valued," says Ms Menzies. "They turn up to Mars knowing that their opinions count and they can do their best work every day and I think that builds engagement and trust."

Mr Gautrey adds that one of the most important elements of culture is that curiosity is unlocked, because people feel safe enough to share ideas. "Business leaders have to acknowledge the value of having a culture where curiosity exists, where workers ask questions and provide feedback," he says.

"Some businesses are nervous about reframing work as a learning problem, because they worry this could impact their excellence and accountability. But I would like more organisations to free people up, ease off the brakes, and create higher aspirations and accountability for their workers."

At great workplaces...

93% of employees say management trusts people to do a good job without watching over their shoulders

94% of employees say their workers are given a lot of responsibility



What great workplaces are experiencing in 2020

At the best of times, strong psychological safety is correlated with a productive and innovative workforce. It is rare that “worst of times” scenarios can be tested to demonstrate how psychological safety could correlate with resilience and other benefits.

Yet the unprecedented covid-19 pandemic and the wave of social justice movements that have marked 2020 have provided such a testing ground.

Who would have thought that in the midst of an unprecedented economic shock, with businesses taking extraordinary measures and facing losses, employee trust could rise in their leaders?

Here are some examples of what great places to work are seeing in their business.

Increasing psychological safety even in a crisis

As covid-19 spread across the globe, nearly all companies found themselves rushed to create physically safe environments for both front line workers and office workers. Even so, at great places to work, psychological safety has become even more top of mind.

“We’ve talked more to companies about psychological and emotional health the last few months than we have physical health,” says Mr Bush.

“That’s because in times of disruption and recession, employees tend to become scared for their future at work. As a result, they are not always able to put forward their true selves and speak their mind. This inadvertently reduces the benefits of psychological safety such as customer advocacy, innovation and feeling of trust.”

Good businesses have taken steps to prevent this. “Psychological safety is more important to us than ever. We invested in the health and wellness of our associates including pay protection and ensuring associates had the right set up at their home given personal circumstances. We are not letting that go,” says Ms Menzies.

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Psychological safety is more important to us than ever.

Kate Menzies,
vice president of people & organisation, Mars Inc.



"We have a number of new programmatic efforts to support our staff members," adds Mr Egermann. "But at the end of the day, at the core of it is communication to make sure you talk to people and listen... From this we recognised that people were struggling to find the boundaries of work. Many were getting up early and finishing late. So where possible we mandated that everyone take a vacation over Easter. Initially a lot of people weren't pleased, but after we heard great feedback. Some people didn't realise how tired they were."

Leadership is rising to the challenge

Leaders have rarely been as challenged as they have been in 2020. Between social justice movements and the covid-19 pandemic, their contributions are increasingly evaluated by their ability to create safe, inclusive environments for their workforce.

At great workplaces, leaders who have set in place the conditions for psychological safety have also been able to respond to the crisis in a way that sustained trust and performance and even inspired pride in their workforce.

"This year is really testing leaders, particularly their ability to relate to others as human beings" says Professor Dame Carol Black, who previously spent a decade advising the British government on the relationship between work and health, and continues to chair national organisations. "What is required, is an ability to relate to frightened, worried people who are locked in at home, and trying to give them a sense of purpose and a sense that the organisation to which they belong, and which they have attachment and loyalty, are there for them."

Agility has also been a highly prized attribute in leaders at this time. "What I think is great is that our leaders have been agile," Ms Menzies adds. "They are being clear on

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Leaders are trying to be available and to explore different ways of keeping people engaged, such as training courses that may help people who cannot come into work in physical roles.

Professor Dame Carol Black



their expectations, they are adjusting the way they manage, reward, and recognise performance. They are also showing huge amounts of empathy.”

And in good workplaces, senior leaders have started communicating more, and finding creative solutions for workers in need.

“I chair three boards. I am proud of what the executives have done and tried to do and the way they have communicated with the workforce,” adds Dame Black. “The chief executives have been meticulous about constant good communication with the workforce. Leaders are trying to be available and to explore different ways of keeping people engaged, such as training courses that may help people who cannot come into work in physical roles.”

Trust scores are stable, even on the rise

According to Great Place to Work’s research, organisations that are actively talking about both covid-19 and what they are going to do about social justice inside and outside their organisation are reaping the rewards.

Mr Gautrey adds that when the pandemic hit Western Europe some high-standing organisations were nervous that workers would feel less positive about their organisation. “In fact we’ve seen the opposite.” Instead, employees are reporting back higher levels of psychological safety and trust because they felt that the organisation genuinely cared for them as individuals and had concern about their welfare.

As an example, a multinational home boiler repair company said their 6,000+ workforce has seen their trust scores go up. Despite employers needing to be ‘on-the-ground’ and at higher risk of catching and spreading covid-19, they felt their concerns were being listened to by senior leadership, and that they were being supported in staying safe.

Similarly, Salesforce, which moved to an all-virtual workforce and initiated practices to support workers’ wellbeing, saw significant

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In good workplaces, senior leaders have started communicating more, and finding creative solutions for workers in need.



improvement in their internal, anonymous employee survey that asks about physical safety, mental safety and wellbeing. “Our measure of psychological safety is up 6 percent from a year ago, which is especially impressive when you consider last year was a regular year,” says Mr Hyder.

Reaping the rewards of a safe workplace

For these companies, psychological safety has delivered a premium in a time of real difficulty. While leaders are going above and beyond their traditional duties to support workers, what they get in return is even greater. Many report feeling immense pride in their workforce for their resilience and determination to navigate new obstacles.

“We needed to put innovation on steroids,” recalls Mr Hyder of Salesforce. “We couldn’t sell the way that we had or hold events the way that we typically do. And we had customers who had to become virtual and didn’t know how to do it, and at the same time we had customers who needed to be back in the office immediately because they are essential workers.”

It was a corporate-wide challenge that he says was managed seamlessly, and he credits the “deep psychological safety and security in the system” for the success. “Our workers had to be able to speak without fear of consequences, because we were moving so fast and we were virtual. People had to be willing to fail, take a risk, and not be punished for that, and we in turn had to reward that.”

He adds that “it was probably one of the most significant cultural moments of my life watching this corporation pivot and create new product offerings in a couple weeks, way ahead of the competition. And that has everything to do with the culture.”

No rush to “normalcy”

While some companies are focused on returning to a sense of normality, a consistent theme among great places to work is that there is no rush to bring workers back to the office.

The reason is twofold: first, that companies want to ensure they feel safe from the pandemic itself, as well as psychologically

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If anyone had a doubt about remote working, they don’t have a doubt anymore.

Michael Egermann,
head of human
resources in Europe,
Amgen



safe and comfortable with the return. And secondly, although many have suffered losses due to covid-19, they state that employee engagement and businesses performance—in terms of business delivery and quality of work—has been sustained.

“If anyone had a doubt about remote working, they don’t have a doubt anymore,” adds Mr Egermann. “It would have been a disaster if our workforce wasn’t so engaged and attuned to our culture.”

He adds that one of the biggest concerns at Amgen was that people might drift away. “If you don’t see someone for 12 months how do you maintain that high level of engagement we’ve seen in the past? But if I look at our pulse surveys, they continue to be very high... None of the things we care about have dropped. In fact, some of them have increased because our teams really feel the company cares about their safety and wellbeing.”

And Ms Menzies explains how Mars was able to “take it slow” in returning workers to the office “because of trust. Without trust, it would not have been possible. We’re hearing that from other people in the market too.”

“Our associates are expressing great appreciation for the time, space and flexibility that they have been given, and that they see a different way of doing things in the future. So, that combined with trust, a strong culture and ultimately business performance, we know this is working. So we’ll continue to talk with our associates before we make big decisions about what the future workplace will look like.”

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Our associates are expressing great appreciation for the time, space and flexibility that they have been given.

**Kate Menzies,
vice president of people
& organisation, Mars Inc.**



Returning to the workplace

Physical return will be the easiest

When it comes to the eventual return to the workplace, it will be a delicate process. Companies that have not demonstrated to employees how they will make that transition safe are at risk of losing trust. Fortunately, with mounting facts and data on the virus to guide them, many companies are taking it seriously.

"Even in smaller organisations I have seen real concern for how employees can come back to a safe workplace," says Dame Black. "They are taking the trouble and care to make sure good risk assessments are made to ensure it's done properly... I thought it brought out the very best in people in some instances."

New dimensions of psychological safety

But it's not just the physical dimension that will be important. Arguably, this will take a back seat to the emotional hurdles.

"Let's not forget furloughed workers and their eventual return to the workplace," Dame Black says. "After being out of the market for four months or more, you start to become deconditioned. It's not unusual for returning employees to have doubts about their capabilities."

They may also feel less physically and mentally attuned to going to the workplace, she explains. "If some of the furloughed group had anxiety or mental health issues before, all of these things are going to make the workplace a much more difficult and perhaps not so friendly place."

Front line workers have also been exposed to more traumas that need to be approached with care. For example nurses, bus drivers, and shopkeepers may later experience post-traumatic symptoms in the workplace.

"A good employer, in a good workplace, with good leadership and trained line managers, have a much better chance of helping these people," says Dame Black. "It's not the same for everyone, and it will be complicated. But going back is going to be quite a difficult journey."

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A good employer, in a good workplace, with good leadership and trained line managers, have a much better chance of helping these people.

Professor
Dame Carol Black



"I take my hat off to people who have gone out of their way to ensure their workforce feels cared for, and be reassured that they are being cared for in bringing them back safely... I hope that coming out of this pandemic we don't lose some of the good stuff that came of this experience."

Perhaps, more than ever, we need high levels of psychological safety in the workplace so employees feel comfortable sharing their concern and struggles with their colleagues and managers. As a silver lining, 2020 has been a crash course for all of us in workplace empathy, flexibility and trust. With hope, these are lessons businesses will carry forward during the eventual transition back to the office and beyond.

And for companies who were not previously aware of the importance of psychological safety in the workplace, or were only starting to make conscious efforts to improve it, the need to foster it is now in overdrive. They may be inspired by this year's European Great Places to Work who have invested deeply in caring for their people and fostering psychological safety and trust. Their ability to innovate, compete and grow amid the socio-economic uncertainty of 2020 and beyond may depend on it.





Discover how Great Place to Work
can help your organisation on
its journey to becoming recognised
as a Best Workplace.

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