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Toxic workplaces are costing Australian economy millions

West Australian, Perth



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Every year thousands of Australians lodge workplace injury claims — not for broken bones but for broken spirits.

In 2021-22 there were 11,700 claims for mental health conditions, accounting for more than 9 per cent of all serious workplace injuries.

These claims resulted in a median of 34.2 weeks off work at a cost of \$58,615 each — four times higher than the median for other types of workplace injuries. A significant proportion of those claims are likely to have stemmed from toxic workplace environments.

A toxic workplace is one where employees' mental wellbeing is consistently damaged by destructive behaviours that erode morale and originate from within the organisation.

These workplaces are often defined by bullying, harassment, persistent putdowns, lack of support, internal competition, poor teamwork, and leadership driven by fear, favouritism, or excessive control.

Any work environment where these traits exist, let alone dominate, is unlikely to support employees' physical or mental health, morale or productivity.

That's before you factor in the knock-on effects: reduced motivation, collaboration and communication — and just about every other "-ation" that makes people enjoy their jobs.

Interestingly, toxic workplaces might now contravene Safe Work Australia's recent regulations regarding psychosocial hazards and their impact on workers' mental health.

Psychosocial hazards are

anything that could cause psychological harm.

In other words, anything that could impact someone's mental health by causing stress that could lead to anxiety, depression or a range of other conditions, including but not limited to sleep disorders and post-traumatic stress disorder.

Safe Work Australia identified 14 common workplace psychosocial hazards but others can be identified by individual employers.

Even a brief reading of those 14 hazards quickly leads to the conclusion that any workplace that takes psychosocial risk regulations seriously is well on its way to eliminating toxicity.

For example, one common psychosocial hazard is giving staff too much work, or too little work, the latter being a typical consequence of a toxic manager's attitude towards a staff member who might have rocked the boat.

Violence, bullying, harassment and conflict are other psychosocial hazards, and any of these, let alone a combination, is hardly going to contribute positively to the mental health of those on the receiving end.

There are other less attention-getting, but nonetheless corrosive psychosocial hazards, including poor support of workers (especially those under high demand), lack of role and responsibility clarity, and inadequate or inequitable reward and recognition.

These are the soul-destroying but often characteristic behaviours of the toxic work environment.

Tackling the problem is usually much harder than it

sounds — at least it was until recently, when new WHS regulations were introduced to address workplace stress. The figures presented earlier make it clear this change was urgently needed.

Most business leaders I've spoken with recently were unaware of their obligations to manage psychosocial hazards and the risks they pose.

Some didn't even know what psychosocial hazards are. That's a risky way to run any business today.

WHS rules don't expect organisations to remove every psychosocial hazard — often an impossible task — but they do require the identification of hazards that are likely to cause problems, and action to manage those risks.

If hazards can't be completely removed, they must be reduced as much as possible, and any safety measures put in place should be kept up to date and checked regularly.

Organisations are now required to consult all workers when assessing risks or making related decisions, giving them a fair chance to raise psychosocial concerns, share their views, and participate in the process.

Penalties for breaches of the regulations extend to millions of dollars. Toxic workplaces can be eliminated — but only if leaders stop treating mental health as a side issue and start treating it as a legal, strategic and human priority.

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