



Creating psychological safety in the modern workplace.

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About the author

Tony Manwani is co-founder and director of PeopleUnboxed – a people solutions consultancy obsessed with making a tangible difference to individuals and organisations in the areas of L&D and employee engagement.

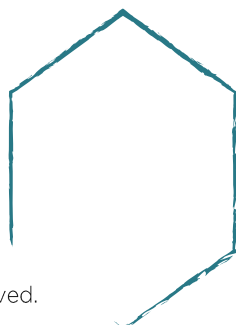


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1. Executive summary

This white paper sets out to explore the subject of psychological safety – what it is, the impact it has on employee performance and productivity, and the responsibilities organisations have towards it. It's set against a backdrop of post-pandemic disruption, in a business world that's trying to establish a new normal in hybrid working and tackle the challenges that come with it.

The paper demonstrates the significant benefits to be realised for organisations able to create a culture of psychological safety, ranging from employee retention to productivity levels and innovative solutions to problem solving.

Research from multiple sources, including a survey of L&D and HR leaders undertaken by PeopleUnboxed, will be shared throughout. Findings suggest a significant opportunity in this area for most organisations, in terms of awareness, training and leadership behaviours.

Recommendations will highlight suggested organisational processes such as onboarding, training and inclusion strategies; and leadership practices that help to create an environment conducive to psychological safety.





2. Background

2.1. What is psychological safety?

Psychological safety is the ability to show and employ oneself without fear of negative consequences of self-image, status or career. In the workplace, it is a shared belief held by members of a company, department or team that the team is inherently in a safe environment.

In a truly psychologically safe environment, it's not just okay to speak up with questions, concerns, ideas and mistakes, it's expected.

“Psychological safety is a belief that one will not be punished or humiliated for speaking up with ideas, questions, concerns or mistakes, and that the team is safe for interpersonal risk-taking.” – Dr. Amy C. Edmondson¹

2.2. Where did the term come from?

Emerging as one of the most prevalent terms in today's workplace, the term 'psychological safety' has been around since 1999, when Dr. Amy Edmondson of Harvard University published her studies where she proposed that regardless of its make-up, a team's success will largely come down to whether its members have "a shared belief that the team is safe for interpersonal risk taking."

So, what does this mean? The brain processes any form of risk as a life-or-death threat which triggers the fight-flight-freeze response. Whilst this primal response to danger is crucial to our survival in the case of life-threatening situations, it also occurs in situations where there is a 'perceived' threat.

In today's society, perceived threats are vast and varied and are dependent on the individual's experiences and values. It can be anything from a messy room, someone cutting us up at a roundabout, unkindness, or an imposed tight deadline.

¹ [Amy Edmonson](#)

² [Harvard Business School](#)

Dr. Amy C. Edmondson is the Novartis Professor of Leadership and Management at the Harvard Business School, a chair established to support the study of human interactions that lead to the creation of successful enterprises that contribute to the betterment of society. Edmondson has been recognised by the bi-annual Thinkers50 global ranking of management thinkers since 2011, and most recently was ranked #1 in 2021.²





2. Background cont.

2.3. What are the positive and negative consequences?

Why is psychological safety important in today's workplace? When we are in our threat response, our brain focuses purely on survival. It shuts down perspective and analytical reasoning and inhibits the creative and innovative thinking needed in today's workplace. Moreover, if we are constantly in a stressed threat response, it can cause long-term physical and mental health issues. It takes up a lot of emotional energy to be in this state.

In contrast, if we can create a condition of psychological safety, where people feel:

- **relaxed and comfortable.**
- **open to sharing new ideas.**
- **they can try new things whilst learning from mistakes.**
- **able to discuss difficult issues and problems.**
- **respected for different approaches and strengths.**
- **confident to speak out against injustices and campaign for change.**

This emotionally safe working environment results in a more innovative, creative workforce, critically with an increased likelihood of successful innovation, through intelligent risk taking and lower fear of failure.

But the benefits don't stop there; research shows an increase in team performance, adaptability, retention, reputation and reduced absenteeism. Employees feel valued, listened to, and typically choose to 'go the extra mile'.

This **Amy Edmondson Ted Talk** brings to life the impact that psychological safety, or a lack thereof, can have in the workplace.

2.4. What does the research say?

Studies from multiple sources over recent years have further outlined the benefits and risks associated with psychological safety. Some examples are provided below.

Google³

In 2012, Google launched Project Aristotle to determine what makes an effective team at Google, aptly named after Aristotle because of his famous quotation: "the whole is greater than the sum of its parts".

This two-year study, across 180 teams within Google, ultimately revealed their highest performing teams all have one thing in common: psychological safety.

Initially, Google examined the make-up of their teams – the intelligence and traits of the individuals within them but found no trends that highlighted a clear indicator for team success.

³ [NY Times](#)



2. Background cont.

After further exploration which included over 200 interviews and analysis of quantitative and qualitative data of over 250 factors such as management teams, team performance and individual opinions, the researchers eventually concluded that what separated high-performing teams from dysfunctional ones was how members of the team treated one another.

The elements that were deemed to have little or no impact were:

- **Teammates sitting together in the same office**
- **Consensus-driven decision making**
- **Extroversion of team members**
- **Individual performance of team members**
- **Workload size**
- **Seniority**
- **Team size**
- **Tenure**

Five factors were identified as the secret to success, listed below in the order of their perceived importance.

- 1. Psychological safety:** team members feel safe taking risks and being vulnerable in front of each other without the fear of being embarrassed, ridiculed, or face any other negative consequences
- 2. Dependability:** team members reliably complete quality work on time.
- 3. Structure and clarity:** team members have clear roles, plans, and goals.
- 4. Meaning:** team members have a sense of purpose in either the work itself or the output.
- 5. Impact:** team members feel that their work and their output are making a difference.

Gallup⁴

Gallup, a world-renowned analytics and advisory firm that helps leaders and organisations solve their most pressing problems, looked at the impact of listening to the viewpoints of employees and taking their suggestions on board.

Their 2017 study found that only 30% of employees felt that their opinions seemed to count at work. However, further studies showed that by pushing that ratio to 60% of employees, organisations achieved a:

- **27%** reduction in employee turnover
- **40%** reduction in safety incidents
- **12%** increase in productivity



⁴ [Forbes](#)



2. Background cont.

Great Place to Work⁵

Great Place to Work have surveyed employees for 30 years, and as such are ideally positioned to identify the factors that drive the success of an organisation.

Michael Bush, Global CEO of Great Place to Work, says:

“We found that psychological safety is the biggest driver of earnings. 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 is less stress among the workforces. 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.

Bush believes that trust is the foundation to creating a culture of psychological safety in the workplace. He further states,

“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.”

2.5. What are the misconceptions?

One of the common misconceptions surrounding psychological safety is that it restricts organisations and leaders from challenging employees and demanding high levels of performance. In fact, this could not be further from the truth.

Being considerate of employees’ feelings, emotions and concerns doesn’t mean they cannot be held to account. In fact, we’re more likely to get their buy-in and an accountable mindset if we’re empathetic. If you want a psychological contract where team members’ commitment goes above and beyond, organisations and leaders need to deliver their side of the contract, and go the extra mile too, to make sure the team is engaged and motivated.

Furthermore, listening to differing viewpoints within the team is likely to lead to a collaborative environment rich in innovation, rather than a situation where a leader feels they are no longer able to make decisions.

Focussing on performance standards and creating psychological safety are not mutually exclusive to one another. In fact, in conjunction, they’re essential to creating a culture where team members collaborate and learn together, as illustrated by the graphic below.

⁵ [Economist/Best Work Places](#)

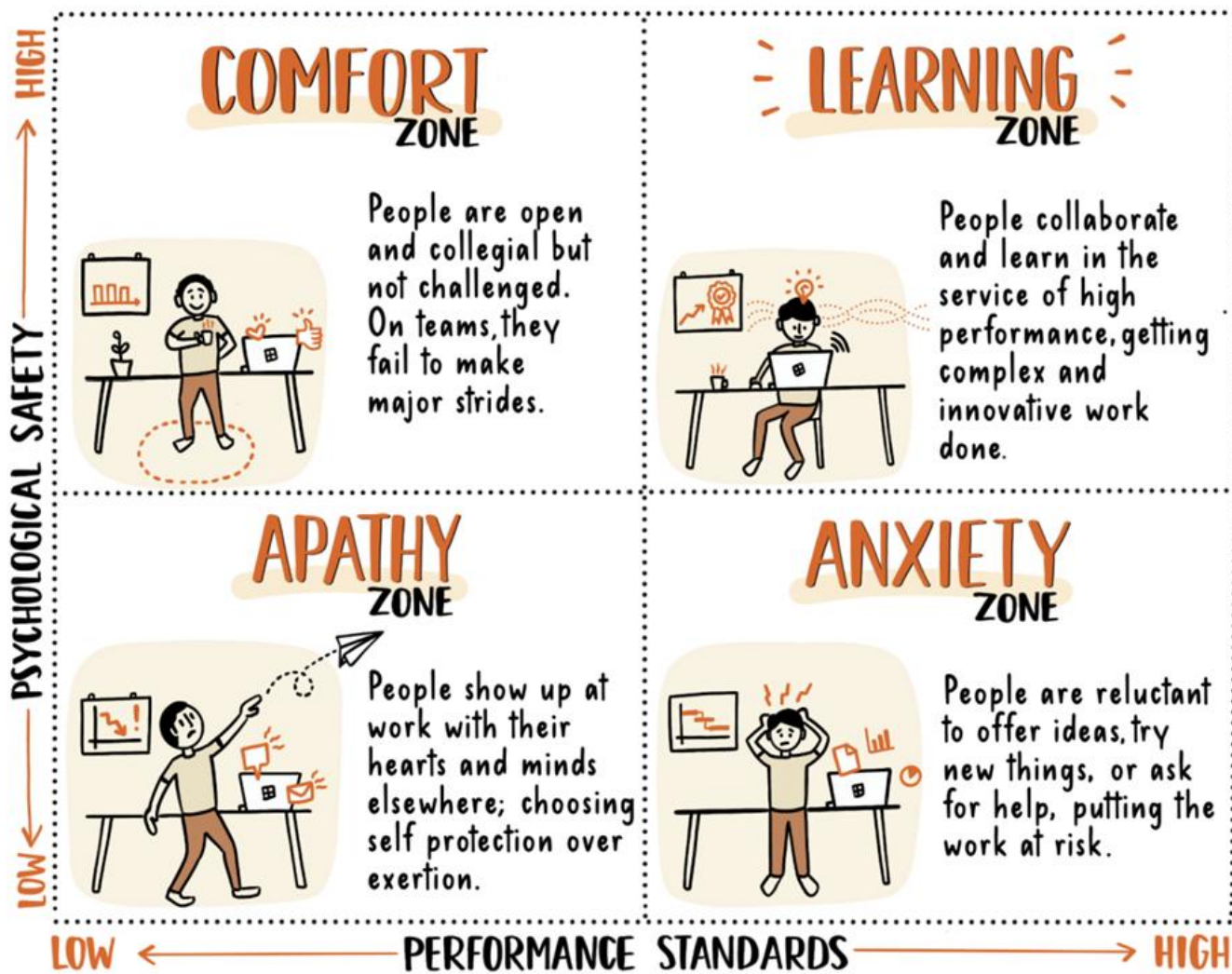


2. Background cont.



HOW
psychological safety
 RELATES TO PERFORMANCE STANDARDS

AMY EDMONDSON



Sketchnote: Tanmay Vora, QAspire.com

www.amycedmondson.com



⁶ Amy Edmonson

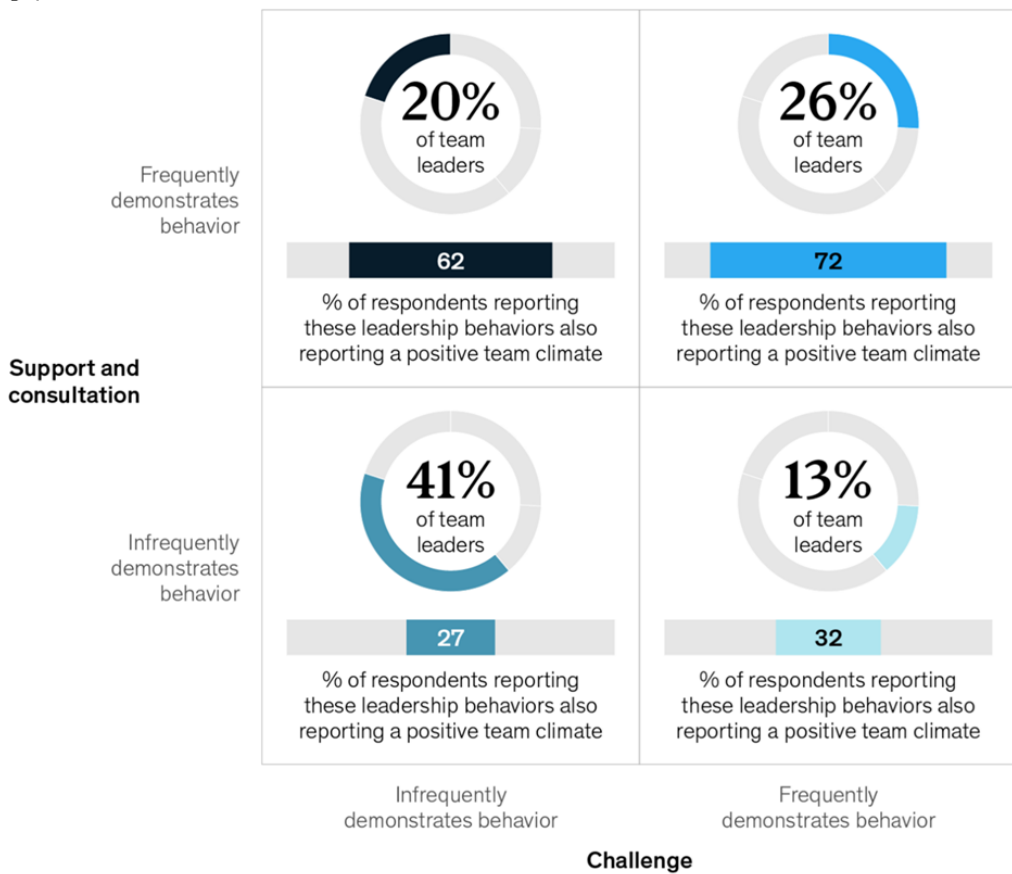
⁷ McKinsey



3. The reality

3.2. Is psychological safety present within organisations?

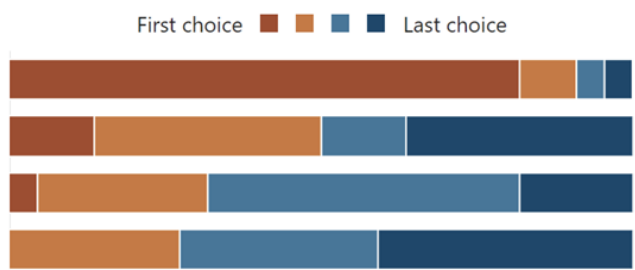
In relation to the psychological safety V performance matrix referenced in 2.5 earlier from Dr Edmondson, below are the results from a McKinsey & Company survey which highlights 26% of leaders are creating a 'learning zone' culture. Perhaps more worryingly, 41% reported a low-level focus on both performance standards and psychological safety - putting them in the 'apathy zone'.⁷



A PeopleUnboxed survey of its clients (consisting of 207 responses from senior HR/L&D leaders, and business owners) had the following findings with regards to which elements are most important to a person's psychological safety.

Rank Options

- 1 Being able to be oneself
- 2 Being able to admit mistakes
- 3 Being able to challenge
- 4 Being able to suggest ideas



Respondents felt that the ability to be oneself was the most important factor for psychological safety, followed by being able to admit and learn from mistakes.

Results varied when surveying perceived success in each of these critical areas, although they suggested much opportunity in the areas of allowing employees to challenge and to admit mistakes without fear of reprisal.



3. Background cont.

	Employees in my organisation feel...			
	they can be themselves and don't need to hide anything about their personality or characteristics	confident to admit when they make a mistake	confident to challenge when they disagree with something	confident to suggest new ideas
Strongly agree	39%	22%	13%	52%
Somewhat agree	57%	44%	48%	35%
Somewhat disagree	4%	30%	39%	4%
Strongly disagree	0%	4%	0%	9%

Further opportunities were highlighted in the area of awareness and development support. **Only 9% of the senior HR/L&D leaders surveyed felt that managers within their organisation were truly aware** of the importance of psychological safety and how to create an environment that supports it. **And 25% of these managers have had no training or coaching** support whatsoever in this area.

Respondents shared various strategies they felt were having a positive impact on psychological safety within their organisations. These included:

- Employee surveys to assess psychological safety and organisational culture
- Training and coaching for managers
- Development programmes for current and future leaders
- Weaving psychological safety into the core values of the organisation
- Creating an employee wellbeing strategy
- Running company-wide EDI programmes
- Keeping the psychological safety conversation alive
- Incorporating psychological safety within leadership behavioural frameworks
- Establishing a group of Mental Health First Aiders
- Celebrating desired behaviours - innovation, challenging, admitting mistakes
- Open forums and suggestion boards
- Offering Cognitive Behavioural Therapy (CBT) and counselling sessions

We also asked what systems and behaviours they would like to see adopted to increase levels of psychological safety. Below are some of the suggestions from respondents:

- All people managers to attend specific training on this subject
- Internal coaching programmes to support managers
- More opportunities for open, informal discussion on the subject
- Hackathon type events that encourage collaboration across functions and remove barriers that form due to work streams and hierarchical structures



3. Background cont.

- More opportunities for open conversations with leadership - town halls, forums
- Regular 1-to-1s to allow employees a forum to raise concerns.
- Ensuring leaders don't just say the right things, but display the behaviours to back it up
- Focus on avoiding emotional responses in challenging work situations
- Support managers in handling stress, as this can lead to unwanted behaviours
- Taking on board constructive challenges, when provided in a business context
- Significant focus and continual follow-up on this subject, which is required to undo the many years of having the wrong workplace culture

These findings appear to suggest that there is significant opportunity in the area of psychological safety – in terms of awareness, training and the resulting actions and behaviours. It also seems clear that HR and L&D leaders are conscious of these issues and require support from their organisations to help them bring about positive change.

3.2. What training opportunities exist?

Research completed by McKinsey and Company found that organisations that invest substantially in leadership development are more likely to have team leaders frequently demonstrating consultative, supportive, and challenging leadership behaviours. They are also 64% more likely to have senior leaders rated as more inclusive.⁸

McKinsey and Company also reviewed the specific skills developed in leadership programmes which have an impact on positive team-leader behaviours and inclusiveness. Below are their findings on how commonly topics are covered.

As can be seen in the chart, sponsorship and situational humility are two areas lacking presence in leadership development programmes.

Situational humility is about recognising the gaps in our knowledge and actively seeking the opinions of others. In doing so, a more informed and rounded decision can be made in uncertain situations because the leader creates psychological safety for others to share their ideas, rather than abusing their position to dominate the conversation.

Sponsorship is about enabling others' success ahead of one's own. This selfless approach builds employee trust in the leader and creates a psychologically safe environment where team members feel the leader always has their best interest at heart.

⁸ [McKinsey](#)



3. Background cont.

3.3 Has hybrid working had an impact?

For employees that previously worked in an office environment and now work remotely or in a hybrid fashion, the change in circumstances is likely to have significantly impacted their sense of psychological safety. Any change in our working or personal routine can make us feel anxious or nervous, as we fear the unknown.

Skills addressed in leadership-development programs that are predictive of positive team-leader behaviors and senior-leader inclusiveness

■ Significant effect

		Supportive and consultative leadership	Challenging leadership	Senior-leader inclusiveness
Most commonly addressed ↑ ↓ Least commonly addressed	Group dynamics			
	Open-dialogue skills	■		■
	Self-awareness			
	Cultural awareness			■
	Developing high-quality social relationships in teams	■	■	■
	Mindful listening		■	
	Situational awareness			■
	Unconscious biases			
	Situational humility ¹	■		■
	Sponsorship ¹	■	■	

¹Situational humility and sponsorship are only predictive of consultative-leadership behaviors, not supportive-leadership behaviors.

Work-life balance can also be more challenging when your workspace is your home. It can be very hard to switch off from work both physically and mentally when there is no distinct cut-off, such as leaving the office or getting home and changed out of your work attire. This in turn can lead to a feeling of resentment.

Furthermore, employees can feel penalised for working from home – especially when they are not included in conversations, have less exposure to senior management, and are given less responsibility for tasks and projects.

The leader, of course, has a huge role to play in the hybrid work situation. Managed correctly, they have the power to tap into a potentially empowering set-up. Unfortunately, too frequently the lack of direct visibility has the opposite effect. Many managers feel less in control with a remote or hybrid team and this often leads to more micro-managing and less autonomy.

This lack of trust can extend even further to cause a leader to doubt a team member's work ethic. Rather than focussing on the output achieved by each individual, there is a risk that managers focus too heavily on the hours worked.



3. Background cont.

A 2022 survey from Microsoft, which questioned more than 20,000 staff across 11 countries, found that while 87% of workers felt they worked as, or more, efficiently from home, 80% of managers disagreed.⁹

Microsoft chief executive Satya Nadella says, "We have to get past what we describe as 'productivity paranoia', because all of the data we have show that 80% plus of the individual people feel they're very productive - except their management thinks that.

They're not productive. That means there is a real disconnect in terms of the expectations and what they feel."

This disconnect between employees, and their managers is likely to destroy any sense of psychological safety that was in place to begin with.

More recently, this management mindset has in fact led to many organisations mandating a return to the office for its employees. Until recently remote working was at 20%, and it has since come down to 15% in September 2022. Tesla CEO Elon Musk even demanded 40 hours a week in the office sending an email saying: "If you don't show up, we will assume you have resigned." We can only imagine the impact this has had on the team's psychological safety.

3.4. How do I know if my team members feel psychologically safe?

The simple answer is to ask them! Whether that comes in the guise of a formal 1-to-1, an informal 'open door' discussion, or an anonymous survey. It may also serve to pause for some self-reflection - as leaders we need to reflect honestly on our own experiences and how psychologically safe we feel.

The **Fearless Organization Scan** is a self-assessment developed in partnership with Amy Edmondson and uses four dimensions to measure psychological safety:

- What is the degree to which it is permissible to make mistakes?
- To what degree can difficult and sensitive topics be discussed openly?
- How much are people willing to help each other?
- To what degree can you be yourself and are welcomed for this?

So, do you feel psychologically safe yourself? What workplace factors make you feel safe or unsafe psychologically? Self-awareness is always a positive foundation on which to develop a greater awareness and understanding of the team around you and how they feel.

⁹ [BBC](#)



4. Taking action

4.1. Whose job is it?

Creating this environment won't happen overnight, trust is built over time and through the actions and behaviours of every single employee. It must therefore, form part of your core business values and be lived every day.

The saying '*safety is everyone's responsibility*' is traditionally linked to physical health and safety, but it is just as relevant for psychological safety.

The organisation has a role to play in creating values and policies that promote the right culture.

The senior leadership team must then communicate expectations and follow-up on the behaviours that bring these to life, whilst of course displaying them themselves.

Managers and team leaders must create the atmosphere where employees feel safe and can perform at their best.

And employees too have a role in speaking up and challenging, as well as helping to create psychological safety for their peers.

4.2. What steps should we take as an organisation?

There are a number of systems and processes that can be put in place to support a holistic approach to psychological safety. Below are some suggested areas of focus.

- 1. Go beyond one-off courses** – rather than mandating one-off courses on psychological safety, weave the message throughout all training interventions. Training programmes should ideally include a focus on self and team awareness, for example, personal values, personality profiles, neurodiversity, and team building to improve understanding of each other's differences and be better equipped to acknowledge and flex to these, as well as the situational humility and sponsorship identified as opportunities in the McKinsey and Company report.
- 2. Start from the top** – if senior leaders aren't fully bought in, nothing will change. Take them on the journey first before cascading throughout the team. When the pressure is on, the leader has a huge role in protecting the team.
- 3. Start at the start** – provide an effective onboarding programme that welcomes new employees to the business in the right way and sets the tone of your company climate from the start.
- 4. Focus on inclusion** – devise a strategy that promotes a diverse and inclusive culture where employees embrace, not just accept, individuality.
- 5. Promote flexible working** – consider how flexible each role can be, whether that relates to location, number of hours worked, working patterns, or simply tailoring ways of working to suit individual preferences. To enable us to cater for these preferences, we first need to understand them, and this involves exploring differences, for example through personality profiling, communication style assessments, or simply conversations about what motivates individuals and how they like to receive feedback.



4. Background cont.

4.3. What steps should I take as a leader?

To help nurture and promote psychological safety, leaders must be engaged and at the forefront of modelling the behaviours they want to see from their team. Below are some suggested areas of focus.

- 1. Proactively encourage team input** – establish channels that allow team members to have a voice and share their ideas towards projects and working processes.
- 2. Promote healthy conflict** - give people permission to disagree and encourage them to listen to different opinions when raised, rather than feeling threatened and becoming defensive.
- 3. Share positive examples** – recognise and openly praise individuals when they admit mistakes, suggest ideas and challenge respectfully. Transform situations where employees may be nervous about opening up into moments to shine.
- 4. Challenge negative behaviours** – don't turn a blind eye to situations where employees are made to feel unsafe, whether it be other leaders or peers within the team causing the issue. Counteract negative attitudes with constructive thoughts, work to resolve any conflicts quickly and productively.
- 5. Demonstrate vulnerability** – showing you're not perfect and that you go through difficult moments and make mistakes allows others to feel they can too, reducing pressure and anxiety and enabling them to thrive.
- 6. Give autonomy** - avoid micro-managing and instead empower team members by giving them the freedom to find approaches that work for them. Focus on outputs achieved rather than being prescriptive about how to achieve them.
- 7. Measure and react** – regularly assess the current level of psychological safety within the team, through surveys and/or conversations. Reflect on what you can do to improve any areas of concern or opportunity.

In summary, it's about being human. It's about getting to know your team members as individuals, what makes them tick, how they like to work, and the leader showing their human side, leading with empathy and understanding

4.4 Final thoughts

In summary, psychological safety is not just the right thing to do, it's a strategic imperative and a foundation for the future.

Remember, it's more than just updating your company values. It's all about the actions and behaviours that bring your values to life.

“Only when we take our values off the wall and actually live them can we say we have a strong company culture.”

– Simon Sinek