

# Decoding culture series

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## Psychological safety: the secret to high-performance

A truly psychologically safe workplace will strengthen compliance and create competitive advantage – and what could be better than that?

In our final instalment in the decoding culture series, we unlock the secrets to creating a psychologically safe workplace.

### Why does it matter?

Psychological safety is one of the most critical components for tackling misconduct. An environment where people feel involved, valued and encouraged to share ideas openly means colleagues will feel more confident challenging decisions and behaviours they feel aren't right, or seek answers rather than charging forward in blind ignorance.

But psychological safety also fosters a climate where employees feel empowered to be productively creative and take considered risk without any blame if they get it wrong. In that respect, psychological safety is the secret sauce of high-performing teams. It's the kind of environment that leads to the best innovations and as such, is a hallmark of pioneering businesses.

### Benefits to individuals



A sense of belonging



Increased motivation



Better performance



Career progression



Improved physical & Mental health

### Benefits for your business



Increased innovation



Higher quality outputs



Increased staff retention



Competitive advantage



Financial outperformance

# The keys to unlocking psychological safety in your business

1

## Start with your senior managers

Psychological safety begins and ends with your leaders. They need to be open to sharing beliefs, opinions, views and perspectives, and not afraid to be vulnerable. Removing criticism and fear of being wrong, and replacing it with more positive interactions, will encourage questions and challenge from employees lower down the chain.

But bear in mind that your senior leaders are human too and could easily go on the defensive in response to any perceived criticism. Focus initial training on helping them create a culture of inclusion, seeking out feedback and involving their teams in decision-making. Even if they don't act on that feedback, employees are more likely to get behind the decision because you made them feel valued as part of the process.

2

## Make it easy to blow the whistle

At the very least, putting robust whistleblowing policies and procedures in place to ensure people feel able to challenge decision and behaviours without any backlash is a helpful place to start. Then, make sure your employees know exactly where to find support. This can be trickier for smaller organisations. But signposting to relevant organisations like APRA, ASIC, OAIC or an independent third party can give employees the support they need to raise concerns, without the awkwardness of doing it internally.

3

## Create a 'speak up' culture

Beyond whistleblowing, there's certain things about a company culture that tell us whether employees are encouraged to speak up more informally, like the role they play in decision-making or whether there's an inherent trust that managers will do the right thing. These are the things that make up a 'speak up' culture.

Do leaders foster a culture where people feel free to challenge decisions, or is blind obedience the order of the day? Are issues being brushed under the carpet? All this indicates a culture where the iron fist rules, often stalling innovation and fresh thinking, and ultimately harming customer outcomes.

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## Keep feedback loops open

Crucially, if employees do speak up, will they be listened to?

A common misconception with psychological safety is that it's all about being 'nice'. Granted, the way we communicate is important to creating it. But rather than an absence of conflict or criticism, psychological safety is about a willingness to both give and receive feedback and address it constructively.

On a micro-level, this might mean encouraging managers to have more open and regular feedback sessions with their direct reports. The more they are listened to, the more encouraged they will feel to speak up and challenge.

The same concept applies on a wider scale. Encouraging senior leaders to share the stage, for example, by establishing a formal colleague committee, can keep company-wide feedback loops open. Ultimately, this'll build trust with your entire workforce, improving engagement and motivation.

# Hemisphere: the key to unlocking psychological safety

How psychologically safe your employees really feel is challenging to determine, particularly where you have subcultures bubbling underneath the surface. But not with Hemisphere.

Using sentiment analysis and state-of-the-art analytics, Hemisphere identifies potential signs and symptoms that your employees might not be feeling psychologically safe and the cultural issues that might be causing, giving you the most comprehensive understanding of what's really going on.

Drill down into specific teams, and compare and contrast results from across your organisation. With this kind of insight and intelligence, we can help you create a culture that empowers your employees to thrive — all while measuring and tracking improvements along the way with real-time monitoring.



Powered by state-of-the-art culture analytics technology



Calibrated by psychology and behavioural science



Underpinned by deep conduct risk expertise

**Hemisphere gives you more detail and insight than any other programme. Put us to the test.**

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