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House Standing Committee on Education and Employment:
Inquiry into Workplace bullying

Submission on behalf of Munich Holdings of Australasia PTY Ltd

Introduction

Munich Holdings of Australasia PTY Ltd (MHA), as a leading reinsurer of Disability insurance in Australasia, has a keen interest in the health of Australian workplaces. We believe that a mutually beneficial partnership between insurance and government bodies could be used to build an evidence base for interventions to address the issue of workplace bullying in Australian industry.

The author of this submission, Charlotte Nayna, is a member of our Claims and Underwriting team in the Life Division and Chairperson of the Work Health and Safety Committee of MHA. Her experience in managing Disability Insurance claims, combined with completion of a Masters in Public Health at The University of Sydney, focusing on healthy workplace cultures, provides the knowledge and experience to comment on this issue.

The role of workplace cultures in preventing and responding to bullying

The Centers for Disease Control and Prevention (CDC) advise that the workplace should not only protect the safety and wellbeing of employees, but also provide them the opportunity to have an enhanced quality of life and better long-term health. A workplace culture that supports workplace bullying is directly opposed to this goal. Research has shown that work related stress and depression directly related to psychosocial hazards at work, such as bullying, increases sick leave and the liability for employers and insurers (World Health Organization, 2010).

The culture of a work environment is integral to the prevention of workplace bullying. It is well documented that an effective culture of safety must reach all employees, guided by social norms within the worksite, transparent policies and disciplinary procedures and open communication (Aldana *et al.* 2012). However, the social and cultural determinants and deterrents of workplace bullying still require much further investigation. Through identification of problem industries, qualitative research into the culture of these industries and worksites could then be used to improve policy and regulation. Benchmarks and best practice can also be set from those industries and worksites with a low prevalence of workplace bullying.

Workplace policies and existing regulatory frameworks

An international work environment, such as MHA's has the potential to provide a culture for workplace bullying. National Employment Standards provide the minimum level of guidance for our corporation. However, it was noted that these standards do not refer specifically to the rights of employees in terms of discrimination, bullying or harassment. Written policies and procedures, addressing discrimination, harassment and bullying,

have therefore been developed and are easily accessible to all MHA employees. Procedures for handling a grievance are detailed through flow charts indicating avenues for addressing bullying, investigations and possible outcomes. The terms are defined with disciplinary action to be taken against those responsible.

Harmonisation of OHS laws, enabling the development of equitable standards for all Australian workers, should aim to utilise the most effective regulations and codes of practice developed. It is our understanding that the OHS reforms were, in part, to address increasing work-related stress claims (such as bullying, harassment and occupational violence). In the current environment of altered OHS governance arrangements and regulatory change, it may also be appropriate for guidance to be provided by regulatory bodies on this issue, to ensure that all workplaces have sufficient policies and procedures. Codes of Practice developed by Safe Work Australia require a unified definition of workplace bullying and should provide guidance on appropriate responses dependant on the seriousness of the occurrence. Consistent advice on risk management strategies to best prevent bullying at work should also be included for use in workplace policies. National Employment Standards should be clear on the rights of workers in terms of workplace bullying, harassment and discrimination.

Early response through appropriate complaint mechanisms

Appropriate complaint mechanisms are not only required by those experiencing bullying, but also stakeholders, such as insurers, who may notice a trend within a particular worksite. High stress industries, such as healthcare, where a number of claims for the health effects of bullying may be received from the same worksite. Currently there is no avenue for notification to a regulatory body, of emerging issues within a worksite, and therefore no means for further action to be taken. As such, an investigation into the culture of the worksite is delayed, potentially placing further employees in harm's way. We believe that a means for notification of trends within a worksite to a regulatory body, such as WorkCover or Fair Work Ombudsmen, would go a long way to addressing cultural issues within industries, thus making employers or Officers accountable for poor policy.

Improvements to the national evidence base on workplace bullying

While the significant costs to industry, health care and the state cannot be disputed the data behind the Productivity Commission estimate of a cost of between $6 billion and $36 billion annually does not appear to be publically available. This information appears to have been used in a 2004 Australian Human Rights Commission Fact Sheet on Workplace Bullying and may therefore be an inaccurate reflection of the current problem.

As a reinsurer and interested party, we would be interested to know the current prevalence of workplace bullying and whether the costs detailed include healthcare, reductions in workplace productivity, increased absenteeism, and temporary and permanent disablement preventing a return to work.

An academic literature review and search of Australian government websites provides little information on the prevalence of bullying within specific Australian industries and

worksites. To address the issues of workplace bullying effectively, further quantitative research, specific to Australia, is required to clearly identify problem industries and worksites and the resultant costs incurred.

The insurance industry feels the cost of workplace bullying directly and has the capacity to provide much useful data and evidence for addressing this issue. MHA, receives life insurance claims information from across a broad range of industries, for example, from law to healthcare, mining to construction. From our experience in the claims arena we have an understanding of the experiences victims of workplace bullying and the consequential psychological and physical health barriers that often result in the inability to return to work. We also have raw data that could be analysed in terms of the resulting permanence of disability, along with trends within industries and workplaces. A mutually beneficial partnership between the insurance industry and government would increase the evidence base, and aid in focussing research and regulation in these problem industries.

References

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