Commercial Insurance Profile
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Preventing a Toxic Workplace Culture

Fostering a positive workplace culture is vital for the success of any business. Employees who feel appreciated and supported at work tend to exceed expectations, thus enhancing overall workforce productivity. In fact, Oxford University research found that workers were 13% more productive when happy. In contrast, a toxic workplace culture can significantly damage employee morale and impede productivity. Moreover, detrimental aspects of a toxic culture, such as persuasive workplace gossip or bullying, can damage an organisation's reputation or lead to workplace violence, leaving them vulnerable to employment tribunals.

According to a 2023 report by software company Oak Engage, three-quarters of employees have experienced a toxic workplace. Such startling prevalence underscores the importance of robust measures to prevent toxic workplace cultures and lessen exposures. Organisations can consider the following strategies:

- **Identify toxic behaviours.** Organisations should leverage 360-degree assessment tools and other strategies to gather employee feedback about working conditions. Additionally, managers should inquire about employee well-being within one-on-one meetings and closely monitor their teams for signs of unrest. However, disgruntled employees may struggle to raise concerns with their direct managers or the HR department. Organisations could weigh the merits of hiring an impartial third party to assess workplace culture and identify toxic behaviours.

- **Implement robust workplace policies.** Workplace policies should detail unacceptable workplace behaviour and what will happen to bullies; they should also make clear that toxic behaviour of any type will not be tolerated. Organisations must communicate implemented policies with all employees and train managers on their use to reinforce a consistent message.

- **Gain feedback.** After implementing strategies to address toxic workplace behaviour, organisations must continue to gather feedback to monitor engagement levels and prevent problems proactively. One way to do this is to promote the internal whistleblowing hotline through various channels such as posters, newsletters and company communications and reduce any stigma associated with its use.

- **Reward employees.** Organisations shouldn't only reward employees for technical skills or project successes. They could also reward workers who nurture a positive working environment, reinforcing that workplace culture is a strategic priority.

Contact us today for additional risk management and workplace well-being guidance.

# 4 Ways to Prepare for a Future With AI

The speed of artificial intelligence (AI) advancement has caught many organisations off guard. As this technology develops, employers should take time to understand the associated risks and implement AI solutions carefully, as significant consequences could stem from its use, including:

- **Worker unrest**—AI has been hailed for its ability to automate routine tasks and achieve efficiencies, but this could leave staff worried about job security, impacting workforce morale.
- **Regulatory concerns**—Organisations could use AI in ways that give rise to biased or inaccurate outputs, resulting in discrimination and other regulatory concerns.
- **Cyber-security risks**—Integrating AI into business processes could heighten cyber-threats, particularly data poisoning, in which threat actors "poison" the data used to train AI tools to influence its decision-making.
- **Distribution of harmful content**—Mistakes in AI prompts could result in harmful text outputs, potentially impacting organisational reputation.

To lessen exposures, organisations must consider ways to proactively prepare for increased AI adoption, scrutinising measures to mitigate the associated risks. Consider these four strategies:

1. **Implement comprehensive policies**. Organisations should conduct robust risk assessments to understand the opportunities and risks presented by AI adoption and develop clear and comprehensive policies encompassing ethical guidelines, security measures and regulatory compliance.

2. **Introduce AI solutions gradually**. Organisations should adopt AI tools gradually to allow time for testing and refinement as they roll out each system. Rushed implementation could result in algorithm biases or unintended consequences in decision-making.

3. **Train employees**. Employers should upskill workers' AI literacy to prevent risk exposures. Training topics should include considering the ethical implications of AI-driven decisions, identifying harmful AI content and implementing robust cyber-security best practices.

4. **Foster psychological safety**. To reduce employee apprehension, nurturing psychological safety—creating an environment where employees aren't reprimanded for speaking up with ideas, questions, concerns or mistakes—may be essential for improving employee engagement during AI implementation.

Contact us today for more information.
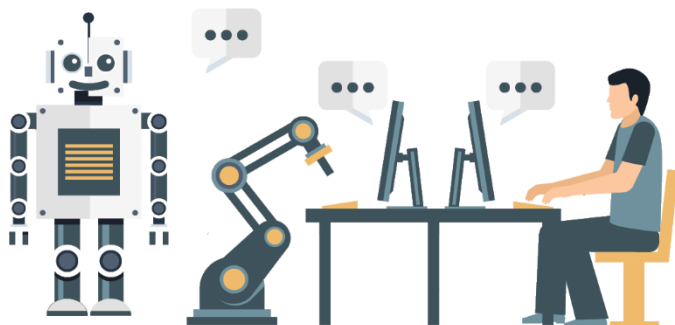
As AI technology enters workplaces throughout the UK, organisations must scrutinise its limitations to protect themselves from legal and reputational harm and foster trust among customers and stakeholders.