by Richard R. Smith & Richard Safeer

The Business School Human Capital System: Fostering a Climate of Wellbeing and Organisational Health

Introduction

Over the years, we have seen the growing awareness of the importance of health and wellbeing from a holistic perspective in the workplace. More than twenty years ago, employee wellness became a strong focus with employers in the US in response to the rising cost of healthcare. Some might argue that the attention on employee wellness and wellbeing is largely a financial orientation, with the additional benefit that it also happens to help the employees. In recent years, we have seen an increase in attention on employee wellbeing in many organisations as many have become attentive to employee burnout, stress, and the related health issues (Brassey et. al. 2023). There is also a growing appreciation that an effective employee health and wellbeing strategy can improve employee engagement, talent acquisition, retention and organisational effectiveness (Safeer, 2023). Given the rising attention and pressure in higher education institutions, we have also seen an increased focus on employee health and wellbeing in medical, nursing, and business schools.

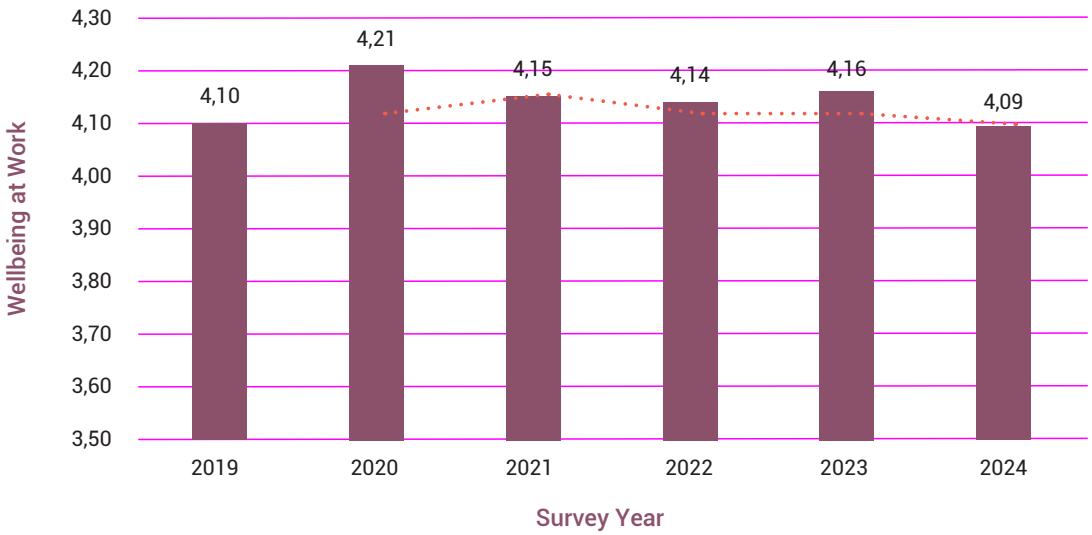
In this paper, you find an unlikely author combination of a business school professor paired with a medical doctor as we explore the critical link between the human capital system and employee wellbeing in the context of business schools. Over the years, we have each researched and consulted with many organisations on the topics related to wellbeing in our separate projects and engagements. Just recently, we began our collaboration as we linked Rich's extensive health and wellbeing experience with Rick's human capital development experiences, along with our mutual experiences in higher education.

There is no doubt that the globally competitive landscape of business schools is creating pressure on leaders, stress on employees, and burdens on faculty. The pressure for rankings, funding, and enrolment numbers, coupled with increasing societal pressure for positive impact, has taken a toll on many schools. In addition, our students also feel the pressure for performance in terms of academic, social, and career results. As a former Vice-Dean of two leading business schools, Rick has seen (and likely contributed to) this pressure for results with the staff and faculty leaders over the past decade. At the same time, we seem to believe that the higher education environment is more relaxed and has a healthy organisation culture due to its historic origins and traditions. However, this view is not consistent with the current reality in top business schools today. As such, we are pleased to contribute what we have learned about employee wellbeing in hopes that business school leaders begin to take steps to address key factors proactively.

As we consider wellbeing in the business school, we wish to echo the growing importance of this topic across all industries and modern societies. At the Johns Hopkins University Human Capital Development Lab, we developed a Wellbeing at Work Index together with Great Place To Work® based on a review of thousands of organisations around the world with over 5 million survey respondents. Over the last few years, we have seen a shift in the self-reported wellbeing measures of employees. During the COVID-19 pandemic, we witnessed tremendous strain on healthcare workers and other first responders. At the same time, we saw an increase

in wellbeing across most industries as leaders took extra action to provide individual support to their people during this time of crisis. This raised attention on employee wellbeing support was certainly the case in business schools, as we attended to the needs of staff, faculty, and students while we shifted to online modes of learning, while determining how to manage during this unprecedented time. The general pattern of wellbeing is shown in Figure X-1. This data is from the US and measured on a five-point scale across all industry types. We found a very similar pattern in other countries in Europe, Asia, and the Pacific.

Figure X – 1: Wellbeing at Work Index



Our experience on employee wellbeing suggests that a holistic perspective is needed to address talent management, organisation structure, human capital leadership, and organisation culture. In addition, addressing these factors makes good business sense. A longitudinal study on workplace climate suggests that a positive work climate is linked to lower odds of depression, increased overall wellbeing, mental health, physical health, social connectedness, and financial security (Weziak-Bialowolska et. al., 2023). In addition, studies show that a positive climate can decrease distraction at work and increase productivity, potentially contributing to enhanced job satisfaction (Dollard & Bailey, 2021). These findings underscore the importance of addressing wellbeing at work, which is becoming increasingly important in business schools.

While the challenge of wellbeing may be clear, the actions may not be readily apparent for organisation leaders. In his recent book, Rich Safeer (2023) outlines the steps to build a wellbeing culture within an organisation and identifies challenges to achieving wellbeing in the workplace. In this paper, we anchor our contributions to the human capital system in organisations, which is not always viewed as holistically as warranted to address employee wellbeing in business schools.

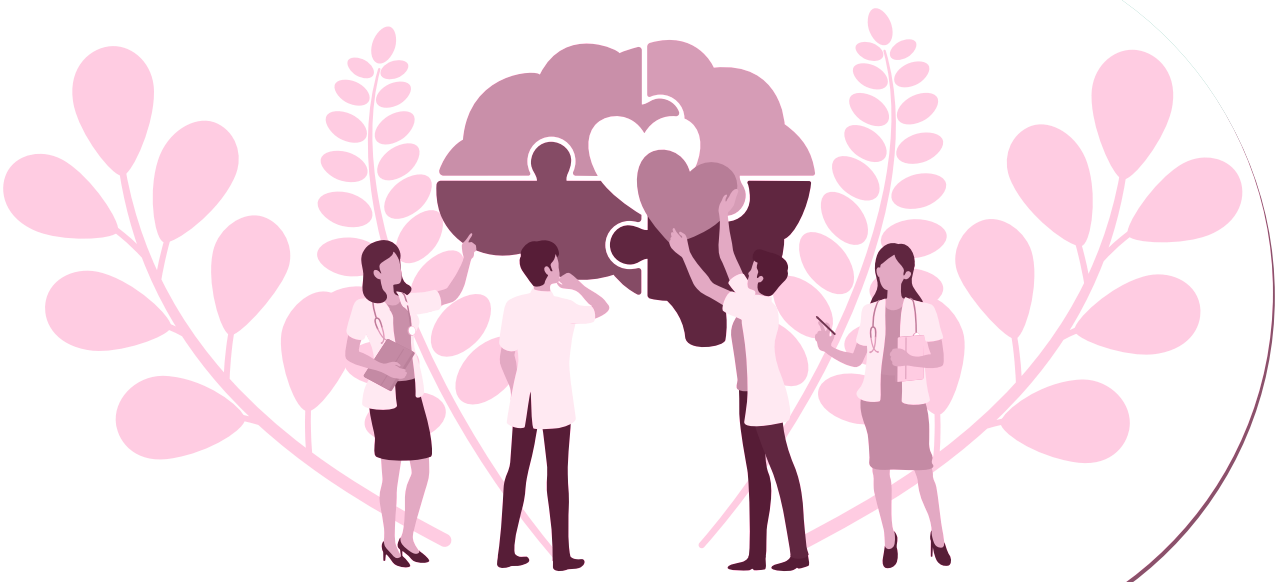
The Human Capital System

When considering the work environment and factors affecting employees, such as wellbeing, managers and deans may deflect responsibilities and instead turn to the human resource management (HRM) practices and policies set by the HR department. While HRM practices, particularly the subset generally viewed as talent management (i.e. performance management, career management, incentives, measurement, etc.), do make an important impact, these practices are only one dimension of the employee experience that shapes wellbeing.

In addition to talent management practices, the employee experience is shaped by an often-overlooked dimension of organisation structure. If you reflect on your own work experience in typical organisations, you were likely given a rather clear structure which may include such things as a job description, reporting lines, accountabilities, process requirements, and other structural elements. The design of work structures and work environments can have an important behavioural impact and is therefore a key element in the human capital system that affects wellbeing in the workforce.

One of the most critical (and variable) factors in the employee experience is human capital leadership. After all, it is often the immediate and senior management of both faculty and staff that sets the tone and priorities that likely impact communications, value of employee perspectives, and general expectations related to the work and output.

Finally, we consider organisational culture, which provides the unwritten rules that often guide behaviour, expectations, and values among employees and stakeholders. The organisation culture is generally shaped over time by events, practices, leaders, and lived experiences. Team and company culture can also be intentionally shaped by managers and organisational strategies.



These components comprise the human capital system inside organisations as illustrated in Figure X-2. Each of these four elements drives the organisational behaviours and stakeholder experiences. This is the framework for strategy execution, so alignment of these components with the school strategy, competitive advantage, mission, and vision is critical. When it comes to fostering a positive work environment for employee wellbeing, we must address each of these areas.

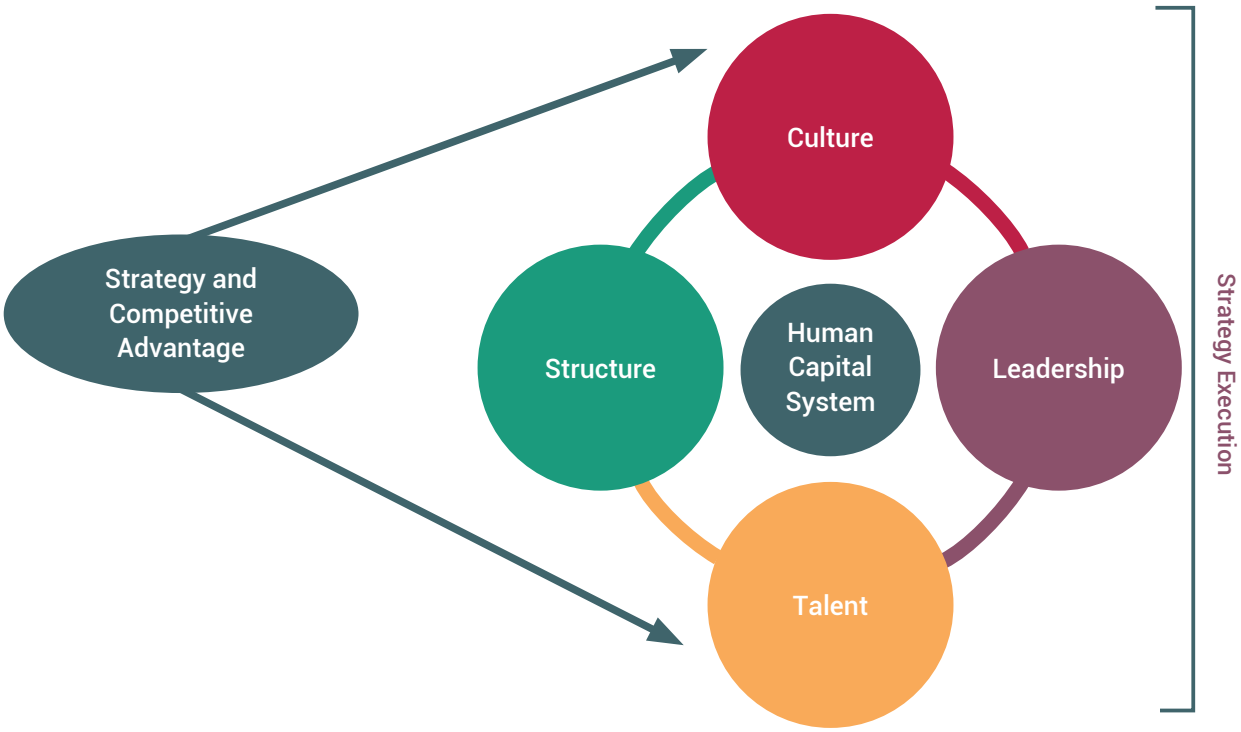


Figure X-2: The Human Capital System

(Adapted from Thomas, Smith, Diez, 2013)

Culture

The word 'culture' is used loosely by many organisations, yet most would agree that there are many factors that affect organisation culture (Schein, 1996). For clarity in our discussion, a wellbeing culture is defined as "a web of social influences that manifest itself in shared healthy behaviours and beliefs" (Safeer and Allen, 2019). Creating a culture that supports wellbeing not only helps individual health but it also helps the organisation. Similar to a river current, culture is a force that draws members of the culture in the same direction toward shared behaviours, beliefs and attitudes. Thus, a culture that supports wellbeing makes it more likely that those joining the culture (i.e. new hires) will adopt a healthier path (8). Wellbeing cultures in the workplace are also beneficial to the organisation through:

- Greater employee retention (Wright, 2010)
- Improved team performance (Edington and Pitts 2016)
- Decreased absenteeism (Edington and Pitts, 2016)
- Lower health care costs (Fabius et. al., 2018)
- Greater stock market performance (Fabius and Phares, 2021)

Creating a web of social influences that manifests itself in shared healthy behaviours and beliefs is more easily attainable when addressing wellbeing culture building blocks (Safeer, 2023):

- Peer support – Our colleagues, our co-workers, those with whom we share an even playing field (not our manager or subordinates) play a tremendous role in our choices and emotions every day. Our co-workers can support our effort to build and maintain healthy habits or work against them. This has been proved when quitting smoking, losing weight and a variety of other health goals (Christakis and Fowler, 2009). Our colleagues also influence our emotions. A simple smile can bring us joy, and the weight of stress can spread like wildfire.

  A voluntary wellness champion network is a practice in some organisations used to amplify the work of a person or team leading the employee health and wellbeing effort. The champion role can include helping their co-workers know the resources available, leading a wellbeing practice for their team and being a sounding board to take feedback to leadership. Champions can also play an important role as a conduit to implementing specific strategies as well, such as organising their team to participate in a company-wide wellbeing-focused event.

  Peer support needn't be on a grand scale. New employees can be assigned a peer to help them navigate their first few months of employment. Having a colleague to turn to with questions or even share lunch can help lower the stress that comes from a milestone life experience, such as starting a new job. We often see this with faculty roles or in departments where someone is not only in charge of social activities, but also of wellbeing. Many employees feel more comfortable speaking with a peer rather than their manager or a human resources representative.

- Healthy Norms – While peer support is a relationship of two, norms reflect a group. Norms are the accepted and expected behaviour of a group. Norms abound in every workplace and business school. Some norms promote health and wellbeing, and others do the exact opposite. Healthy or not, conforming to group norms helps us to be socially accepted, which helps fill primitive needs, such as the sense of belonging, which can bring the additional benefits of protection and security (Gelfand and Harrington, 2015).

  Unfortunately, too many members of higher education succumb to the norm of skipping lunch to work – alone and indoors. We know that the brain loses its capacity for memory, creativity and focus when not given appropriate breaks. We also know that socialising and nature have the opposite effect – enhancing all three. Imagine harvesting more of your potential if you ate lunch with a colleague outdoors. And yet, we adhere to the team norm of not taking a break regardless of the counterproductive outcome.

  Although it can be difficult to change norms, there is an intentional path. Once the team or organisation has arrived at a desired norm through a collective process (it helps to allow all members of a group

to voice their opinion), the other five wellbeing culture building blocks can be applied to shift group behaviour.

- Supportive Social Climate – When there is the general feeling or aura of support, within a team or organisation our wellbeing is enhanced. A good social climate helps build resiliency and trust, which in turn lowers our stress level.

  There are a variety of ways in which a team can build a good social climate. Just working more fun into meetings and the workday in general can be very beneficial. Other strategies include allowing everyone to be heard, communicating openly and frequently, and showing individual appreciation for contributions. Regular, consistent practice of what appear to be basic management skills is more often overlooked than we acknowledge. Institutionalising, or creating these norms, at times requires intentionality.

  While most business schools do focus on the right support for faculty, the same is not always true for the professional staff roles. Providing opportunity for faculty and staff to work together and understand their functions in the school can go a long way in creating mutual respect and a supportive social climate.

- Shared Values of Caring – These are different from core values. While a company's core values are often created by a small group of executives or the board of directors, shared values are created amongst both leadership and the workforce at large (or at least a representative portion). When organisations choose values that reflect a caring workplace, values such as teamwork, work-life balance and inclusion, support wellbeing. These companies focus on the needs of their employees, which in turn fosters engagement and loyalty, which benefits the company (Barrett, 2017).

  Business schools that create a caring environment for employees can do so by providing individual consideration for each member of the team. We find these values of caring play a key role in the retention of staff and faculty at the JHU Business School. Unfortunately, the opposite is also true – schools that choose values that place productivity, profitability and the senior leadership above the wellbeing of the workforce might find initial benefit (if at all), but ultimately are creating a disengaged workforce that will not perform at their best. Employees at these organisations are not likely to stay as long.

- Culture Connection Points – To reinforce and shape the culture, there are levers that management and the organisation can use to make it easier for employees to make healthier choices and have a happier workday. Categories of culture connection points include management communication, talent management practices, physical work environment, work practice traditions, and management policies, amongst others. We see many higher education institutions quite focused on connection points for students but often overlook the needs of doing the same for the staff and faculty.

  Benefits are another connection point with faculty and staff, which can help overcome some wellbeing barriers. For example, to bring greater mental health access to faculty and clinicians, the Johns Hopkins School of Medicine (JHU SOM), created the Office of Clinician and Faculty Care. The JHU SOM employs mental health professionals dedicated to faculty and clinicians to help circumvent the struggle of finding a mental health professional in the insurance network – a growing challenge for most universities.

- Leadership – While leadership carries its own place in the human capital system paradigm, it is worth noting specific roles leaders play in the practice of wellbeing before transitioning to the management aspect.

Foremost, leaders must care for themselves and be well to optimise their ability to support the wellbeing of those they lead. Deans and other leaders play an exaggerated role in mood contagion within the team they lead. Mood contagion is a phenomenon whereby one's emotions and behaviours influence the emotions and behaviours of those around them. Ideally, leaders are relaxed and upbeat so that they discreetly influence those they lead to also be relaxed and positive. Everyone is happier, more productive and a pleasure to be around when in a good frame of mind. Creating an upbeat work atmosphere increases engagement and improves employee retention.

Leaders can be role models by building wellbeing into their workday and making practices visible so that team members receive the implied message that they too, should care for themselves throughout the day. If the wellbeing practices can't be seen (i.e. meditation behind a closed door), sharing the practice verbally will suffice. Managers might even consider building team wellbeing activities into the calendar. When a team experiences a healthy practice together, it normalises the activity and can foster continued practice afterwards amongst some members.

Leadership

As deans and other leaders consider their impact on the priorities, initiatives, and plans for a school, they must also recognise their impact on the human capital of the organisation. Leaders play a key role in supporting the health and wellbeing of the organisation's human capital, as our research shows.

Although there are examples of how employee wellbeing sprouted from organic roots, it's unlikely for a culture of wellbeing to reach a thriving level without leadership. To optimise the success of integrating wellbeing into one's organisation, it's important to create a plan that is included amongst the priorities. Leaders need to be responsible for:

- Identifying goals for wellbeing in the school
- Allocating resources to support wellbeing for managers, faculty leaders, and employees
- Assigning human capital and holding those persons accountable to the goals

In addition to addressing wellbeing on the organisational level, it's important to address management practices that impact teams and individuals. We are pleased to have had the opportunity to work with leaders/deans who make a positive impact on the wellbeing of individuals by showing sincere appreciation for the contributions of others on the team. These positive affirmations coupled with active and empathetic listening make a significant difference to the lives of others.

There are likely institutional barriers to a healthy workforce, such as liberal use of emails outside of a traditional workday, causing some employees to work longer hours and coming to work tired and thus not fully engaged. The JHU School of Medicine has flags when writing emails outside of usual business hours to offer the sender to automatically release the email to the recipient during an appropriate working time. Regular input from the workforce and leaders across the organisation can help identify these unhealthy and unhelpful practices so that they can be addressed accordingly.

It takes human capital to support human capital. While benefits can be supportive of employee wellbeing, most employees will not use them. Instead, focus your energy on creating a supportive wellbeing culture where employees don't need to 'sign up' or 'log in' to be supported on their health and wellbeing journey.

Structure

Standards, organisation reporting lines, processes, and policies are often developed to drive efficiency and consistency in organisations. Too often, these structures create impediments to individual considerations needed to support wellbeing as a part of the human capital system (Daniels et al, 2017). In the context of the business school, the structures associated with faculty and staff roles are quite different due to the nature and expectations.

Unlike knowledge workers in industry, we find that faculty roles are relatively unstructured. In other words, faculty have a significant level of autonomy when it comes to organising their time, tasks, and schedules - other than individual teaching commitments. However, the nature of business school research can easily lead to fatigue and burnout due to the concentrated time immersed in detailed analysis, reading, and documentation – all in front of a computer screen. Often, these research activities occur in physical isolation since co-authors and collaborators may be in other locations. Since there are often no structures for faculty roles, deans and faculty chairs may wish to consider developing suggested models that integrate peer support to not only enhance productivity but also support faculty wellbeing.

At the same time, the pressure for high performance in most business schools has created challenges for the school's professional staff. Years ago, higher education careers allowed for relaxed summer periods, and a general abundance of students and funding. This has all changed in recent years as many schools struggle to achieve targets in admissions, rankings, placement, and revenues. As such, many staff find the need to do more with fewer resources, coupled with increased pressures. While there are often structures in place for business school staff in terms of reporting lines, job descriptions, and team goals, it may be time to revisit these to address employee wellbeing.

When evaluating the human capital structures, there are a variety of factors that may have an impact on employee wellbeing such as:

- Authority and Accountability – finding the balance between central control for decision-making and approvals, with the expectation of results, can help avoid wellbeing challenges (Han et al, 2025). We sometimes see this challenge when the central university has strict controls yet holds the school leaders responsible for outcomes.
- Task Identity – the extent to which an individual's contribution can be linked to the outcomes or customer satisfaction. Too often, we find staff roles mired in the detailed operations of the school without a clear sense of how they contribute to the student experience or desired outcomes of the programme/school.
- Job Design – while job design is prevalent in industrial settings, we do not often find proper analysis or consideration for the design of roles in business schools. As a result, we can find that we often stack up unrealistic expectations for key staff roles such as admissions, careers, and programmes. In some cases, we see one academic advisor responsible for a programme of 100 students, yet when that programme grows to 500 students, we still have the same expectations of that role.

Each of these can be important factors in employee engagement as well as employee wellbeing. We find that leading organisations can take a fresh look at the dynamics affecting their structure and make the needed adjustments. Additional organisational structure considerations might include processes related to the student experience, support of faculty research, links between academic research centres and institutes, and faculty department administrative support. While each school is somewhat unique, the structures and processes that define how people perform tasks are often overlooked in academic settings.

Talent Management

While many business school leaders suggest that the human resources department is responsible for talent management, most of the employees' experience is with their manager. Shaping the talent management experiences for faculty and staff is a critical part of supporting wellbeing in the school's human capital system (Baptiste, 2008). While HR professionals help guide the organisation and provide policies, faculty and staff leaders can help shape a positive experience that supports wellbeing.

Key activities in the processes of talent management that can positively influence employee wellbeing include:

- Recruitment – integrating the importance of wellbeing for your school into your job posting sends a message to the candidate pool that will resonate with like-minded job seekers, thus yielding more favourable applicants.
- Onboarding – Orientation content needs to include more than a list of benefits. Practices such as not meeting through lunch, announcing stretch breaks and encouraging standing are great ways to set the tone for integrating wellbeing into the workday. Assigning an onboarding buddy can help lower stress by giving a new hire a peer to answer questions and reassurance that they have someone to eat lunch with on the first day.
- Recognition – Celebrating successes, milestones, and personal achievements can have a great impact on how the school acknowledges individuals. While business school websites promote the achievements of faculty, students, and alumni, it is also important to recognise the people that enable these achievements.
- Annual evaluation – Including space to reflect on how the employee is fulfilling the company wellbeing value(s) or team wellbeing effort provides a regular opportunity for a conversation between employee and manager that keeps the topic in mind.
- Exit interviews – Asking questions about whether the employee feels their wellbeing was supported and what changes they recommend offers a quality improvement opportunity for both the manager and organisation.

These areas of talent management can make an impact to promote a positive work environment and a sense of wellbeing with both faculty and staff in the business school. While many of these processes may already be in place, it can be helpful to review these, considering various employee stakeholders in the school, to determine areas for improvement.

Seeding the Future

The human capital system sets the tone and guidelines for behaviour in the organisation, yet business schools have the unique opportunity to reshape and reinforce culture through curricular and extra-curricular student experiences. As stewards of future business leaders in our programmes, we share an obligation to instil human values in a way that not only acknowledges wellbeing but also demonstrates a culture of positive wellbeing. Unfortunately, most MBA programmes shun many HR-related topics to satisfy the students quests for tools, analytics and formulas. In addition, most MBA programmes striving for high rankings do not emphasise areas related to HR to steer graduates away from lower-paying professions (e.g. human resource management) as this would hurt the career outcomes portion of MBA rankings.

An initial review of top-ranking business schools in the United States makes it abundantly clear that wellbeing is generally absent from the core curriculum. While we don't expect that core curriculum for MBA programmes to suddenly shift, perhaps Associate Deans looking after the curriculum with their committees take a more holistic perspective on the needs in organisations today.

Businesses such as Accenture, Microsoft and Johnson & Johnson train their leaders in wellbeing. John Hopkins Health System has also, for the last seven years. We currently expose leaders to the importance of employee wellbeing in new manager orientation. We also give mid-level leaders a nominal amount of experiential learning. For our leaders who want to pursue more, we offer deeper opportunities through two different series of learning programmes.

Imagine the tremendous advantage business school graduates would have if they came to the workforce not only with skills to have a healthy day themselves, but also with the toolkit to support the health and wellbeing of those they lead. These new leaders would be much more likely to achieve their workplace goals and maintain their upward trajectory, as burnout is less likely in those who practice self-care. In the unfolding era of artificial intelligence, where the future of work intertwines humans and machines, we expect increasing challenges associated with burnout, stress, and wellbeing. Preparing business school graduates by incorporating wellbeing in the management curriculum has become a priority in shaping the success of future leaders.

Summary

Business schools have been shifting to meet the changing needs of the market over the recent decades, and many are starting to rethink the traditional business model of business schools (Peters et. al., 2018). Recent shifts in higher education have placed increased pressure on business schools for revenue contribution, programme rankings, research impact, and global recognition. In addition, many school leaders have a background in research with limited people management experience, which can create challenges during transition periods in many schools. We hopethat more business school leaders embrace a systems view of human capital to consider the culture, leadership, structure and talent management practices in the schools that they lead to promote employee wellbeing. Future experiences in business schools might be different once deans and leaders more fully embrace their roles as stewards of the human capital system and the wellbeing of their stakeholders, including students.

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