



# Leading with Values

Positivity, Virtue, and High  
Performance

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## 6 *Leadership lessons from Sarah: values-based leadership as everyday practice*

MONICA WORLINE AND  
SARAH BOIK

I arrive at a high-rise office building, one of only a few in this medium size city's downtown, at a few minutes past 8:00 in the morning. As an organizational psychologist who is studying compassion in the workplace, I have been granted permission to study a group of people who perform billing and account receivable services for the health system that owns the building; a group that I have been told displays extraordinary values and also gets results.<sup>1</sup> Armed with a notebook and a tape recorder, I take the elevator to the 9th floor and knock on the door marked Physician Billing. Looking through the glass door that is accessible only to those with a magnetic cardkey, I see a woman look around a cubicle wall and get up to let me in. I ask for Sarah, and she looks at me a bit quizzically as she leads me down an aisle between sets of cubicles toward the only office that has a door in this large open room full of cubicles. Sarah isn't in her office, so I am kindly deposited in the kitchen for a cup of coffee.

My first impression of the space is that I've walked into a garden rather than a billing unit. Almost every cubicle wall is decorated with silk or dried flowers of some kind, and summer is in full bloom in the paper decorations, silk flowers, and other items that spruce up the office. In the tidy kitchen, each drawer has a printed label describing its contents: "creamer, stirrers, tea" are above "coffee filters," and "hot spiced cider and hot cocoa." I think to myself that the small, clean space seems to be ready to host a party; it is fully stocked with knives, forks, drinks, cleaning supplies, and almost anything you'd expect to find in

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a kitchen that serves a big group, including a refrigerator packed full of food. I meet Sarah as I'm stirring my coffee, and she greets me with a friendly conversation. She is one of the only managers I know who seems truly comfortable having a research team barge into her world. Explaining how the day will work, she leads me to a large meeting room on one end of the office. This meeting room is the site of the unit's "morning meeting," which happens sometime around 8:30 each morning.

Walking into the meeting room, I notice several tables and chairs spread about, and I'm greeted with a muffled "hello" from a slight woman who is sitting behind the largest pile of envelopes I've ever seen. I can't see her face behind the pile, but I see her hand reach up to grab an envelope and then I hear her neatly slice it open with a letter opener. She sets it aside in one of several stacks, and then reaches for another. I set up camp in a chair off to the side of the room in my role as observer. Sitting there, I am reminded of the scene in the movie *A Miracle on 34th Street* in which the post office delivers sacks and sacks of mail to the courtroom where Santa Claus is on trial, swamping the judge's podium with envelopes. I watch in wonder as Darlene, the woman behind the pile of envelopes, keeps at her work. A few people begin to trickle into the room, notice the huge pile of envelopes, and turn around to go back to their desks. After a few seconds they are back, letter openers in hand. In minutes, the room has begun to fill with people and someone shouts toward Darlene, "Do you have any more letter openers?" Darlene is new to the group, and therefore shy about the offers of help, demurring at first. But after some ribbing about the size of the pile of mail, she is encouraged to walk over to a supply cabinet at the side of the room and take out a whole box of letter openers. She passes them around, along with handfuls of envelopes, and in a few seconds the air is full of the sound of razor blades on paper. Someone calls out, "I didn't get one!" and another person walks to the supply cabinet, getting out all the letter openers she can find.

As Sarah calls the meeting to order, the whiz of razor blades is going strong. Sarah asks the group, "Who's not here today?" and people start to shout out names. They go through the list one by one, naming each person and why she is out of the office. There are a few plans for compensating for the missing hands, and then other topics of business arise. The meeting lasts about 20 minutes, features a lot of laughter, some good-natured teasing, and several questions about invoices dated

after a certain point in time. At the end of the meeting, not only are the questions answered and everyone's whereabouts accounted for, but all of the envelopes from the mountain of mail have been opened and stacked in neat piles around the room. Darlene, who is a member of the "support" team in the unit, is responsible for opening the mail each day and sorting it into different processing categories. She collects the extra letter openers as people go back to their desks, her weighty task made suddenly lighter by the spontaneous coordination of so many hands.

In the mid-1990s, the physician billing unit at Foote Health System was almost non-existent, with a manager and one or two people doing billing for physicians who worked in different kinds of contractual relationships at satellite clinics. At its lowest point, it took the billing unit over 180 days to collect a dollar of accounts receivable ("Days in AR"), the chief performance measure for the unit. That was a number way too high to satisfy the growing demand for stricter financial operations in a tightening healthcare marketplace. Sarah was brought on board in part to help bring that number down, and has managed the unit since 1998. Initially her staff consisted of five billers, and she faced many daunting tasks. How to reduce the number of days in AR when Medicaid forms had to be hand-typed (due to state regulations), and any error in the duplicate copy forms required starting the entire form over again? How to reduce days in AR when the health system had decided to add more physicians to the unit's client list, and the group needed to grow fast to keep up with rising demand for billing services from new clinics? How to reduce days in AR when the turnover in employment across the health system was approaching 25% and she was likely to lose one or two of her five employees each year? How to reduce days in AR when errors in the charge entry system were increasing dramatically, at the same time that insurers were becoming more and more strict and specific about documentation for reimbursement? How to reduce days in AR when many in the industry were increasing rather than decreasing the time it took to collect money from a plethora of new insurance providers in a turbulent industry? It looked, at least to an outsider, like an almost impossible task.

When she arrived on the scene, the first thing Sarah did was to ask the billers what they needed to do their jobs better. "Post-it Notes," they answered. Expecting a much more difficult answer, a puzzled Sarah ordered a big batch of Post-it Notes from the local office supply store. "You would have thought it was Christmas when that office supply

shipment arrived,” she says of the billers’ reactions. “They were running around whooping and hollering that they could use all the Post-it Notes they needed!” It turns out, the previous managers would not allow billers to order office supplies, and Post-it Notes were a rationed luxury. Hence Sarah tells new managers that the most important task of a leader is to attain the training and the tools that people need to do the work. Who would have imagined Post-it Notes would be such a dramatic change? “What a motivational boost, simply from providing a tool that was readily available and relatively low-cost!” Sarah comments. She would not have known about the Post-it Notes without asking – a metaphor for her overall leadership style. She assumes that the people who do the jobs are the best ones to tell her what they need in order to do their jobs better, from the tools and training that they need to the people they want and need to work with.

Today, the Physician Billing Unit averages just less than 60 days to collect a dollar of accounts receivable, beating the industry standard. They have moved from hand-typed and paper-based forms to almost entirely electronic claim processing. They have grown almost 10 times their initial size, with 41 members in the unit today. They have greatly expanded their client list, providing billing services for more clinics than ever, while they have reduced their turnover to be the lowest in the entire health system. Adequate office supplies are still celebrated in the billing department, though without quite so much fanfare – a symbol of the changes that have been wrought by a leader who listens.

How leadership based in the values of humanity, identity, engagement, participation, life, meaning, and play contributed to change in the billing department is the subject of this chapter. Sarah’s role in the accomplishment of such massive growth, fundamental change, and dramatic increases in productivity, efficiency, employee satisfaction, and performance is the story we want to tell here. It’s a story of leadership of a different kind, and it has everything to do with the everyday things of work, like Post-it Notes or that mountain of envelopes.

### **Introducing Sarah: leadership and practices of identity**

Our collaboration in this chapter about Sarah’s leadership lessons builds on the research that we started that day when Monica arrived in her unit. This chapter involves collaboration between Monica and Sarah that looks at that research in a new way, focused explicitly on

Sarah's role in creating daily practices that carry her leadership. Similar to what Bartunek and Louis (1996) entitle "insider-outsider" research, this chapter is based on collaborative conversations between Sarah and Monica in order to craft an articulation of Sarah's key leadership practices. By practices, we mean everyday ways of doing or accomplishing things in the unit (Orlikowski, 2002).

Sarah's practices are distilled into the quotes that begin each section of the chapter, quotes that come directly from Sarah. Following each quote, Monica articulates how the quote represents work practices in the billing unit and how those practices might look to the eyes of a scholar. Working together through multiple conversations and interviews, Sarah and Monica have created this representation of Sarah's practices in the billing department and have related the practices to the overall performance of the unit. Hence what began as a short-term collaboration has lasted over time and grown into a two-way conversation that helps us learn from each other (Bartunek and Louis, 1996). This partnership is somewhat unusual for academic writing, but we find that it is extremely helpful in our aim to bring what we have learned from one another to light.

You cannot teach common sense or values and ethics. They are instilled in a person from birth. Recognize those in a person and realize that is who they are.

Sarah says, "I always wanted to be a nurse when I was growing up. I thought it would be a noble occupation." Unlike her dreams of nursing, however, the reality of nursing school was disappointing. Just months away from finishing her degree, Sarah was involved in the care of a terminally ill cancer patient who was experiencing excruciating pain. The nursing staff had tried for days to make the patient comfortable, and Sarah's shift was the first time the patient had been able to rest. "At that point," Sarah describes, "I had a negative interaction with a 3rd year resident regarding this special patient's care and the decisions he was making. I did not follow his orders, as they would have awakened the patient who had just achieved some much-needed rest. He berated me as a lowly nurse and reported me to nursing administration. At that time it was suggested to me that perhaps I really did not want to be a nurse."

"I decided to leave nursing school that day. As a career move, I am not sorry. I vowed from that day forward that I would always try to remember that there are two sides to every situation; to look at them

open mindedly, and work together for solutions. I also vowed never to treat a fellow employee as that resident treated me. He embarrassed me in front of my peers, and looked as though he was actually enjoying doing it.”

Sarah received a call the next day from a doctor who was opening a private practice, and she accepted his offer to set up and run his office. Says Sarah, “That is where my fun began! I have been to many practices and hospitals since that time, and have learned many things from my superiors and my teams. One especially wise manager told me that if there was ever a time, as a manager or supervisor, that someone was not upset at me, I was not doing a good job. In her view, and now in mine, someone should always be upset about a decision or a change that has been made. If they are not, then I am not managing the team. I am not trying to be popular. She always emphasized that managing is not a popularity contest.”

Sarah’s experience in nursing school and her subsequent successes have shown her that a leader’s work is to recognize values, ethics, and common sense in herself and in others. Sarah uses her own values and sense of the world to relate to her employees and make the decisions a leader must make. Despite her knowledge that many managerial decisions will not be popular, Sarah doesn’t lose sight of empathy for her employees and their experiences. She says, “I have been where many of these billers are. I have struggled, cried, and felt that no one cared how hard it is to do it all. In remembering all of this, I feel I am able to better understand why they do what they do, why they feel what they feel, and why they need what they need on a daily basis.” Sarah’s practices of identity recognize that while skills can be developed or billing techniques learned, it is the deep sense of whom someone is at their essence that a leader must come to understand if she wants to engage an employee in fully supporting the organization’s goals.

### **Conquering the envelope mountain: leadership and practices of engagement**

Don’t let the slackers slack. Work with them from the second you notice them slacking. Motivate them to improve or encourage them to move on.

Within the story about the envelopes that opens this chapter, one striking detail is that no one, including the leader, asked anyone else to help

open that mountain of mail. In fact, the first volunteers simply noticed the extent of Darlene's work and went wordlessly back to their desks to get their letter openers. Despite the fact that it wasn't technically their job, and that opening this much mail wasn't a daily event or a routine happening – the amount of mail was vastly larger than usual – people knew exactly how to help. While the envelope mountain isn't routine, what is routine practice is the expectation of engagement in the work of the unit, whatever that work may be.

One of Sarah's rules, in keeping with her quote above, is that no one in her unit may use the phrase, "that's not my job." For a leader who wants to create practices of engagement, everything is everyone's job when it comes to getting the critical work done. As the leader, Sarah isn't exempt from this practice; rather, she embodies and models it for others. For example, during the daily morning meeting when someone else has the floor, Sarah answers the phones. If someone doesn't understand a task, she will come and sit at the employee's desk to help her learn. Sarah's language of engagement and her model of engaged work is an important source of others' learning about the high performance norms in the unit.

The daily meeting, with its emphasis on accounting for where help might be needed because of absences or particularly heavy workloads, is another practice that builds engagement. In many manufacturing industries, a daily meeting is used to keep the plant running smoothly, but this level of daily communication is seldom employed in knowledge work or administration. Sitting together in the morning and building positive emotion, energy, and shared tasks for the day helps build employees' focus on the work of the whole unit. Shared knowledge helps limit mistakes and keep people engaged in learning. And knowing who may need help distributes the work of the unit across the formal team structures. The practice of daily meeting and discussion of tasks is another crucial way in which Sarah builds engagement.

Sarah's transparency in terms of performance requirements is another leadership practice that reinforces engagement. Once a month, Sarah shares information with the group that shows the unit's overall productivity numbers and their clinic-by-clinic performance. This monthly meeting to discuss the unit's performance and the breakdown of each team's performance creates performance pressure for all members. In addition, though, it empowers the billers to monitor their own work efficiency, and it shows them which groups are falling behind.



When a group's days in AR are rising, the other groups ask how they can help and Sarah supports their collaboration. Sarah's straightforward and transparent approach to performance data is a leadership practice that helps reinforce her expectations of high performance and high engagement in the unit's work.

Perhaps most important, however, is a deeply developed practice of stepping in when someone is *not* participating in the norms of engagement. Sarah's advice to other leaders about this leadership practice is straightforward: "Don't let the slackers slack. Work with them from the second you notice them slacking. Motivate them to improve or encourage them to move on." Sarah's leadership practices may look "nice" on the surface, but in her unit there is an unmistakable insistence on engagement. Sarah is clear that there is no shame in leaving her unit; the only shame comes when someone isn't engaged and refuses to face it. "If the work isn't for you," Sarah emphasizes, "go find work that fits your passion or interests." Sarah's first-hand knowledge of the importance of deep engagement comes from her experience of nursing school, and reinforces her practice of engaging people in the unit's performance, rewarding that engagement, and challenging those who aren't engaged.

Conquering the envelope mountain is not attributable to the heroic deeds of a leader. In this view of leadership, daily practices of engagement, supported and encouraged by the leader, set the scene for hard work and high performance. Conquering the envelope mountain is a result of daily practices of engagement that truly put to work values such as equality, responsibility, diligence, and helping to make another person's burden lighter.

### **Facing the hiring squad: leadership and practices of participation**

Hiring the right person is so very important. Hire the person and the potential you recognize in that interview. If your track record of hiring the best is not stellar, then get people who are good at that to team interview with you.

"The thing that strikes me the most," remarks Kathy, a member of the billing department, "is that *we* decide who we want to hire. There aren't

so many bosses out there who would let us do that. I think that is a big part of why we function so well as a group.” If you ask members of Sarah’s unit about selecting people who fit in the department, you will hear Kathy’s comment repeated again and again. Participation in the selection of potential members, socializing new members, and creating a work environment where people want to stay are viewed within this unit as collective responsibilities. Sarah established a group interview procedure from the beginning of her tenure as the manager of the unit, convinced that her staff knows best who will fit within their work environment.

Several committees are involved in interviewing applicants for new positions after they are initially screened and interviewed by Sarah. The members of the unit take their responsibility very seriously, and have designed a set of questions that range from inquiries about qualifications and training to behavioral questions about how someone might handle a difficult issue, to questions designed to assess fit with the rest of the group. After the group interviews, the entire unit has an extensive discussion about the candidates, their qualifications, and their fit within the work environment. Once the group decides upon a preference about who to hire, the final decision to offer the job rests with Sarah. Of the more than 50 hiring decisions made in the unit since this hiring system was put into practice, Sarah has never overridden the decision of the group. “They are the ones who have to work together and take care of this person,” Sarah says. “What right do I have to decide for them who they want as part of their team?” Consensus isn’t always easy to reach, and not everyone is happy with every decision, but the unit has confidence in their opportunity to participate in such an enormous decision. Of course, not every decision works for the best. When that is the case, the practices of participation are such that the entire group knows that it bears some responsibility, and thus there is little opportunity for complaining or blaming.

In addition to participating in hiring decisions, the entire group participates in socialization, training, and retention activities as well. When a new member is hired, he or she is usually hired into what the billing department refers to as the “support” pod (teams are called “pods” in the billing department). The support pod is a group that is responsible for the administrative activities that all the billing pods need, such as copying, filing, mailing, and storage. New members join the support pod so that they are exposed to the basic operations

of the entire unit; a practice that builds the ability to participate in the work of the entire unit. Starting off in the support pod also ensures that a level of equality remains in the group, as members all come to understand the importance of the work that happens in support.

When a job opening comes about in a billing pod, it is the unit's tradition that someone from the support pod "moves up" to a billing position. This practice of participation builds a sense of equality and mobility in the unit, creating the possibility for participation to yield a sense of accomplishment. The actual job classifications within the organizational system for those in support and those in billing positions are no different from one another, so it is solely the practices that have been built around participation in the unit that foster this sense of accomplishment. Support team and billing team members receive the same wages and benefits. The impression of mobility arises from the practice of hiring people into a pod that supports all the other teams and then allowing a newcomer to grow into a different position within the unit.

Each pod has a designated leader. The actual job of "pod leader" has been recognized by the overall health system as a position that comes with a promotion, a pay raise, and a change in job classification. The position of pod leader was invented by the billing unit, whose members had to lobby HR and convince the organization to institutionalize the new job. Sarah led her members' participation in this organizational change. In essence, Sarah's leadership practices that foster participation in running the unit have created changes that affect the entire organization. In this case, in a type of work where there is typically thought to be little room for advancement, Sarah and her employees have created a system of hiring, training, and retention that allows for three levels of growth and development. Promotion to each of these levels comes with new challenges, responsibilities, and purposes, creating an atmosphere of active participation for those who work in the unit. While sociologists have often written of workplaces such as this as "pink-collar ghettos" (Howe, 1977), leadership practices of fostering participation in the billing department have changed the character of the workplace. Today's billing department is an incubator for people's potential and self-development, capitalizing on the sense of accomplishment that comes with active participation in order to build a thriving workplace community.

### **Hoarding freesia body lotion: leadership and practices of humanity**

Every employee who works with you is the same as you . . . human. There may be different levels of hierarchy within your corporation, but when all the layers are peeled back, we are all the same. So treat every one of the employees you work with as you expect to be treated. This is vital to gain respect and loyalty.

An important set of practices in the billing department involves celebrating. For instance, each month the billing department celebrates the birthdays of members who were born that month. Birthday parties are planned, coordinated, and run by different pods within the unit. It just so happened that Monica was there for an August birthday party. On the day of the party, the morning meeting started off with a gift to Marge, the only member of the unit at that time with an August birthday. Sarah has a practice of presenting each member of the group with a small gift, separately from the departmental gifts that others coordinate. As it happens, Marge loved a particular brand of freesia-scented body lotion, which had been discontinued. When she opened the gift bag from Sarah, she found a whole complement of the discontinued freesia products. The room erupted in laughter and shouts of surprise. “How did you get this?” Marge demanded of Sarah, who just looked back at her with a twinkle in her eye. “You’re welcome,” she replied.

How did Sarah know that Marge loved freesia body lotion, and why does it matter? Hoarding the freesia lotion is a light-hearted example of a deeply thoughtful practice in which Sarah works to build an authentic and caring individual relationship with each member of her group. She interacts with each person in ways that help them feel known, and in so doing, she helps others to build work relationships with the same authenticity and care. Her practice of knowing everyone is a central part of Sarah’s ability to build practices in the unit that emphasize humanity. She says, “Every employee who works with you is the same as you . . . human.” She gets to know her employees as people, and in so doing she encourages others to get to know their co-workers as human beings as well. “There may be different levels of hierarchy in a corporation,” she says, “but when all the layers are

peeled back, we are all the same. So treat everyone as you expect to be treated.”

Later that day, an air of secrecy surrounds the meeting room, where the door is closed and no one but the pod in charge of the party is allowed to enter. Sarah isn't in the office for the afternoon, but the birthday party goes on. At just a few minutes after 2:00, Marge's pod lines up outside the closed meeting room door, ready for the party to start. Others begin to join the line, and the intensity grows to find out what is happening behind the closed door. When it is thrown open a few minutes later, we walk in to the strains of “Happy Birthday,” and discover tables covered with white tablecloths and cutout ice cream cones in a variety of bright colors. The ice cream cone theme is also reflected in decorations on the walls and hanging from the ceiling. “Oh, yeah,” someone comments within earshot of me, “Marge loves ice cream. She has such a sweet tooth!” A blender fires up, and someone makes milkshakes, while others grab cake and ice cream. For about 20 minutes, people chat animatedly and enjoy their ice cream. After that, a pressure to return to work and finish the day's business creeps into the conversations, and soon people are picking up their places and wishing Marge happy birthday so that they can return to their desks.

Watching as an outsider, it seems that the celebration is an integrated part of how the members of the unit see their work. Celebrating is just as important as working; and likewise finishing the day's work isn't lost in celebrating. By 3:00 p.m., the only way you'd know there had been a party here are the ice cream cones that remain on the walls of the meeting room and the ribbons that Marge still wears in her hair. Sarah fosters relationships that recognize the fallibility and humanity of people, as well as their potential for greatness and success. As a consequence, the values of empathy, authenticity, respect, and loyalty are regularly practiced among members of the billing department, without any one person who must enforce them. That the birthday party continues without Sarah is an important tribute to the power of her leadership practices. When Sarah is away, the work of the unit doesn't suffer, nor does the quality of attention to the humanity of others. It is this regular leadership practice of attention to others' likes and dislikes, needs and dreams, desires and pitfalls that becomes the leading force in the unit for respectful interaction, humanity, and loyalty to one another and to the work that must be done.

### **Finding twenty dollars in your desk: leadership and practices of life**

Understand that there are a lot of influences on your employees' lives outside of work that impact their ability to perform each and every day. Then be understanding. They will have off days. It's OK once in a while.

In an interview with a long-time member of the billing department, I hear a phrase that I've heard several times already in my few days of research here: "This is work; that is life. Work shouldn't get in the way of life." Unstated in that phrase, but just as present in the members' minds, is the idea that neither should life get too much in the way of work. There is an active agreement in place within the billing department about the semi-permeable boundary between life and work, due primarily to Sarah's leadership practices. Sarah is active in promoting the boundary between life and work, as she emphasizes regularly, "Work is like a lab coat. You should be able to take it off and hang it up at the end of the day, then you can put it back on when you get here tomorrow."

But Sarah's leadership practices also recognize the permeable quality of the boundary between life and work. Over half of Sarah's employees are single mothers who are struggling to make ends meet. All of her employees are engaged in relatively low wage work. Many of them have family members who are ill or elderly relatives who require their care. Some of them experience domestic violence. Some of them have sick or disabled children, who demand even more attention and resources. Life, for all the talk of boundaries, is very present in this workplace.

Sarah makes sure to discuss things happening outside the department if they are events that will affect the group. In addition, the unit raises money to donate to disaster relief and to local charity organizations, keeping in touch with life outside of their immediate workplace. Sarah leads the way in coordinating care packages for members of the unit who are ill or who are taking care of ill family members, and she encourages others to do this as well. They understand, though, largely through Sarah's insistence on work engagement and high performance, that all of this life comes into the unit only as long as their work is done as well.

Some of the women in the billing department go through divorces or other life episodes that rob them of almost everything, and they rebuild their lives with the help and support of those at work. Sarah recognizes that there is almost no way that life circumstances such as these can fail to impact members' work habits or work quality. When she knows someone is struggling, she will often bring to work what she calls "extras" to give away; she will make two potato salads instead of one, or buy two flats of soda instead of one, and bring the extra to work. Her practice of giving to those who are having trouble managing the work-life interface is done in such a way that it singles no one out. And yet, members notice Sarah's way of embodying generosity, and they adopt it and enact it as a practice as well.

One member of the unit, Terri, told the story of a painful and contentious divorce, in which her ex-husband cut her off from everything in her home, including even clothing and food. Terri had to move into a co-worker's house temporarily, having little cash on hand and no way to go home. Terri rarely talked about all of this with her co-workers, but she became increasingly tense. She described one particular day, when she was distracted from her work because she knew that she had enough gasoline in her car to take her home from work at the end of the day, but not enough to get back to work the next day. She didn't know what to do; she didn't even have enough cash to eat, much less fill the tank. Others in her work team noticed her strain on that day and, having a general sense of what was happening in her life, Terri's co-workers guessed that she needed help. When Terri went outside for her 15-minute afternoon break almost in tears, her team rallied. One teammate, Juanita, used her 15-minute break to walk to a grocery store and bring back a sack with milk and bread and a few other things in it. Juanita set the bag full of groceries in the kitchen and put Terri's name on it. Another team member left Terri a note to check the kitchen before she went home. When she came back from break and opened her desk drawer, a twenty-dollar bill caught her eye. She doesn't know, to this day, who put the twenty dollars in her desk. What she does know, though, is that her co-workers were attuned to her as a person, outside work as well as inside, and that when she was at her breaking point, her co-workers' generosity saved her.

Terri is back on her feet now, and she's continually on the lookout for others who are having a hard time. Small gifts are common in the billing department, as are practices such as bringing in extra food or vegetables

from a garden or other things that might be useful. Building from the example of Sarah's leadership practices that accommodate the interface between life and work, members of the billing department are eager to repay others at work for their generosity. Work is work, and life is life in the billing department, and work isn't supposed to impinge on life. But life can't always stay outside of the workplace. "Be understanding," Sarah reminds us. "It's okay once in a while." The kind of leadership that involves being attuned to others and recognizing the forces on employee's lives outside of work is a type of leadership that might well be invisible to outsiders, but is highly visible to the unit's members. Practices of attunement to others' life circumstances and responding to another's pain have become an important way in which Sarah and the members of her staff are able to maintain their unit's high performance amid turbulent life events.

### **Two computer systems to one and back again: leadership and practices of meaning**

Teach, teach and then teach some more.

"We were working very hard to move from two different billing systems to one integrated electronic system," Sarah explains to me on a visit back to the billing department after my initial observation period. "And we finally did it!" Members of the unit were very happy to have an integrated system that cut down on duplication, alternate coding, and errors. In the same week that the billing department was celebrating their move to one system, however, Sarah learned from her manager that a pressing need was going to make it necessary to introduce another system of electronic billing into the unit. After all the work to integrate their electronic systems, the group would be going from two computer systems to one and then back again, with all of the attendant headaches of two different systems. "I went into our morning meeting that week," Sarah explains, "and I told the group about all the ways that this new system would make life easier and better for our patients." Someone asked if it meant that they would be returning to two different systems, and someone else asked a few questions about how it would work, but no complaints came from the group. "Don't get me wrong," Sarah says of the change, "they weren't overjoyed about it by any means, but they understood that it was necessary



to take better care of our patients.” Some of Sarah’s most important leadership practices involve teaching her employees about how their work connects to the quality of patient care. When the billers learned that the new system, though it would make their lives worse, would make patients’ lives better, they accepted the change.

As a leader, Sarah is constantly teaching. She not only teaches billing skills, but she also teaches billers about interacting with one another, building better communication, and how their work affects patients. This leadership practice has created meaning in the work for the members of the billing department. The fact that the billers think of themselves as connected to the quality of a patient’s experience makes all the difference when they need to implement change. “Change is sometimes difficult for people, especially if it is a change that they don’t like,” Sarah says, but as a leader she repeatedly emphasizes the value of a change and the meaning of that change as she introduces it. By emphasizing the benefits of change to patient care, Sarah embodies a practice of making meaning of work that is in service of a larger goal. And in linking changes to the overall purpose of the organization, Sarah taps into one of the most powerful motivations possible – a sense of purpose. One of Sarah’s employees, Angie, sums up the way she has learned to think about her job in the billing department: “I love this job. I get to fight for patients. The more their insurance will cover, they less they have to pay.” Sarah’s leadership practices of making meaning of the work have made billers cognizant that a patient’s financial experience of the health system is just as much a part of people’s health care experience as their interaction with doctors and nurses and labs and clinics.

As Sarah and her employees were thinking about ways to reduce errors that caused rejections of insurance claims, someone suggested that they visit the clinics where the charges were entered into the computer and see why staff in the clinics were making mistakes. Sarah supported the idea, and began the introduction of quarterly “clinic visits,” in which the billers who provide services for a particular clinic within the health system get together baskets of goodies and go meet the staff of the clinics for which they provide services. This practice is an extension of Sarah’s leadership practice of teaching and creating meaning, as it involves billers in learning about their role in the larger organizational network. The practice importantly involves bringing gifts and coming to seek information, which is crucial in making it a

non-threatening and friendly “visit” rather than a tense interaction. One physician, who has now taken an avid interest in his reimbursement rate as a consequence of these clinic visits, commented to the billers who visit his clinic that he’d never met a hospital biller before. By extending Sarah’s leadership practice of creating meaning, the billing department has created an innovation that exists nowhere else in the organization.

Clinic visits have become an important part of the unit’s success. Because they show up with smiles and baskets of seasonal gifts or candy or homemade goodies, the billers aren’t an imposition on the clinic staff, but rather a help to them. Many of the clinic staff actually look forward to the visits now and the billers and clinic staff have become acquainted, making it easier for the billers to call and get their questions answered. Further, staff in clinics understand more clearly the need for various charge entry requirements, and they can see that their errors have meaning and impact on the work of other people like themselves. These visits have changed over time, as billers have become aware of changes in the staffing of clinics that might affect the level of errors or the timeliness of charge entry. For instance, if an administrative staff member is going out on maternity leave or is absent for an extended period, the billers now make arrangements to meet with the temporary replacement workers and do some training, helping to reduce the errors and delay caused by absences and turnover. Thus, the leadership practice of teaching and creating meaning that is anchored by Sarah has spread to not only her employees, but the employees of other clinics as well.

This novel arrangement is part of what accounts for the extraordinary performance of the unit. Of her adoption of this idea, Sarah says, “Employees who are constantly learning are invaluable assets. Tap into their creativity and ideas. They have many.” In this view, the work of a leader isn’t to sweep an error under the rug, but rather to establish a practice of teaching and learning that creates meaning in people’s work. Errors become opportunities to learn. Creative ideas become opportunities to connect to the work of the organization. Leadership practices that create meaning are vibrant; they shine through into the practices of the group as they teach one another, learn, and interact with patients and clinic staff. As a result of this practice of meaning making in the wake of opportunities and mistakes, the group becomes better at solving problems, capitalizing on opportunities,

and putting valuable ideas to use in service of the organization's goals.

### **Dressing up Lucy: leadership and practices of play**

Levity and laughter are important pieces of a great workday! Make sure to include them so that all can enjoy. Fun does equal productivity.

I'm standing outside of Jan's cubicle, talking with her about her duties as a pod leader, when I notice a small ceramic goose sitting on the filing cabinet just outside her door. The goose is wearing a mini T-shirt that is embroidered with the hospital logo and a mini headset like those the billers wear when they are covering the phone lines. I ask Jan about the goose, and she says in surprise, "Oh, you haven't met Lucy?" I reply that I haven't, and Jan stands up from her chair to introduce me to Lucy the goose, mascot of Physician Billing. It turns out that Lucy is technically Jan's goose but she has been adopted by the rest of the unit. Everybody has contributed to Lucy's setup. As Jan explained to me, one of the billers' pet peeves is that no one's cardkey picture identification actually looks like the person; as a result, Lucy has a true identification badge around her tiny neck, complete with a picture of a dog. Lucy wears a headset and a company T-shirt, and she has a tiny in-box with actual claims resting in it. She has a set of billing manuals on her small bookshelf, a tiny trashcan, and a bulletin board with a picture of the billing unit on it. She has a mini computer, a lottery ticket, and a picture of her goose family on her wall – everything a biller goose would need. She even has a plaque for donating to the United Way fundraising campaign. As Jan was introducing me to Lucy, Marge stopped by and said, "Oh, she gave to United Way? Good going, Lucy! I'm proud of you!" Then, with a twinkle in her eye aimed at Jan, Marge added, "Oh, God, she's really gained weight. Again." We start to laugh, which urges Marge on: "Her in-box is looking a little full. Isn't she working her rejections lately?" And with that, she saunters off, leaving us howling with laughter in the middle of the office.

It would be easy to see Lucy as a diversion or a joke. But it is also possible to see in Lucy a microcosm of the world of Physician Billing. Lucy struggles to get by, buys lottery tickets in hopes of striking it rich, values her family, and keeps pictures of her work colleagues on

her walls. She works, gains weight, and donates money to share with others in need. Lucy dresses up for Halloween, and has a beautiful set of cubicle decorations that change with the seasons like the cubicles around her. Lucy embodies a playfulness that is characteristic of the billing department as a whole. And as is so often the case, Sarah's leadership practices are part of the genesis of this playfulness.

As a leader, Sarah encourages playfulness, humor, and fun at work. If Sarah has a sense that tension is building, she takes out a large water gun that she keeps in her cabinet and starts a water fight in the aiseways of the unit. Every member of the billing department keeps a small water gun in her desk drawer, ready if Sarah or another co-worker decides to suddenly lighten the mood. Sometimes a biller is in the middle of work that just can't be interrupted by playtime, however, so each member also keeps an umbrella in her cubicle corner. If the umbrella is up, that person is out of the game.

Sarah supports fun and play at work because they are part of what develops high productivity. "Levity and laughter are important pieces of a great work day!" Sarah admonishes. "Fun does equal productivity." Sarah swears by playfulness as her secret to success in keeping her unit's performance numbers high.

On one of my return visits to the billing department after my initial study, I arrived during the downtown Jackson Scarecrow Festival. Organizations and groups from across the city had created scarecrows that lined the downtown sidewalks, and proceeds from the scarecrow competition were donated to charity. When I arrived at the unit, several people asked me if I'd seen Joe. As the billing department, at the time of my study, employed 30 women and no men, I was intrigued. "No, no, no," they laughed, "Joe the scarecrow!" Off I went, in search of Joe, finding him just a few steps down Main Street.

The basic structure of the scarecrow was made from burlap, straw, and wood; beyond that the unit participated in creating all of Joe's accessories. Because of the strong college football rivalry in the office, Joe turned out to have one blue and gold half (University of Michigan colors) and one green and white half (Michigan State University colors). Joe wore a half blue, half green sweatshirt, made by a member of the unit who cut two sweatshirts apart and sewed the halves back together. He had one blue button eye and one green button eye; a ski cap that was half blue with a University of Michigan logo and half green with a Michigan State logo. He proudly displayed an employee badge that

read “Joe Scarecrow,” and identified him as a member of the billing department. What was most extraordinary to me, though, was that each person in the unit had participated in some way in creating Joe, who stood on the street as a testament to the playfulness of the group and the fruit of Sarah’s leadership practices of play.

Events such as creating Joe the Scarecrow, dressing up Lucy, having water gun fights, or potlucks keep people involved in their workplace. In Sarah’s world of redundant work, these practices of play are the activities that bring people back day after day, excited to be there. In a world of low wage and low status jobs, practices of play keep people entertained and invested in the success of the group. Joe and Lucy are the symbolic products of a set of practices that nurture play as a means of high performance and low turnover. Amid a system with double-digit turnover, the billing unit experiences an ongoing average turnover rate of approximately 2%. Practices of play are a means of motivation, and the practice of playing provides threads that weave the fabric of this highly successful work unit. Playing together keeps the unit working together.

### **Lessons from Sarah: values-based leadership in practice**

Organizational researchers use the term “practices” to refer to patterned, recurrent, situated activities engaged in by members of a human community (Orlikowski, 2002). Practices involve the repeated “ways of doing” in organizations that help to accomplish work, link people in complex ways, build resources, and make a system function over time (Orlikowski, 2002). By conceptualizing leadership as located in the practices of a community or work unit, we see a leader’s job somewhat differently than we might from a command and control or even a situational leadership perspective (e.g. O’Toole, 1996; Gardner, 1999). In this view, a leader is someone who embodies, creates, and supports repeated ways of doing that put organizational values into action in everyday work (Spillane, Halverson, and Diamond, 2004).

Sarah’s leadership lessons encompass seven broad practices. The first of these we call identity practices, showing ways that Sarah uses her own identity, her background knowledge and experience, and her reading of others’ core identities in order to accomplish the everyday work of the unit. Sarah’s early experience in nursing school provided a powerful lesson about the importance of respectful interaction and seeing

situations from multiple points of view. Sarah uses this identity in her daily work as a leader.

The second set of leadership practices we call practices of engagement, because they are ways of doing that reinforce involvement with the goals, successes, or failures of the group. Sarah works daily to reinforce people's engagement in helping one another get the critical work of the unit done. She models engagement, talks engagement, and shares performance information related to her expectations for the unit. Further, she doesn't tolerate employees who will not become engaged. As she says in her second leadership lesson: "Don't let the slackers slack. Motivate them to improve or encourage them to move on."

The third set of leadership practices we call practices of participation, because they are ways of doing leadership and doing work that get everyone involved in making important decisions and thinking about possible changes. One visible and innovative aspect of Sarah's leadership is her hiring practice, which involves everyone in the unit in selecting their co-workers. Leadership that builds practices of participation is built upon the prior practices of identity and engagement, because participation requires people who are engaged in the work of the group and who are drawing from their authentic identity in order to participate fully. Leaders who foster practices of participation build an inclusive group of people who are inclined to contribute.

The fourth set of leadership practices we call practices of humanity, because they are ways of providing leadership that acknowledges the unique needs, wants, dreams, and foibles of each human being in the organization. Sarah creates leadership practices that acknowledge the uniqueness of each person, expressed in small ways, such as birthday gifts, and in large ways, such as treating each person on her team the way she would expect to be treated. Sarah's leadership practices help people recognize that when the levels of hierarchy are removed, each person is a human being with both aspirations and failings. Treating each person with human dignity is a leadership practice that builds an organization rich in respect and loyalty along with material success.

The fifth set of leadership practices we call practices of life, because they are ways of leading that emphasize the permeable boundary between life and work. Sarah leads her organization in such a way that her employees recognize that life and work are separate domains and that each is important. Sarah emphasizes that work should not

overtake her employees' lives, especially as she is cognizant of the difficult and often turbulent lives of many of her employees. Sarah also leads in such a way that people understand that their lives outside of work should not overtake their ability to engage and participate in their work. The performance demands in her unit are unequivocally high. And yet, Sarah's fifth leadership lesson emphasizes that there are influences in employees' lives that impact their ability to perform their work. The only way to build an organization in which people can identify with the group, engage with its goals, and participate in a high quality manner is to recognize that compassion for employees' life situations is an integral part of a leader's work.

The sixth set of leadership practices we call practices of meaning, because they are ways in which a leader establishes links between employees' everyday activity and the overall mission of the organization. Sarah is masterful in her ability to show her employees that their mistakes matter for the experiences of real patients. Sarah emphasizes to her employees that their ability to learn can improve the experiences of patients who deal with the health system. While the billers know that they are not providing direct patient care, they also know that they are advocating for patients. Sarah emphasizes the practice of creating meaning by admonishing leaders to "teach, teach, and then teach some more." Employees who are continually learning and seeing ways in which their work has meaning are likely to reinforce other valued-based leadership practices such as being more strongly identified with their organizations, engaged in the group's work, fully able to participate in making decisions, and respectful of others in the workplace who are treated with human dignity and compassion.

The final set of leadership practices we call practices of play, because they emphasize the role of fun in high performance work. While easy to overlook as trivial or irrelevant, practices of play are the secrets to Sarah's success in managing her unit to perform to such a high level. Sarah constantly reinforces the idea that "laughter and levity are important pieces of a great work day." She starts water gun fights. She suggests people take breaks when they need them. She organizes potlucks. She is a proponent of cubicle decorating contests. Especially in work units like Sarah's, where little promotional pay or additional benefits are available as rewards, fun is a key piece of maintaining work motivation and keeping people fresh. Sarah insists that "fun does equal productivity," and her results bear her out.

## Conclusion

Benjamin Zander, conductor of the Boston Philharmonic Orchestra, tells a story about a revelation that came to him late in his career: “After 20 years of conducting,” he says, “I discovered that I am the only member of the orchestra who doesn’t make a sound” (Zander and Zander, 2000). In that statement, Zander captures the essence of our key assertion in this chapter – that leadership, and perhaps values-based leadership in particular (O’Toole, 1996) – is located in the practices of a workplace, not simply in a person. Values-based leadership depends on creating practices – repeated ways of doing everyday work – that are in line with the values the organization strives to maintain. Sarah’s leadership practices have helped her unit to achieve remarkable results, and have also built a community where people grow and thrive. Without formal leadership training, and without the benefits of a high-status, high-paid workforce, Sarah has accomplished remarkable things. Her style of leadership is to be differentiated from much writing on the subject to date, because it is a style of leadership that is embodied in daily actions and interactions. It is a leadership style built on a foundation of authentic identity – both her own and those of her employees. And it is a notion of leadership that draws on people’s capacity for engagement in their work, for participation in their work environment, for making meaning of their work purpose, for human dignity and compassion, and for playful motivation. Sarah’s leadership lessons help scholars and practitioners alike to see how the daily, repeated ways of doing that take place in a human community truly put values to work.

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