

The Dominant Influence of Social Context on CEO Learning in Health Care: A Challenge to Traditional Management Continuing Education and Development

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Background: Challenges and Insights to CEO Learning

Effective CEOs are critical to the success of their organizations, and correspondingly, to the future of the health care industry. Substantial effort and resources are committed to preparing future leaders in health care and much research and discussion has been devoted to determining the best way to develop this next generation of leaders. Numerous organizations, both universities and health care companies, have identified a wide array of activities, both classroom focused and experiential, such as short term executive development and mentoring programs that are effective avenues for professional development. Recent recognition of the leadership gap by major health care systems, professional associations, and universities has stimulated a wide range of activities to address this pressing issue. In recent months, foundations, professional trade associations and universities have launched efforts to reinvigorate professional development for executive leaders.

Dolan (1993) notes “the need to maintain professional competence has never been greater” then goes on to note “as health care executives move up the career ladder, their commitment to maintain their professional competency often wanes.” This is alarming news, for it suggests that, as individuals move to the top of their profession, they are less likely to continue to develop and grow their skills and knowledge bases. In essence, those most responsible for the future of the profession are the ones least likely to seek out opportunities to learn new things.

There is only a limited understanding about the learning activities of health care professionals once they leave graduate school. Recent research has focused on identifying the best way to support and “grow” the next generation of leaders, and many health care organizations employ experts to ensure that this development occurs. However, most of these activities are focused on middle level or “high potential” candidates. They provide little understanding of learning needs and preferences for the most senior members of the team. Although many health care organizations have developed leadership programs, identifying the most effective and efficient methods of sustaining the current leaders is elusive.

CEO learning should be of particular interest. In the highly charged and competitive field of health care, for example, CEOs are responsible for multi-million dollar budgets in enterprises where success is critical at local, regional and national levels. But formal training and education programs are not appropriate for CEOs—their circumstances and needs are simply too specialized to be adequately addressed by a structured program of learning. CEOs unique pressures and highly public status in performance driven environments determine what and how a CEO will learn. However, little is known about their learning preferences and circumstances where learning occurs.

Leaders and Their Learning

Before achieving “CEOdom,” health care executives are involved in many learning opportunities. Beginning with the MHA, MBA or other formal degrees, executives learn the basic skills and capacities of their trades. These experiences focused on attaining basic skills and technical knowledge, generally, in a conceptual manner. However, there is substantial evidence that professionals’ learning occurs largely through engaging in the work itself (Schon 1989), and what is learned is dependent on the situation individuals encounter. Thus, while classroom knowledge may be the beginning point for professional practice, the ability of leaders to continue to progress in their profession will be determined by their experiences and interactions with others (Lave and Wenger 1991).

All learning from experience creates problems for CEOs. First, whether and how much a CEO learns is highly variable and depends on the ability to learn from experience. Second, this learning is usually retroactive; the most valuable lessons are learned right after the CEO has made a large, very public, mistake. Experts often cite these mistakes as the “best” learning, touting the advantages of allowing individuals to learn from their mistakes. However, the stakes are too high, and the position too visible for CEOs to learn too many of their most important lessons through mistakes.

Top executives learn from each other how each other work in different circumstances. This knowledge is non codified “tacit” in nature drawn from actual experiences. Networking and mentoring, both inside and outside the company are valuable mechanisms for improving professional acumen. Yet the role of CEO severely limits the value of these experiences. The CEO’s need for confidentiality may influence the range of available learning sources. Thus, the CEO is left with an interesting paradox: CEO job conditions and constant pressure mean that learning is a vital necessity, and finding a suitable mechanism for learning is critical. Yet, the best conditions for learning are the ones that are often least available.

In spite of the challenges, many CEOs in health care management learn important lessons from each other. This is often done in small groups. Some of these groups are ad hoc, while others meet regularly. The Aspen Institute, American College of Health Care Executives, The CEO Circle, Healthcare Research and Development, Inc., American Management Association, among many other professional and commercial organizations, provide opportunities for CEOs to come together and discuss the challenges and dilemmas of their jobs. What is apparent, anecdotally, is that health care CEOs attend and value opportunities to come together informally in so called “exclusive CEO learning group” situations. These groups are characterized primarily by their selectivity. While some are more open than others, admission to the most prestigious are always by invitation. While some may include CEOs from different industries in the same group, more often, the groups are industry focused. The health care industry has a number of these groups, some sponsored by professional associations, proprietary organizations, and independent CEO initiated entities.

However, little is understood about these groups. This presents two challenges: first, although they appear to be powerful mechanisms for CEO learning, we do not have a good understanding of how they function; and second, without this understanding it is difficult to know how to develop the next generation of CEOs. Thus, the critical question is” how do exclusive learning groups help CEOs achieve mastery in a highly complex, constantly changing environment?

Research Methodology

We undertook a two-part research effort to determine why CEO exclusive learning groups are so effective. First, to obtain a basic understanding of CEO learning activities, a survey of 70 CEOs in health care related organizations that included integrated health systems, hospitals, and health insurance companies was conducted in late 1999 and early 2000 via the Internet, fax, and telephone. While one survey instrument was utilized, CEOs were given three ways to respond to the same set of questions. This provided flexibility for return which has been determined to be appropriate when doing research with exclusive groups (Seidman 1998). There were five survey questions, focused on CEOs’ learning proclivities: what they wanted to learn about, their preferred learning venues, and whether they believed there was any value in learning in group settings. The specific questions posed to each CEO survey were:

- (1) What was the most important learning event (conference meeting, seminar, etc.) you attended in the past 12 months?
- (2) How can you justify your choice?
- (3) What circumstances and environments are attractive for the purpose of your learning?
- (4) Do you participate in exclusive CEO learning groups? Why or why not?
- (5) What do you gain from participation in these groups?

These findings led to part two of the research—interviews. In-depth interviews were conducted with a much smaller group of CEOs (only eight were included) by using a purposeful or criterion-based selection (Patton 1990) sample. The rationale was to select CEOs that could provide information to form rich case material to understand more deeply the CEO experience in exclusive groups. Using the information obtained in the survey portion of the study, the questions focused on obtaining detailed information about why CEOs participate in exclusive learning groups, the perceived benefits of the groups, and the reasons why some organizing structures are more effective than others as learning opportunities.

Each CEO was interviewed three times. The interviews lasted two to three hours. A semi-structured approach was used to elicit their opinions, values, preferences, around their own motivations and expectations for learning. Specific questions also focused on group learning experiences, and their perceived value to the CEOs and to their organizations.

In addition to the planned interviews, a number of follow-up conversations took place to clarify the researcher's notes, validate patterns to expand on an idea, and to add context to the comments. Once all of the interview data had been analyzed and compiled into key findings, these were shared with the CEOs. Each was asked to respond to the findings, focusing particularly on whether the researcher had correctly captured the intent of the CEOs' comments. CEOs interviewed provided additional feedback to modify and embellish their responses. Most importantly, they validated earlier remarks and emphasized the importance of learning with and among each other in group settings.

Finally, the researcher collected observational data during multiple sessions of two CEO learning groups. In these sessions, the researcher, acting in the role of participant-observer, was able to gather data over a period of 10 days. As a participant, the researcher was able to participate in all of the events that occurred during all of the sessions. He engaged CEOs in informal conversations around the experience of the "exclusive" learning groups, and observed the sessions where the CEOs discussed the issues they were dealing with in their organizations. This modified phenomenological research study revolved around the unit of analysis (the CEO within the exclusive learning group) and the overall learning experience of each CEO.

The study utilized three different sources—background documentation and material, group observation, and individual interviews. These all helped the researchers gain a deeper understanding of CEOs perceived value of and experiences from exclusive group participation. The study results provided a comprehensive, collective description of the meaning and purpose of each CEO's learning experience

Findings

The data provide a comprehensive picture of the learning needs of health care CEOs. More important, the findings provide some insight into how to provide effective learning venues for this elite group. The research determined that, not only do CEOs use these exclusive learning group sessions as social learning vehicles, they also serve as mechanisms to establish relationships among other executives across the CEOs' organizations that create secondary level executive networks, and development opportunities for others in the CEOs own organization. In fact, these meetings were seen

as so effective as learning vehicles that they were considered by the CEOs as providing a competitive advantage, and participants would not join any group with a CEO competitor from their market region.

The results indicate that exclusive learning groups provide a safe confidential environment where CEOs can experiment and try out new ideas or seek information and obtain support and build relationships. Because of their unique positions, CEOs are unlikely to engage in these techniques at their own organizations, and, in fact, see the exclusive learning groups as a “protected” environment where they have a place to discuss ideas within the context of trying to attain and sustain competence in an increasingly competitive field.

The data also revealed that exclusive learning groups may be the only places where CEOs describe feeling comfortable thinking out loud and openly discussing their successful, but especially their unsuccessful experiences. Their perception is that they are able to brainstorm, talk through difficult topics and just be wrong without having to worry about the consequences or the impact on their organizations. As one CEO noted: “(it’s a) good sounding board for validation and non-threatening curb-side consultations.” Another one said: “It is the only place to discuss and test concepts effecting my relationship with the Board.”

These exclusive group settings often become networks for CEOs to conduct career-strengthening activities and to obtain support during difficult times. One CEO talked about how the experience of participation had helped him through a very difficult job transition. Others described how participation in the groups provided colleagues early in their careers—friends who lasted for their entire professional careers. A key component of the groups appears to be the need to have consistent composition, primarily because the constancy of participants provides a stable set of relationships that the CEOs come to trust. It appears that these exclusive learning groups provide a specific environment where this networking occurs naturally because the learning group provides a distinctive and valued opportunity to connect with others.

A particularly intriguing finding was the value that CEOs placed on having an opportunity to tell stories. Executive vignettes are stories of valuable experiences vividly passed on to other executives as they reflect on both strong and weak past practices (Lombardo 1986). These vignettes articulated the experiences that CEOs and their organizations didn’t record about critical moments in strategic development or decision making that were vital to its successes and failures. These events may go unexamined unless the CEO is able to discuss them openly with others who have had similar experiences, and the exclusive learning groups provided a venue for their review. While some were discussed as part of a structured program, more often, these experiences were passed on during relaxing moments during the weekend events offered as part of the exclusive learning groups.

The exclusive learning groups clearly provided the CEOs with opportunities to continue learning. “Sometimes when people become CEOs they are so busy overseeing everything they stop learning” said one CEO. Another felt “the real learning CEOs need is about themselves and the participation in groups helps because it provides objective feedback and a way to measure yourself.” For CEOs of small and rural health care facilities, the learning groups provided a mechanism for them to stay connected to diverse opinions, styles and management philosophies. Some of the learning was less tangible.

CEOs spoke of using the groups as a mechanism to privately self-assess their skills by comparing themselves to other participants.

Although some of the learning groups included formal presentations and sessions, opportunities for informal interaction are seen as key elements for the learning to occur. One CEO characterized the most successful sessions as those where: “it is a chance ...to be stimulated by sharing and testing ideas, getting candid feedback, gaining insight and framing introspection.” Other data strongly suggested exclusive learning groups enabled CEOs to conduct indirect and discrete ways of obtaining benchmarks and self-measurement for both the CEOs and their organizations.

In particular, the ability to leave your ego at the door and relate to other CEOs participating was important to the learning environment. Some CEOs expressed a preference for smaller groups that enabled faster bonding, trusting and network building. Regardless of the preferred size of the group, a dominant theme was that informality and interaction was considered more important than structured learning and formal presentations. The learning conditions were seen as important because the lack of structure make it possible for unplanned, unanticipated, spontaneous and unintentional learning. One CEO characterized this situation as: “It is a chance I have to be stimulated by sharing and testing ideas, getting candid feedback, gaining insights and framing introspection.” “It is also a rare block of time to gain quality time with the peers you respect and admire because of their achievements.”

Exclusive learning groups also provide an overall benefit as a tremendous support structure, source of instant realistic information and offer easy regular access to an elite group of professionals driven by similar yet unique circumstances. They are seen as providing a competitive advantage by providing opportunities to see what others in similar circumstances are doing. In essence, these groups offer opportunities for discrete self-evaluation and benchmarking to improve and refine individual performance.

Participation in the exclusive group environment was described by CEOs in the study as important because they viewed these venues as places where they expected to access knowledge, experience, and learning not available in other professional development settings. Most CEOs in the study described these meetings as “the most important learning event” they planned for and looked forward to each year. The exclusive learning group environment is attractive to CEOs because they can obtain tacit knowledge, practice exchange, gain personal and professional informal experiential and incidental learning, and participate in elite social interaction. In the most effective groups, there is a mix of experience and always a willingness to learn from each other.

As part of our analysis, we categorized the data into themes associated with the fundamental attraction of exclusive learning groups for CEOs. These themes, labeled sociological, environmental, organizational, and professional purposes, emerged from the CEOs descriptions of their most effective learning groups.

Exclusive Learning Group Attractions

Sociological	Environmental
<ul style="list-style-type: none"> - Networking opportunities - Access to best thinkers - Identification with elite peers - Interaction with star leaders 	<ul style="list-style-type: none"> - Relaxing educational escapes - Idea for mini vacations combining intellectual exchange and recreation - Meeting content and facilitation
Organizational	Professional
<ul style="list-style-type: none"> - Efficient use of time - Comprehensive inventory of ideas - Time for quality face to face - Proper frequency of meetings 	<ul style="list-style-type: none"> - Exposure to cutting edge ideas - Candid interaction about real world issues - Practical management lessons - Instantaneous and spontaneous feedback - Chance to learn discretely what you don't know - Chance to compare performance

Health Care CEO Perspectives on Executive Learning Group Attractions

The health care CEOs in our research were clear in their reasons why they participate in elite learning groups. Most believed exclusive learning groups were valuable to CEOs because they help to validate knowledge and allow them to learn from others. The participants in exclusive groups are uniquely able to understand the CEO job experiences, build trust and respect, and provide a confidential and productive way to break psychological isolation. The groups are also seen as a tremendous support structure and source of information, and offer easy access to an ongoing interaction with a select group driven by similar, yet unique circumstances.

Exclusive learning groups are also highly valuable for practical learning, confidence building, observation and reflecting on performance, expanding strategic thinking and generating novel ideas. This combination of observation, validation, contribution and reflection offers the best access to inside lessons available to CEOs.

Other emerging themes strongly suggested exclusive learning groups enabled CEOs to conduct indirect and discrete ways of obtaining benchmarks and self-measurement for both the CEOs and their organizations. Group membership was also an important priority in terms of comparable experience, organization size and type and potential competitive threat. In particular, the ability to leave your ego at the door and relate to other CEOs participating was important. In some cases, preferences were expressed for smaller groups that enabled faster bonding, trusting and network building. A dominant theme was that informality and interaction was considered more important than structured learning and formal presentations. The learning conditions were seen as added benefits because of their unplanned, unanticipated nature that enables spontaneous and unintentional learning. One CEO characterized this situation as: "It is a chance I have to be stimulated by sharing and testing ideas, getting candid feedback, gaining insights and framing introspection." "It is also a rare block of time to gain quality time

with the peers you respect and admire because of their achievements.” Exclusive learning groups also provide an overall benefit as a tremendous support structure, source of instant realistic information and offer easy regular access to an elite group of professionals driven by similar yet unique circumstances. In essence, these groups offer opportunities for discrete self-evaluation and benchmarking to improve and refine individual performance.

Sharing past experiences, perceptions and personally developed concepts is often a basic method of learning for leaders and CEOs (Moxley and Wilson 1998; Jarworski, 1996; Vail, 1996). These methods of learning are greatly limited by the job context of CEOs but are more easily transacted in an exclusive learning group environment.

The value of well-organized exclusive learning groups is they offer comfort and safety for elite professionals who are often on guard and protective of their responsibilities and duties. For many health care CEOs, reaching the highest level of the organization can often produce blind spots that lead to intellectual and psychological isolation. Exclusive learning groups enable CEOs to remove blind spots and eliminate isolation that is detrimental to their performance. These groups also represent safe harbors in turbulent times and offer high-level confidentiality concerning problem solving, insights, and vulnerabilities. The ultimate value of the exclusive learning group is an environment that enables informal and incidental learning. These are the fundamental elements that attract CEOs to these settings.

Conclusions and Recommendations

Relating these experiences from one professional to another is a form of sense making which is defined as a social process (Weick 1996). Research has confirmed that human thinking and social function are essential aspects of one another (Resnick, Levine, and Teasley 1991), and exclusive learning groups are important for CEOs learning because cognition and socialization are mutually reinforcing. Thus, they provide CEOs with an opportunity to learn, even as they are supporting their colleagues. Exclusive learning groups have the capacity to capture non codified knowledge derived from experience and action in executing decisions.

CEOs in exclusive learning groups can serve as learning models and sources of reinforcement and support for other CEOs. Relationships are very important to CEOs since most of their time is spent in contact with people (Sayles 1979). Scholars (Van Maanen and Schein 1979) have long emphasized and identified socialization as a critical process by which individuals internalize the norms and values of the groups they aspire to join. Exclusive learning groups foster social relationships that facilitate learning between CEOs, primarily through the social learning that occurs in these forums.

CEO learning groups are also communities of learning noted as essential forums, practice and where meaning, culture and identity are formed and reinforced (Wenger 1998). Many CEO learning group attractions and benefits (informal, incidental and situational learning opportunities) are discussed in the literature discourse on situated learning (Lave and Wenger 1991) and are linked to communities of practice. CEO exclusive learning groups reflect communities of practice that can exist outside their organization. Researches have described these gatherings as informally bonded and comprised of professionals with shared expertise, pursuing knowledge to improve

practice (Wenger and Synder 2000). Frequently, these groups are observed as organic, spontaneous, informal and cannot be mandated or regulated, but must be cultivated and supported with appropriate infrastructure. More commonly these groups are formed in response to external threats to an industry or profession. They have the benefit of solving problems quickly, transferring best practices and developing professional skills. Respondents in our research indicate informal and incidental learning (Marsick and Watkins 1992) have ample opportunity to occur in CEO exclusive groups that enable social learning because the nature of this learning is unstructured and controlled primarily by the learner. The CEOs in our study expressed a strong desire to seek out situations where informal and incidental learning could take place. Because the objective is not formal credit or certification, this learning is heavily imbedded in interaction, observations, reflection and brainstorming. These descriptions are consistent with other scholarly theories (Argyris and Schon 1978; Dewey 1938; Marsick and Watkins 1997) who found that individuals learn from interaction with their environment and the idea that these processes are not straight forward nor prescriptive but involve constant give and take method.

CEO learning groups provide a different environment, structure primarily by the participants, provides direct access to practical experience and a unique meaning and experience of management development. They are attractive because they produce an environment of trust, confidentiality and safety.

Zemke (1985) suggests the bulk of management learning in organizations is done outside of formal training and development programs. These experiences reinforce the reality that knowledge is shaped and influenced by the context in which it is communicated or observed. Research in management learning has concluded that the majority of management expertise comes from informal uncontrived processes (Burgoyne and Stuart 1976). CEOs' learning experiences in the elite learning group support these conclusions. Our survey findings of health care CEOs indicate that exclusive learning groups offer attractive benefits, such as safe harbor, confidentiality, and efficient access to a distinguished group of colleagues (Chapman and Confessore 2000).

The message in these concepts is that learning context is powerful and as scholars have pointed out the individual's perception of the environment gives meaning to experience. (Mocker and Spear 1982).

It is apparent from this research that health care CEOs learn outside of and beyond formal structures, but they welcome the framework of a group environment. They seek out these opportunities to learn in informal venues, and, in fact, rely on them to support their continued professional growth.

Recommendations for Educators and Executive Developers

Gaining a deeper understanding of the influence of social context on CEO learning in health care will require more research. Studies with larger samples should be conducted in health care and other industries to determine generalizability of our findings. Additional methods of learning for elite occupational groups should be identified and studied to understand patterns of other learning experiences within and outside health care. Studies should also be conducted to examine transferability of tacit

knowledge from CEO to CEO and CEO to their organizations. Also, studies should be performed to investigate the value of learning in exclusive groups and how it influences performance improvement of an organization. Providers of management education and development should review their programs and approaches to attracting CEOs to determine their consistency with motivations, preferences and expectations.

CEOs expressed in our studies that strong consideration should also be given to the CEO learning type as informal learners willing to relinquish control over what is learned (the objective) for control over how it is learned (the process) in planning future programs.

Our summation is that exclusive learning groups are special cultures that allow CEOs to learn outside the performance spotlight of superiors and subordinates in relaxed social, comfortable conditions. Exclusive learning groups are a way to explore the constancy of change and what the impact may be on organizations CEOs manage in real time.

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