



COMMUNITY COLLEGE LEAGUE
OF CALIFORNIA

FIRST BIENNIAL LEAGUE REPORT ON
CALIFORNIA COMMUNITY COLLEGE
CHIEF EXECUTIVE OFFICER(CEO)
TENURE AND RETENTION
Executive Summary

BACKGROUND

In Spring 1995, the California Community College Trustees (CCCT) board of the California Community College League (CCLC) held a mini-retreat to discuss the turnover of chancellors, superintendent/presidents, and presidents of the California community colleges. As a result of that retreat, the CCCT board initiated several activities, including a staff study to determine the extent of the turnover problem and its possible consequences, with a goal to improve the recruitment and retention of effective CEOs at all levels.

METHODOLOGY

League staff gathered initial information on the CEOs from the founding of each college to 1984 by using information compiled in a directory by a former CEOCCC board president in that year. A survey form was sent to each college and district CEO asking her/him to provide updated information to 1996. Then the directory data and the new data were entered into the computer, printed out, and a copy of the printout was sent to every CEO to verify its accuracy. These data were analyzed to determine the number of CEOs leaving their positions annually as well as the length of tenure of CEOs over the 20-year span.

The CEO names were provided to a group of five current or former community college CEOs who were asked to record the reasons for each departure (e.g., retired; contract not renewed; or left to take another position, either in or out of state) and these were analyzed.

The League collected data for all CEOs (chancellors, superintendent/presidents, and presidents), but most of the data presented in this report provides information only on the 71 CEOs (chancellors and superintendent/presidents) who report to a local board of trustees. Basic tables are included in this report on the 58 presidents in multi-college districts; further discussion of these data will be provided at a later date.

FINDINGS

In order to gain perspective on CEO tenure, a number of measurements were used. They include:

Annual Turnover Rate (California vs. National Average) - *The annual turnover rate for California community college CEOs for the years 1984-85 to 1991-92 was 13percent; for those same years, the national community college CEO turnover rate was 12 percent.*

When the numbers of CEOs leaving per year are averaged by five-year blocks, they average 8.8 (12.4 percent) for 1976-80; 9.4 (13.2 percent) for 1981-85; 8.4 (11.8 percent) for 1986-90; and 10.4 (14.6 percent) for 1991-95; with an overall average of 13 percent. National data (Association of Governing

Boards, 1992) found that, from academic year 1984-85 to 1991-92, there was little change in the annual turnover rate, with 12 percent of community college CEOs leaving their jobs each year. (In those same years—1984-85 to 1991-92-- the turnover rate in California was 13 percent.)

Length of Service¹ (California vs. National)—*There is a statistically significant difference in the length of tenure of California community college CEOs and those in both the nationwide Vaughan and American Council on Education studies (4.4 years vs. 7.5 and 7.8, respectively.)*

Length of Service (Comparison of Five-Year Means)—*The data show that when the five-year means were compared, there was a significant difference between the pre- and post-1980 means, indicating that post-1980 factors are responsible for the drop in length of tenure.*

The data show that the length of service is dropping slightly over the 20-year period, with a mean length of service of 6.4 years for 1976-80; 5.5 years for 1981-85; 5.3 years for 1986-90; 5.0 years for 1991-95; and a twenty-year mean of 5.5 years. The analysis indicates that there is a significant difference between the pre- and post-1980 means, indicating that there are likely to be post-1980 factors which are responsible for the drop in length of tenure.

Leaving due to Death or Retirement vs. Leaving due to Non-Renewal of Contract— *Slightly fewer CEOs are leaving due to death or retirement while slightly more are leaving due to non-renewal of a contract.*

The data for leaving one's position due to death or retirement show a slight downward slope toward more recent years, indicating that fewer CEOs in recent years are dying or retiring in office, but not at a statistically significant level. The data for leaving a CEO position due to non-renewal of a contract or leaving "under fire" shows a slight upward slope toward more recent years, indicating that somewhat more CEOs leave due to non-renewal of their contract or under fire in recent years; however, this increase is not statistically significant.

Data on CEOs in Place for Ten Years or More (California vs. National Data)—*In the year 1986 (the last year for which equivalent data are available), twenty percent of both California and national CEOs had held their positions for ten years or more.*

The data indicate that, in 1977, the number of California community college CEOs who had held their positions for ten or more years was 20 (28 percent) of the CEOs; that number and percentage dropped to 13 (18 percent) in 1987, and to nine (12.7 percent) in 1997. (This compares with a national average for community college presidents serving ten years or more of 40 percent in 1926, down to 20 percent by 1986. The comparable California data reveal that 19.7 percent of community college CEOs had been in their positions for ten years or more in 1986.)

CEOs Leaving California vs. Coming into California—*Over the past ten years, 24 CEOs have come into California from out of state, while thirteen have left the state.*

There are not more CEOs who leave the state than come in to it from out of state.

Numbers of CEOs Over 20 Years—*Data indicated that 15 California districts had five or more CEOs over 20 years, while 34 districts hired only two or three CEOs during the same time period.*

The distribution of CEO turnovers by district from 1977 to 1997 is as follows:

- Nine districts hired two CEOs

¹ "Length of service" means the number of years a CEO has been in his/her current position as of a given year. (The terms "length of service," "length of tenure" and "term length" are synonymous in this report.)

- 25 districts hired three CEOs
- 22 districts hired four CEOs
- 11 districts hired five CEOs
- Four districts hired six CEOs

Perceptions of Search Consultants—*Nationally recognized search consultants indicated:*

- California CEO pools tend to be slightly smaller than national CEO pools, but the quality is equally high; consequently, boards should concentrate on quality rather than quantity.
- Fewer CEOs applied from out of state for a few years due to the California recession, but this trend is reversing itself; and
- Potential out-of-state candidates are concerned about in-state candidate favoritism from within California, which can lead some potential candidates to avoid applying for particular positions.



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Rita M. Mize, Ph.D.

INTRODUCTION AND BACKGROUND

In Spring 1995, as the chancellor positions at San Francisco, Los Angeles, Chabot-Las Positas, Contra Costa, Los Rios and Foothill-DeAnza community college districts were either vacant or about to be vacated, the leadership of California chief executive officers of the community colleges noted that an estimated 47 of 129 CEO positions in the California Community College system turned over between July 1, 1994 and April 21, 1995. In response to this information, the California Community College Trustees' (CCCT) board of the League held a mini-retreat in January 1996 to discuss these concerns with a panel comprised of a new CEO (Tim Dong), a long-experienced CEO (George Boggs), and a CEO who moved from a presidency to a chancellorship (Jeanne Atherton), and moderated by Jack Randall (a retired CEO). As a result of this discussion, the CCCT board initiated several activities, including a staff study to determine the extent of the turnover problem and its possible consequences, with a goal to improve the recruitment and retention of effective CEOs at all levels.

LITERATURE REVIEW

Concerns about the role and tenure of presidents of higher education institutions have echoed throughout higher education administrative literature, with a recent article in the *Chronicle of Higher Education* citing a 1934 article on academic management as illustrative: "The administration of our colleges and universities is being put to a severe test .. in trying to maintain high standards of instruction within reduced income."²

Within the last ten years, there have been several studies of turnover at both two-year and four-year colleges. George Vaughan (1986) reported on a national study of 591 survey responses from community college presidents and 96 interviews on the presidency with presidents, their spouses, trustees, and others. This study found that the average number of years in the current position had dropped from 7.2 in 1964 to 4.2 in 1970, but the author warned that this data could be somewhat misleading because of the rapid growth in higher education over these years and the higher average tenure – 9.4 years – of presidents considered leaders by their peers.

In 1987, the CCCT board proposed a study, *Selecting a Community College Chief Executive Officer: The Investigation and Development of An Exemplary Process*, and the staff joined with the San Diego State University Foundation to draft a proposal which, in its introduction, noted:

² *Chronicle of Higher Education*, December 2, 1992.

“The turnover in this position [community college CEO] has been substantial in recent years. During the past five years, 49 CEO searches have been conducted representing 70% of all CEO positions. Fully half (35) of the districts have hired a new CEO in that time period, with seven of the districts having hired two CEOs during the five-year period. Additionally, 18 CEOs have been dismissed from their positions within the past five years. Ten of these administrators had been in their positions for less than five years. The substantial amount of turnover suggests that the position is a difficult one to achieve longevity and that the selection process is highly suspect, given the rapid turnover within a relatively short time frame (5 years).”

The trustees were unsuccessful in their attempt to gain funding for the proposed study; thus, they did not reach any conclusions about this issue.

Ross et. al. (1993), surveyed college and university presidents over a five-year period (1986-90) to learn about changes over time in the college presidency. The authors found:

- The length of tenure for presidents of four-year colleges had increased over this period (from 6.3 years in 1986 to 6.7 years in 1990);
- The average tenure for presidents of two-year colleges was five years;
- There was an increase in the numbers of women and a slower increase in the percentages of minorities serving as college presidents;
- 53 percent of presidents had served five years or more in their current position; but among them were a number who had served significantly longer, thus skewing the overall average upward;
- Of the 47 percent of presidents who had been in their office for five years or less in 1990, twelve percent were in their first year and 36 percent had held their positions for three years or less.

The study also showed that presidents of four-year public colleges remain in office for less time than those in private institutions of higher education.

Authors of the ACE study noted continuing concerns over presidential turnover; however, they explicitly recognized that there is uncertainty on the appropriate tenure length for presidents. James Fisher (1984) suggested that “there appears to be a point of diminishing returns for most leaders – a point in time beyond which they lose effectiveness.” He believed that six to ten years is maximum for presidents to exert effective leadership.

Clark Kerr (1984) observed that the average tenure of a university president is seven years while the average tenure of a community college president is only five years. He saw no ideal term for a president, noting that it depends on the individual and the situation of the institution, but he made the following comment and suggestion:

“Presidential terms now average approximately seven years; this is too short to serve effectively some of the major interests of an institution. Each board should structure the presidential relationship toward a longer term than now typically exists between the president and the institution. This means giving careful attention particularly to the selection of and to the support for the president, but also to conditions that can enhance longer tenure of positions.”

While some commentators express concern about the potential turmoil which can result from a change of leadership, others cite a greater potential for resistance to change if presidents remain in place over a lengthy period.

In June 1992, *The Chronicle of Higher Education* noted the “spate of resignations” among prominent university presidents when the chief executives of Columbia, Duke, Stanford, and Yale Universities as well as the Universities of California, Chicago, and Texas announced their resignations within a one-year period. *The Chronicle* questioned whether this was a disturbing pattern or a mere coincidence. While some observers saw this as a pattern signifying underlying structural problems, others – including some who had themselves served as presidents – saw the changes as reflective of the turnover of an age cohort. To bolster their opinion, the latter group noted that most of the retiring presidents had served far

longer than average. (Their data indicate the average presidential term ranges from three to seven years, depending on the type and control of each institution.)

In response to that concern about CEO turnover a study was conducted by John Minter Associates of Boulder Colorado and Frederick Hafner, President of Higher Education Publications.³ Their study examined the turnover rate and length of service in a variety of higher education job categories, including chief executive officer, and the study found that, contrary to suggestions that presidents were leaving their jobs faster than in the past, there actually was little change in the turnover rate from one year to the next. Their finding was that, on average, 14 percent of the presidents (all higher education institutions) and 12 percent of two-year college CEOs left their jobs each year; the average tenure in the eight-year period studied (1984-85 through 1991-92) also stayed the same, i.e., about seven years.

In commenting on the study, staff of the Association of Governing Boards who worked on presidential searches noted that this study showed the danger of making assumptions based on one year of data. While 23 percent (an unusually high number) of presidents had left private, doctorate-granting universities in 1989-90, the turnover for the same group in 1991-92 was only six percent – the lowest in eight years. However, it was the 1991-92 year which had occasioned the study because those leaving were highly visible presidents. The study showed similar swings between 1990-91 and 1991-92 for public doctorate-granting universities.

At the same time, William E. (Bud) Davis⁴, Chancellor of Louisiana State University collected data on presidents of major public research institutions for the National Association of State University and Land Grant Colleges. His data showed that the average tenure of presidents of member-institutions was 3.2 years in 1992, down from 4.6 years in 1980. Davis speculated that the shorter tenures were related to experiences of intense scrutiny and working for governing boards that had become increasing politicized.

In the three-month period from June to August 1995, the American Association of Community College Presidents' Academy Executive Committee conducted "The Presidential Separation Survey," which was mailed to 1046 presidents of AACC member-colleges. A sample of 617 presidents responded. However, the data available to date do not appear relevant to this study, as the AACC study focused on the effect of a president's contract status upon turnover in that office.

The Association of Governing Boards of Universities and Colleges established a new national Commission on the Academic Presidency to address the charge: *Is the present system of governing American colleges and universities up to the demands of today and the foreseeable future? If not, what needs to change?* In the report which followed, commission members stated that,

The greatest danger we see is that in this new era of growing doubts and demands, colleges and universities are neither as nimble nor as adaptable as the times require. Why? Because the academic presidency has become weak. The authority of college and university presidents is being undercut by all of its partners – trustees, faculty members, and political leaders – and, at times, by the presidents' own lack of assertiveness and willingness to take risks for change. (Baliles, 1996)

In 1997, students from the USC School of Public Administration used data from the CEOCCC Tenure and Retention Study to determine whether California community college CEO turnover was increasing. Using "line of best-fit" and linear trend analysis, the students concluded that the average decline in the tenure for the 71 chancellors and superintendent/president CEOs was .09 years per year. They then charted two linear trend projections, for the twelve-year period before, and the seven-year period after, enactment of AB 1725. This test indicated that there was no radical shift in the decline since the implementation of AB 1725 and shared governance (Estilai, et al., 1997).

³ *Chronicle of Higher Education*, December 2, 1992.

⁴ *Ibid.*

Finally, the American Council on Education, Center for Leadership Development has just updated and published its presidential tenure data. These data represent a subset of 755 (or 79%) of the 957 CEOs surveyed. For this subset, the average length of tenure of presidents of two-year institutions has increased from 5.0 to 7.8 years between 1990 and 1995.

METHODOLOGY

Throughout this study, League staff have consulted with the RP Group, the professional organization of research and planning professionals of the California Community Colleges. They have assisted with the methodology, monitored the study, and provided technical advice and analysis. In addition, the CEOCCC and CCCT Boards of the League as well as the Advisory Commission on Educational Services have reviewed the report on a regular basis.

The first portion of data collection was to gather initial information on the CEOs from the founding of each college to 1984 by using information compiled by Dr. Tom Fryer, Chancellor of Foothill-DeAnza CCD and President of the CEOCCC board in 1984. A survey form then was sent to each CEO in the state (including district chancellors, superintendent/presidents, and individual college campus presidents) asking for updated information to 1996. (Since that time, the League has continued to update the information manually as CEOs change.) Both the “Fryer Directory” and the new data were integrated and a copy was sent to every CEO to verify their accuracy.

Once the verification was completed, the data were summarized and tabulated for six different groups. These groups were:

- 1) The CEO (whether a chancellor or superintendent/president) of each of the 71 districts over the past twenty years, with interim CEOs excluded;
- 2) The same 71 CEOs with interim CEOs included;
- 3) All 129 CEOs (including chancellors, superintendent/presidents, and campus presidents in multi-campus districts), with all interim CEOs excluded;
- 4) The same 129 CEOs as in #3 with interim CEOs included;
- 5) The 58 presidents from multi-college districts over the past twenty years, with interim presidents excluded; and
- 6) The same 58 presidents as in #5 with interim presidents included.

In reviewing and presenting the data, League staff primarily used the group of 71 CEOs (chancellors and superintendent/presidents) for analysis, with interim CEOs excluded. This choice was made for extended review because these are the 71 CEOs who deal directly with boards. Interim CEOs were excluded for two reasons: (a) they may be more likely to skew the distribution, because by its nature and purpose, the position is short-term and (b) the concerns about CEO turnover focussed on those hired as permanent CEOs. Thus, most data presented in this report are for the 71 CEOs only; however, we include Tables II-A-2 and II-A-3 on the mean years of service for the 58 and 129 CEOs for the information of those interested in these data.

With recognition that there were many reasons—some positive and others negative—for CEOs to change positions, we proceeded to determine the immediate causes of changes. In order to do so, five current or retired CEOs (Tom Van Groningen, Jack Randall, John Petersen, Dianne Van Hook, and Ed Simonsen) were selected to review our data sheets and indicate the “real”—rather than the publicly-stated—reason why each CEO departed, over a twenty-year period. The choices were: retired or died in office (i.e., a neutral reason for leaving); left under fire or did not have contract renewed; left to take another CEO position in California (usually at a larger institution); left to take a position out of state; left for more than one reason (i.e., took a position out of state, but was under fire). We also coded for “came to California from out-of-state” and “left to take an out-of-state position” to determine whether there was a net inflow or outflow of talent to/from California.

In addition, two national search consultants familiar with both California and nation-wide CEO searches were interviewed to gain their perceptions on conditions in California compared with other states.

FINDINGS

California CEO Tenure and Retention Data

Following is a series of tables which summarize the data of the California CEO Tenure and Retention Study. Table I, *Analysis of 71 California Community College District CEOs, Number Leaving by Year, 1976-1996*, provides the raw data on the numbers of CEOs who have left their positions annually. When the numbers of CEOs leaving per year are analyzed by five-year blocks, they average 8.8 (12.4%) for 1976-1980; 9.4 (13.2%) for 1981-85; 8.4 (11.8%) for 1986-90; and 10.4 (14.6%) for 1991-1995; with an overall average of 13%. National data (AGB, 1992) found that from academic year 1984-85 to 1991-92, there was little change in the annual turnover rate, with 12% of two-year CEOs leaving their jobs each year. For the same eight-year period, the California community college CEOs' turnover rate was 13.1%.

Table II-A-1, *Analysis of 71 CCC District CEOs, Mean (Average) Number of Years of Service, 1976-1996*, summarizes the length of service for community college district CEOs in California, by year, over the past twenty years. Tables II-A-2 and II-A-3 present the same data for the 58 presidents of colleges in multi-campus districts and 129 CEOs (the 58 presidents and the 71 superintendent/presidents and chancellors), respectively.

Tables II-B and II-C provide information on the median and the mode for the 71 district CEOs. The data show that the length of service for these 71 CEOs is dropping over this period, with a mean term length of 6.4 years for 1976 through 1980; 5.5 years for 1981-1985, 5.3 years for 1986-1990; 5.0 years for 1991-1995, and a 20-year mean of 5.5 years.

When an analysis of variance (ANOVA) was conducted on the five-year blocks (i.e., 1976-1980, 1981-1985, etc.) for the 71 CEOs, it yielded an F value of 19.845, which was significant at the .001 level. Post ANOVA comparisons using Fisher's LSD (the least conservative approach) found significant differences ($p < .001$) between the mean for the first block (1976-1980) and the other three time blocks.

In the remaining (i.e., post-1980) five-year time blocks, no other differences were significant. This indicates that the length of tenure for the five year time-block of 1976-1980 differs from any of the later time blocks and that this is not likely due to chance. Thus, one can surmise that there are post-1980 factors which are responsible for the drop in length of tenure — but this analysis does not indicate what these factors are, nor is it clear that we can determine with certainty what they might be.

The California data in Table II-A-1 contrasts with that in Table II-D, *California vs. National Data, 1970-1996*, which provides a comparison of our data with data collected by the American Council on Education and George Vaughan for their respective studies of the presidency. The most compelling item of interest is that both ACE and the Vaughan data indicate that the national length of tenure is rising, while length of tenure in California continues to drop. When a one-sample t test was run between the sample (California) mean and the reported population means of 7.5 (Vaughan) and 7.8 (ACE), both differences were significant ($p < .001$).

Table II-A-2 presents data on the average tenure/service of the 58 college presidents in the California Community College system. These are presidents of colleges within multi-campus districts, who report to their chancellor who, in turn, reports to the local board of trustees. These data reveal a flatter line (when compared with the 71 CEOs who report directly to boards of trustees) for average tenure over the past twenty years. Except for the 1996 year, the line is virtually flat, rather than dropping as the "71-CEO" curve does.

Table II-A-3 combines the data from Tables II-A-1 and II-A-2 to present information on service for all 129 CEOs in the California community college system.

Tables III-A-D, *Reasons for Leaving*, chart the reasons why each of the 71 CEOs left his/her position over the past twenty years. A best fit regression line for Table III-A (died or retired) shows a slight downward slope toward more recent years, indicating that fewer CEOs in recent years are dying or retiring in office. However, when a chi square test of good fit is attempted, the numbers are not statistically significant. For Table III-B (Contract Not Renewed/Left under Fire) the best-fit regression line shows a slight upward slope toward more recent years, indicating that somewhat more CEOs leave due to non-renewal of their contract or under fire; the increase, however, is not statistically significant.

Table IV-A, *Districts with CEOs in Place for Ten or More Years, 1997*, provides the names of districts and CEOs who have served ten years or more in California as of October 1997. Tables IV-B, *Districts with CEOs in Place for Ten or More Years, 1987*, and IV-C, *Districts with CEOs in Place for Ten or More Years, 1977*, provide similar information for two earlier years at ten-year intervals. The year 1977 was one year prior to passage of Proposition 13 which severely cut property tax revenues to schools, cities, counties, and community colleges in California; 1987 was one year prior to enactment of AB 1725. The data indicate that, in 1977, the number of California community college CEOs who had held their positions for ten or more years was 20 (28 percent) of the CEOs – that number and percentage dropped to 13 (18 percent), respectively, in 1987, and to nine (12.7 percent), respectively, in 1997. (This compares with a national average for community college presidents serving ten years or more of forty percent in 1926, down to twenty percent by 1986 [Donnelly, 1993]. In 1986, the California percentage was 19.7.

Table V, *California Community College Districts by Number of CEO Changes, 1977-1997*, provides descriptive information showing the distribution of districts with more or fewer district CEO changes over the past twenty years. These data reveal nine districts with two CEOs; 25 districts with three CEOs; 22 districts with four CEOs; eleven districts with five CEOs; and four districts with six CEOs, over the twenty-year period of 1977-1997.

Table VI, *CCC CEOs Who Came From, or Left to Go, Out-of-State, 1987-1997*, provides the names of district CEOs who have come from other states and/or have left their positions to take a new position out-of-state in the years studied. These data were summarized to determine whether the net flow of CEOs has been into or out of California in those years. They show that more CEOs (23) came into the state than left it (13); a review of the names of those who left indicates that the majority came to California for one position and then left the state, often returning to their “home” state.

The League also has summary data, by district, of the years of service for each of the 71 district CEOs over a twenty-year period. It shows the specific years in which changes occurred on a district-by-district basis. These data are available from the League upon request.

Perceptions of Search Consultants

Another avenue which League staff pursued was to question individuals familiar with California community college CEO searches. The interviews consisted of a request for open-ended reflection comparing the characteristics of California candidates, boards, and searches to those outside the state, followed by more specific questions on the quality and quantity of candidates, perceptions of the California situation, and suggestions for possible changes within the control of trustees.

The perceptions of the consultants included:

- 1) There is slightly, but not significantly, more turnover of California community college CEOs than the national turnover rate.
- 2) The pools for California CEO searches are slightly smaller than in other states, but the quality remains high.
- 3) Although many pools are smaller than in the past, districts whose boards are seen as educated on their appropriate roles and who have a history of choosing out-of-state candidates continue to have stronger and larger pools than those who are not viewed as having these characteristics.
- 4) There is a perception among both consultants and out-of-state candidates that some California trustees prefer in-state candidates; consequently, out-of-state candidates are somewhat less likely to apply for these positions in California districts. The preference for in-state candidates was described as “parochialism” and is believed to be bias toward candidates who already have worked with California laws, regulations, and funding formulas.
- 5) In recent years, out-of state candidates have been more reluctant to consider California positions due to the fiscal problems of the state, but this is easing with the last three years’ budgets.
- 6) The consultants do not express major concerns about the California recruitment situation; on the contrary, they believe that there are significant numbers of quality candidates and urge trustees to focus more on quality than quantity in the pools.

- 7) In commenting on efforts that could be undertaken by trustees and are under their control to improve recruitment and retention of CEOs, consultants recommend that boards of trustees be “a little more open and creative,” especially about housing (they report that 27% of districts nationwide provide housing assistance), especially toward candidates from out-of-state or those from lower-priced areas of California.

DISCUSSION

This study was motivated by many concerns expressed about apparent rapid turnover and the suggestions that it was due to the challenges of shared governance, difficulties in working with local boards, lack of state support, over-regulation, or other problems. This discussion will review and comment on the variety of measures included in this study.

Turnover Rates

First, the data show that there is no real difference between the annual turnover rates of California CEOs and those in other states (13 percent vs. 12 percent annually) when viewed over time. On the average, the percentage of hires in California is essentially the same as it is nationally. However, given the significantly higher number of California CEOs than in other states, the same percentage reflects significantly more openings.

Second, the concerns about the high turnover rate that prompted this study may be related to the finding that 1994 and 1995 were higher than average years for turnover. The number of vacancies and new hires appears to be cyclical, with a high number of vacancies for a year or two, followed by fewer than average for the next few years. Therefore, the rate of change in any one year should be viewed in the context of a longer term. There may be many reasons for a higher or lower rate, and any one- or two-year peak or low point should not be used to draw any conclusions about the CEO turnover rate.

There are many possible reasons for the variability in the turnover rate and they interact with one another. No one or two reasons are the sole contributors to turnover. National studies have found concerns similar to those expressed in California when high turnover occurred in prestigious colleges and universities throughout the country in a single year. However, when the data are reviewed in context, these studies have concluded that a cohort of CEOs retired in a particular year as part of a general pattern of increases and decreases in turnover by year. These rises and declines then lead to a new cohort of CEOs who also are likely to resign within a relatively small timeframe, as the next cycle begins.

Another anomaly which tends to create concern is the phenomenon of several highly-visible CEOs or CEOs from highly-ranked institutions who retire or resign within a limited space of time. Again, further analysis usually indicates that the high profile of the individuals or their institutions, rather than a definitive and identifiable problem, has created the impression that there is a high turnover rate.

Difficult fiscal times also may be a factor in motivating CEOs to retire or leave their positions. A look at the data on California CEO departure patterns shows parallels between the early 90's in California and the 70's in this state --- both very difficult fiscal times for higher education. The early 90's saw a severe recession in California which lingered far longer than in other states. The late 70's ushered in Proposition 13 and the California “tax revolt” which has maintained its power in California and severely cut local property taxes, the primary funding base for schools and community colleges. These types of fiscal deficiencies create protracted struggles with some long-term CEOs choosing to retire or leave the state, but they are problems not unique to higher education or community colleges. Rather, they are a reflection of the times.

Major changes in governance and administrative structures and processes may motivate CEOs to consider leaving. The creation of a board of governors, the shift from local to state control of funding (through passage of Proposition 13), the proliferation of categorical and targeted funding, the advent of collective bargaining, and the shift to shared governance, all require somewhat different leadership approaches.

Today there are great changes in the labor market, and in California today's average worker is likely to experience five different careers (not five different jobs) in his/her lifetime. Are/should community college CEOs be exempt from this trend? Or should community colleges be expected to be a more stable environment for executives than other institutions in society?

One can also postulate that the pace of life, continuing change, and demographic diversity create a unique synergistic force that makes California different from any other states. Thus, possibly the only appropriate comparison groups for California community college CEOs would be CEOs at other public California institutions of higher education, such as the University of California; CEOs of major, fast-paced California companies in the private sector; and California CEOs in other public sectors (such as city managers).

Third, the finding that more district chancellors have come to California from out-of-state than have left the state for CEO positions suggests that California is still an attractive place to work. The perceptions of search consultants suggest that while the number of applicants may be fewer, the quality of the candidates is equivalent to the pools in other states. While there may be a general perception that there is a higher CEO turnover rate in California, that perception does not appear to have lowered the quality of candidates or the willingness to move to California. The single factor which appears to contribute to the willingness to come into the state is the particular set of conditions, including willingness to hire a non-Californian, at individual districts.

Tenure/Service Length

On the other hand, tenure/service length for California community college CEOs: (a) is lower than that of CEOs in comparable institutions nationwide (4.3 vs. 7.5, respectively), and (b) has been declining, indicate there is a need to look closely at circumstances surrounding CEO retention. The challenges outlined at the beginning of the discussion section are among the many reasons which may account for the decline in the average length of tenure of a California Community College chief executive officer. These possible causes should be explored further through interviews or analyses of districts defined as unstable.

Analysis of other data indicates that some districts may have difficulties retaining CEOs. Future research could be conducted comparing districts with higher numbers of CEOs over twenty years with more stable districts to determine the nature of circumstances which distinguish community college districts with more stable and those with less stable CEO positions.

In addition, the turnover rates described above might affect tenure rates. When there are peaks in vacancies, there is more opportunity for CEOs to move to new positions. Current CEOs could be recruited or opt to take advantage of the greater number of openings and apply for positions perceived to be better at an earlier date than they otherwise may have considered a move.

Many commentators recognize explicitly that there is uncertainty on the appropriate tenure length for CEOs. While some commentators stress concern about the potential turmoil which can result from a change of leadership, others cite a great potential for resistance to change if presidents remain in place over a lengthy period. In light of this, what is a “healthy” turnover level for college presidents? One possibility for analysis is establishment of an (admittedly arbitrary) standard, such as five or seven years, which could be selected and a determination made of the effectiveness of those who remain longer than that period of time.

SUMMARY

When viewed in the context of a twenty-year period and compared to national rates, the high turnover rates in 1994 and 1995 that motivated this study have occurred cyclically in the past, and the long-term average turnover rate is similar to national averages. However, the declining length of tenure indicates a need to continue to research and analyze conditions related to CEO retention and tenure. The CEO position and the person who fills it are essential to the success of California's community colleges and the League is committed to continued study into the conditions that support CEO retention and success.

Next Steps and Recommendations

It may be useful to compare our data with states in the Vaughan and ACE studies that have elected or appointed community college boards of trustees, as well as states with similar complexity and strong faculty presence (shared governance or unions), and/or heavy state or accrediting commission oversight, to gain additional perspective.

There are a number of follow-up studies that could be conducted. Among those to be considered by the League are:

- An assessment of districts which had higher-than-average numbers of CEO changes over twenty years to determine why so many changes have occurred and whether there are common elements in causing those changes;
- Examination of presidential data to determine if there are any differences between turnover or tenure patterns of chancellors, district superintendent/presidents and college presidents in multi-campus districts;
- Use of focus groups to gain better understanding of why CEOs left, what would have encouraged them to stay, and their recommendations for changes; and
- Review of the business literature to consider and compare the average length of service of comparable business executives, such as CEOs of the "Fortune 500" companies.

Based on this study, it is recommended that local governing boards:

- Review their districts' history of CEO retention and compare it with similar districts to assess their own level of stability; and
- Identify and address the circumstances related to turnover in their district.

In addition, the League will continue its commitment to:

- Provide trustees and CEOs with resources designed to promote stable board/CEO partnerships; and
- Address fiscal, regulatory, and policy issues that may contribute to leadership instability.

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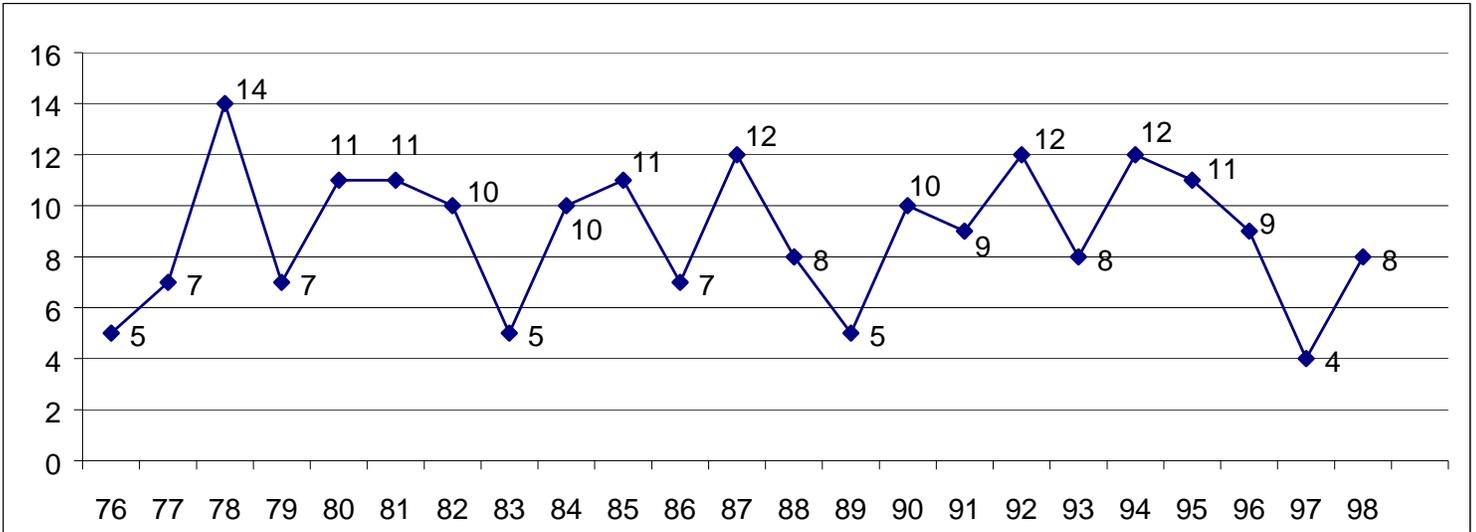
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Table I

Analysis of 71 California Community College District CEOs

Number Leaving by Year, 1976-1998
Includes all CEO Changes Excluding Interims
50 CEOs from single college districts
21 district CEOs from multi-college districts

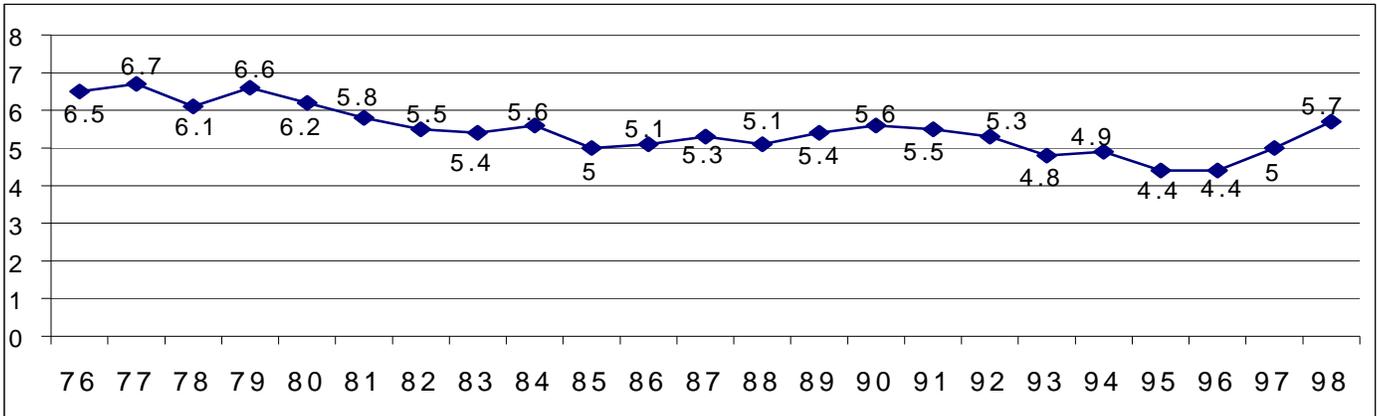


Percentage of California CCC District CEOs Leaving by Five Year Intervals

<u>Years</u>	<u>Average Number Leaving</u>	<u>Average Percent Leaving</u>
1976-80	8.8	12.4
1981-85	9.4	13.2
1986-90	8.4	11.8
1991-95	10.4	14.6
(1996-97)	(7.0)	(9.8)
Average of Five Year Intervals		13.0

Table II A-1 Analysis of 71 California Community College District CEOs

Mean (Average) Number of Years of Service, 1976-1998
Includes all CEO Changes Excluding Interims
50 CEOs from single college districts
21 district CEOs from multi-college districts



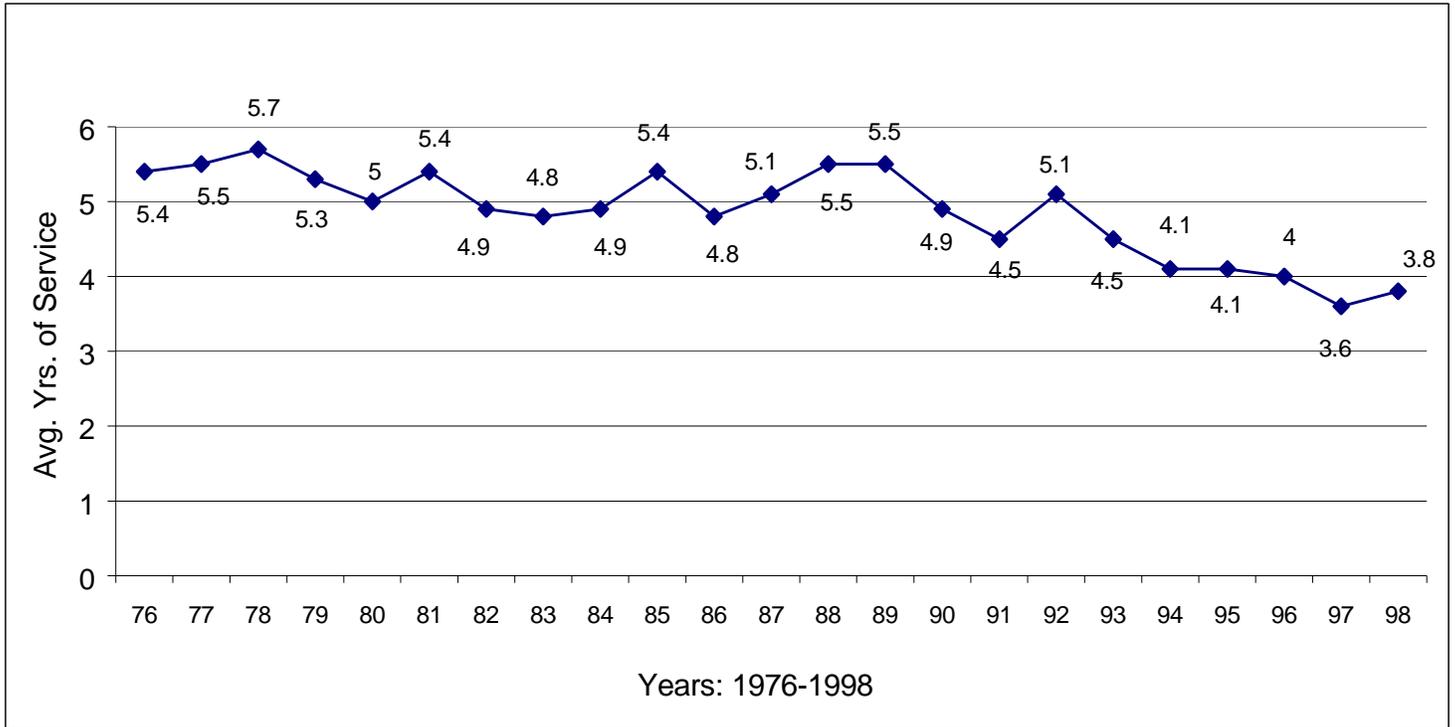
Mean (Average) Number of Years of Service for All District CEOs by Year

Mean 1976 through 1980 = 6.4
 Mean 1981 through 1985 = 5.5
 Mean 1986 through 1990 = 5.3
 Mean 1991 through 1995 = 5.0
 (Mean 1996 through 1998 = 5.0)

 Mean 1976 through 1998 = 5.5

Table II A-2
Analysis of CEOs at Colleges*
In Multi-College Districts

Mean (Average) Number of Years of Service
For All CEOs by Year
Includes all CEO Changes Excluding Interims



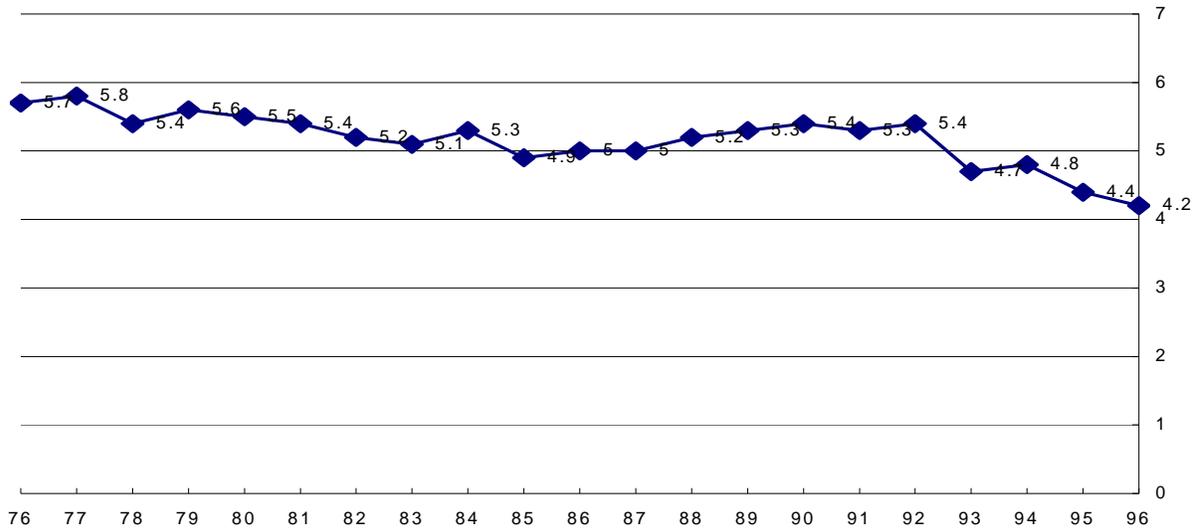
Mean (Average) Number of Years of Service for College CEOs
 In Multi-college Districts by Year

Mean 1976 through 1980 = 4.4
 Mean 1981 through 1985 = 4.7
 Mean 1986 through 1990 = 4.9
 Mean 1991 through 1995 = 4.7
 (Mean 1996 through 1998) = (3.7)
 Mean 1976 through 1996 = 4.6

*The denominator for determining the average length of term for CEOs (presidents) in multi-campus districts varies by year as colleges have been added (q.v., Los Positas in 1990 and Santiago Canyon in 1997) or returned to campus status (Indian Valley in 1984).

Table II A-3 Analysis of 129 College and District CEOs

Mean (Average) Number of Years of Service for 129 Locations
Includes all CEO Changes Excluding Interims
50 CEOs from single college districts
58 CEOs at colleges from multi-college districts
21 district CEOs from multi-college districts

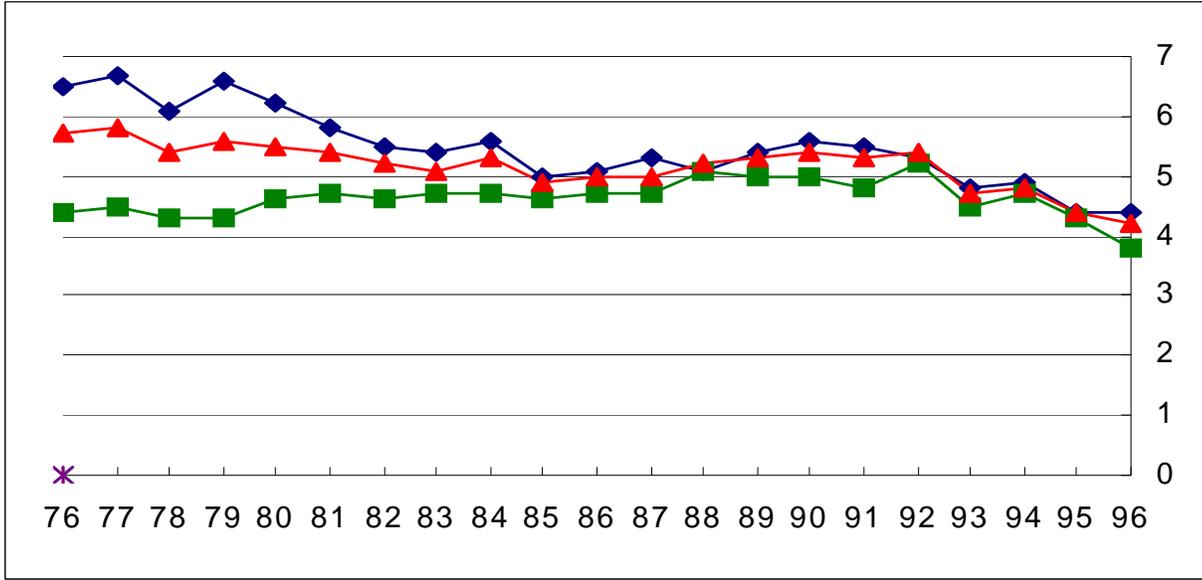


Average Number of Years of Service for All College and District CEOs by Year

Table II A-4

Comparison of All CEO Changes (excluding interims)

Mean (Average) Number of Years of Service, 1976-1996



- ◆ A1 = District CEOs
- A2 = College CEOs from multi-college districts
- ▲ A3 = All CEOs

Table IV-A

Districts w/Longest Tenure Current CEO - 1997

Years

19	Jim Young	Kern
17	Cothrun	West Kern
16	MacDougall	Santa Barbara
12	Zellers Davitt Boggs Stewart	Citrus Glendale Palomar State Center
11	Jerry Young	Chaffey
10	Horton	San Joaquin Delta

1997: 12.7% CEOs ≥ 10 Years Tenure

Table IV-B

Districts w/Longest Tenure Current CEO - 1987

Years

17	Schumacher	Siskiyou
16	Mikalson	Sonoma
15	Koltai Weichert	Los Angeles Redwoods
14	Smith	San Mateo
13	Van Groningen Duke Moore	Yosemite Lake Tahoe Santa Monica
12	Angove	Sierra
11	Peed	San Diego
10	Edelbrock Randall Martinez	Allan Hancock Mt. San Antonio San Luis Obispo County

**1987: 18% CEOs ≥ 10 Years Tenure
(National Average, 1986: 20% CEOs ≥ 10 Years Tenure)**

Table IV-C

Districts w/Longest Tenure Current CEO - 1977

Years		
28	Crookshanks	Sequoias
20	Conrad	Allan Hancock
19	Marsee, Stuart	El Camino
18	Johnson	Rancho Santiago
16	Buffington	Chabot-Las Positas
15	Barker Johnson DeVore	Merced Mt. San Jacinto Southwestern
14	Theiler	Lassen
13	Faul Huber Eisenbise Watson Spencer MacDonald	Monterey Peninsula Palomar San Luis Obispo County Coast Imperial MiraCosta
10	Hough Clark Wilson Roemmich Rowland	Citrus Napa North Orange San Jose Yosemite

1977: 28% CEOs ≥ 10 Years Tenure

Table V

California Community College Districts, By Number of CEO Changes 1977-97

SUMMARY DATA:

9 districts hired 2 CEOs
25 districts hired 3 CEOs
22 districts hired 4 CEOs
11 districts hired 5 CEOs
4 districts hired 6 CEOs

CEOs BY DISTRICT 1977 – 1997

Group A- Districts with 2 CEOs

Kern
 Lake Tahoe
 Redwoods
 Santa Monica
 Sierra
 Siskiyou
 Sonoma
 West Kern
 Yosemite

Group- B Districts with 3 CEOs

Allan Hancock
 Antelope
 Butte
 Cabrillo
 Cerritos
 Citrus
 Desert
 Foothill-DeAnza
 Fremont/Newark
 Gavilan
 Glendale
 Hartnell
 MiraCosta
 Mt. San Antonio
 Napa
 Palomar
 Riverside
 San Bernardino
 San Diego

San Joaquin-Delta
 San Luis Obispo County
 San Mateo
 Santa Barbara
 Shasta-Tehama-Trinity
 Yuba

Group C- Districts with 4 CEOs

Barstow
 Chaffey
 Coast
 Contra Costa
 El Camino
 Feather River
 Grossmont-Cuyamaca
 Imperial
 Los Angeles
 Mendocino-Lake
 Merced
 Mt. San Jacinto
 North Orange
 Peralta
 Rio Hondo
 South Orange
 San Jose-Evergreen
 Santa Clarita
 Solano
 Southwestern
 State Center
 West Valley Mission

Group D- Districts with 5 CEOs

Chabot-Los Positas
 Compton
 Long Beach
 Los Rios
 Marin
 Pasadena
 Rancho Santiago
 San Francisco
 Sequoias
 Victor Valley
 West Hills

Group- E-Districts with 6 CEOs

Lassen
 Monterey Peninsula
 Palo Verde
 Ventura

Table VI

CEOs Who Came From or Left to Go Out-of-State 1987-1997

From Out-of-State

Adams, Dennis
Blevins, Vivian
Dicianna, Terry
Dobelle, Evan
Evans, Geraldine
Gaskin, Fred
George, David
Horton, L.H.
Hurd, John
Johnson, Earl
Mason, Roy
Mayle, Glenn
Meznek, James
Middleton, James
Phelps, Donald
Robertson, Piedad
Romero, Martha
Rotella, Salvatore
Sanchez, Alex
Segura, William
Skinner, Byron
Spence, Charles
Spink, Linda

To Out-of-State

Adams, Dennis
Cortada, Ramon
Dicianna, Terry
Dobelle, Evan
Jackson, E.
Jensen, Robert
Kane, Charles
Mayer, D.
Mayle, Glenn
Mellander, Gustavo
Phelps, Donald
Sanchez, Alex
Wenrich, William

CEO TENURE AND RETENTION STUDY
(Discussion)

Early in 1995, the CCCT Board requested that league staff conduct a study of the tenure and retention of CEOs in California Community Colleges. The purpose was to determine the extent of CEO turnover and its possible consequences, with a goal to improve the recruitment and retention of effective CEOs at all levels. The collection and analysis of data continued throughout the years 1995 - 97.

As the study proceeded, progress and draft reports were forwarded to the CEOCCC and CCCT Boards for their review and comment in May 1996, January 1997, and January 1998. In addition, the League's Advisory Commission on Educational Services (ACES), and the RP Board, representing the research and planning professionals in the colleges, regularly reviewed the study, with the ACES providing general comments and the RP Group advising on methodology and analysis.

After collection of data on CEOs at all colleges from the commencement of each college and analysis of the reasons for CEO turnover by five present or former CEOs (including John Petersen, Jack Randall, Ed Simonsen, Tom Van Groningen, and Dianne Van Hook), the data were compiled and analyzed, and a draft was forwarded to the CEOCCC Board in January 1998 after review by Jan Kehoe, Guy Lease, and Dianne Van Hook.

As a result of the review solicited from members of the Advisory Commission on Education Services, the CCCT Board, the CEOCCC Board, and the RP Board, the following italicized comments/suggestions for changes to the January draft were received by the League during January and February. (Following each of the comments is staff response regarding the changes which have been made to the January 1998 draft report.)

Methodology Concerns

Comparisons of numbers of CEOs leaving positions does not cover the same time periods. The California community college data for numbers of CEOs leaving is averaged over the period 1976 to 1995, but was compared with a national average covering the period 1984-1992.

The report now compares the California turnover rate for equivalent years (1984-92).

This analysis reveals that the California community college CEO turnover rate for those years was 13.1 percent compared to a 12 percent national rate. (page 3)

The study only compares the change in University of California chancellors over the past two years.

All data regarding UC Chancellors have been removed because two years' data is too short to draw any real conclusions.

The executive summary is misleading when it only compares the average number of California community college CEOs leaving their jobs with the percentage of CEOs leaving from all institutions of higher education. In the study by Minter Associates, the average number of

CEOs leaving at all institutions was 14 percent while the average at two-year institutions was 12 percent.

The 13 percent annual turnover for California CEOs should be compared with the 12 percent annual community college turnover – not the 14 percent annual turnover of all CEOs nationwide. The report has been amended to reflect this change. (page xxx)

The method of gathering information on the reasons for CEO departures is one of concern. According to the report, this information was not provided by those who departed but by a group of five current or former CEOs. Even if they accurately reported on the “public” reasons for departure, they may not have been fully aware of the situations leading to departure.

The five CEOs (Tom Van Groningen, Dianne Van Hook, John Petersen, Jack Randall, and Ed Simonsen) who provided reasons for CEO departures were asked to provide the “real” – not the “public” – reason for leaving. The responses from these five individuals were very consistent.

A better indicator than the statement of the reason for leaving is an evaluation of the level of satisfaction while there. This report does not include an assessment of job satisfaction.

The report was not intended to assess job satisfaction, although such assessment could prove useful.

The categories for classifying reasons for departure do not include one that would cover situations such as “seeing the handwriting on the wall,” “dissatisfaction with the job,” “inability to function effectively due to campus politics, etc.”

The categories “seeing the handwriting on the wall” and “inability to function effectively due to campus politics, etc.” were precisely the types of reasons subsumed under “left under fire.” This measure was intended to capture circumstances such as non-renewal of a CEO’s contract, or termination of a CEO’s contract, or a situation in which the CEO was aware of significant unhappiness among board members and expected termination or non-renewal if he/she did not find another opportunity.

There may be a better description of this category, however; and League staff would appreciate any suggestions or alternative proposals.

The decision to limit the study to the 71 district CEOs and thus to exclude the college presidents in the multi-college districts limits the usefulness of the data. It appears that the study only provides a partial analysis of the situation.

A limited amount of data on college presidents in multi-college districts (specifically tables showing the average length of service for the 58 presidents only and for the 129 CEOs – which includes presidents, as well as superintendent/presidents and chancellors) have been added to this report. Efforts will continue to analyze others.

This study did not include interim presidents. It is important to know if the other studies included interims; it is important to use comparable data.

The 1998 published report of the major comparable national study (by the American Council on Education) has just been received by the League. The ACE study was developed from a survey sent to all 957 CEOs in office in public community colleges in 1995. However, only 755 (79 percent) responded; presumably, some of these may have been interim presidents. The report does not indicate the break-out of percentage of respondents (or non-respondents) who may have been interim presidents.

By contrast, the League study uses and reports on the full population – not a sample -- of CEOs from all California community colleges over the period studied.

CONCLUSIONS DRAWN FROM THE STUDY

To report that the data are insufficient to draw a conclusion that there is not an overall problem with the tenure and retention of CEOs appears inappropriate when one considers the following findings presented in the report:

- a) *The change in the length of tenure for California community college presidents after 1979 is statistically significant.*
There is a statistically significant difference between pre-1980 and post-1980 data. This is one of the trends which indicates possible problems. (page 5)
- b) *Between 1977 and 1997, 37 of the 71 districts would be categorized as somewhat or very unstable due to the number of turnovers of CEOs.*
Table V, *California Community College Districts, by Number of CEO Changes, 1997-97*, was not intended to measure stability by turnover rate, since our review of the literature did not identify ideal length or its possible effects. Thus, our narrative (page 6) is descriptive only and is intended to provide facts and trends only. Future study would be needed to determine if these turnover rates are a problem.
- c) *The percentage of California community college presidents holding their positions for ten or more years was 28 in 1977 and dropped to 12.7 percent in 1997.*
This is one area indicating a trend which could be considered as pointing to a problem. The report includes these data as another trend and could indicate possible problems. The only year for which both state and national data are available is 1986. For that year, 20 percent of CEOs nationally had more than ten years of tenure, while 19.7 percent of California community college CEOs had served ten years or more. (page 6)
- d) *There is a statistically-significant difference in the length of tenure of California community college CEOs and those in two nationwide studies. The average for California CEOs is 4.4 years vs. the national averages of 7.5 and 7.8 years.*
There is a significant difference in the length of tenure of California CEOs and those in two nationwide studies. We note possible reasons for this, including the more rapid rate of social change, the changing needs of institutions over time, the general trend that people change careers more often, and possible other factors as well. (Table II-D and page 9)
- e) *National data indicate tenure length is increasing while the tenure length of California CEOs continues to drop.*
While the national tenure is increasing, California tenure is dropping. This is addressed in our discussion section. (page 6)
- f) *Although not statistically significant, the data indicate a slight upward slope in CEOs leaving positions due to non-renewal of contracts or under fire.*

Since the data are not statistically significant we do not feel that any negative conclusions can be drawn from them at this point in time. (Table III-B)

- g) *Consultant perceptions include a higher turnover of California community college CEOs, slightly smaller applicant pools for California community college CEO positions, and a reluctance of out-of-state candidates to apply for California positions.*

The consultants perceived slightly, but not significantly, higher turnover of CCC CEOs; pools which are slightly smaller in numbers but equivalently-strong in quality; and they stressed their belief that boards should focus on that quality rather than the numbers of applicants. Further, they indicated that there was reluctance to apply for California positions only in cases where specific boards were viewed as not open to out-of-state candidates. (page 7)

In addition, information was collected on the numbers of CEOs leaving California to take out-of-state positions and the numbers of CEOs entering California from out-of-state. These data showed that between the years 1987 and 1997, 13 California community college CEOs left to take positions out of state, while 24 CEOs from out-of-state institutions came into California to take CEO positions. (Table VII)

To present the above data and conclude that there is not a problem because California is just "unique" and that the turnover of CEOs may be a reflection of "professional shortcomings," not system volatility, denies the facts in favor of speculation. This report should conclude that there appears to be a problem and further research needs to be conducted to determine the factors contributing to the problem.

It is agreed the conclusions would be more accurate and useful if framed more generally and explicated more clearly. This study has attempted to present the first full set of accurate and complete data on California community college CEOs. Efforts have been made for the study to reflect data and facts related to various measures of CEO service and tenure. But because there are different ways of looking at the data, efforts to define the problem or characterize the situation are problematic. In this report, therefore, specific conclusions have not been drawn, but trends needing additional study and debate are highlighted.

Consequently, we have chosen to say there is or is not a problem with the length of CEO service, but to point out whether data show negative trends and highlight areas for further research.