

Organizational Profile, HR Practices And The Perceived Quality And Performance Of Small Businesses: Empirical Highlights From The Urban Child Care Centers

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Abstract

This paper examines the relationships among the organizational profile, the human resource practices, and the quality and profitability of private childcare centers of a large metropolis. Organizational profile variables included: size (measured in terms of total FTE employees), age (measured in terms of number of years in service), HR practices included: empowerment and enrichment strategies, benefits, grievances, affirmative action, promotion, supervision, participation in decision-making, and the like. Quality is a variable reflecting the perception of service relative to the population of similar centers. It also includes the application of quality concepts such as benchmarking, and continuous improvement. The organizational performance includes such variables as perceived relative profitability, annual revenues, and behavioral measures of employees (i.e., motivation, morale, commitment, trust, turnover, and job satisfaction). Data was collected as a pilot project in 2001 through a mail questionnaire as well as through personal interviews of the owners/directors of 70 (out of 200 selected) private childcare centers of New York City. The findings of correlation and the regression analyses support a number of illustrative hypotheses pertaining to the association among the selected variables. The paper interpreted the finding in the light of existing organizational theories and concludes with a list of highlights (imperatives) for the owner/directors of urban child care centers.

1.0 Introduction

Based on HR and behavioral literature, the need to study the broader profiles (both of structure as well as outcomes) of all too numerous childcare centers (Truss, 2001; Huselid, 1995; Huselid, et. al, 1997; Kauffman, 2001; Rynes et.al, 2002) was demonstrated in this paper. In addition, the findings on the hypotheses pertaining to the interrelationship between the organizational profile and the human resource practices on the one hand, and the associations among profile variables, perceived quality, and profitability on the other, are presented. Drawing from the experiences of operation of childcare enterprises in New York City, this paper highlights the efficacy of a number of structural, behavioral, and outcome variables.

The U.S. Census Bureau predicts that one-half of all children born in the first decade of the twenty-first century will live with a single parent at some point by the time they turn 18 years of age. In 1998, 34.7 million families had children under the age of 18 (Rogensburger, 2001). With the increasing participation of mothers in the

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paid workforce increased corporate and governmental recognition and support for child and infant care, the business of childcare centers is continuously growing. Since 1963, the percentage of women in the workforce shifted from 34% to 45%. By 2005, women are expected to make up 57% of all new entrants and constitute almost 50% of the workforce (Whigham-Desir, 1993). In addition, the percentage of mothers with children under six years of age doubled between 1970 and 2000 from 32 percent to 65 percent (Smith, 2000). Consequently, the share of children under age five enrolled in center based care increased between 1977 and 1993, from 13 percent to 30 percent (USHR1996). Stoney and Greenberg (1996) suggest that an estimated \$40 billion is being spent annually through the parental, governmental, the charitable and the corporate contributions combined. As the market expands, more and more enterprises and corporations enter the market.

Low capital and technology requirements inspire budding entrepreneurs to enter the market, but a large percentage of them cannot survive due to unfavorable business climate. In his seminal piece, Roger Brown (2001) characterized the market environment of childcare centers as (a) no barriers to entry; (b) chronically low margin, (c) massive labor intensity, (d) few/no economies of scale, (e) having weak brand distinctions, (f) heavy regulatory oversight, and high turnover rates. As enormously high failure rates do not apparently shake couples' desires to marry, as a parallel, (g) high failure rate in the childcare industry seldom deters the growth of new ones—some legal, some non-legal very year in every urban center of the U.S. The following characteristics of the environment may also discern the childcare industry:

(a) coexistence of public, private as well as the non profit ownerships in the service of the clientele, (b) the large number of illegal non-legal services that compete and operate in the same market segment, (c) the provision of governmental assistance such as a grant, loans even for profit-making concerns, (d) the great vulnerability to litigation relative to other small businesses, (e) two units of primary clients—child and parent, (f) the divergence between the clientele expectation and ability/willingness to pay, (g) the clientele induced service risks (such as health problems and issues), and, (h) the governmental regulation, inspection, certification, and licensing controls. The above characteristics indicate the complexity and instability of the environmental conditions of the childcare enterprise. Moreover, these market conditions interact in a unique way with ethnic preferences of the clientele.

While entrepreneurial strides in childcare continue, research in the business aspect of the enterprise seems to be lacking, though a rich body of literature has been thriving in the family, child, and cognitive development, and human services areas of the subject (Helburn and Howes, 1996; Holloway et. al, 1996; Howes and Hamilton, 1993; Nelson and Garduque, 1991). Despite frequent recommendations by social, behavioral and educational researchers for a market based approach of childcare (Lowenberg and Tinnin, 1992; Olsen, 1997; Hertz, 1997; Van Horn and Newell, 1999; Currie, 2001), scholars of business, economics, and organizational studies have yet to recognize childcare center as organizations and enterprises needing serious investigation. It is in this respect that this research is undertaken—to bridge the gap.

A rich body of information is available from the studies on school achievements that commonly used cross-race (White and Black or Hispanic) comparisons. A consequence of this preoccupation with group differences in performance outcomes has been an overwhelming focus on the achievement failures (see Slaughter-Defoe and Nakagawa, Takanishi, & Johnson, 1990, for a review). However, the bulk of these studies failed to produce insights into factors that may influence educational success among low-income minority children. Ignored are such factors as the managerial issues and organizational dimensions affecting the quality of services and educational outcomes. In fact, the NICHD Study of Early Child Care (1999) found that childcare environments with better "structures" as measured by such attributes as the teacher/pupil ratio, class size, and teacher/administrator background and experience contributed heavily on effective "classroom process". In other words, the caregivers more sensitive to the children issues provided more cognitively stimulating and "developmentally appropriate" care.

The poor academic performance of minority children has been documented; cognitive and linguistic deficits, lack of motivation, low self-esteem, and difficulty in delaying gratification have been posited as possible explanations for school failure (Holliday, 1985). The deficiencies in academic performance have often been explained in the literature in terms of economic and social problems of family life, such as, disorganization, impoverishment, and for African-American families, mother-domination. But the model of "family as perpetrator" is

limited as it fails to take into account the complex and often interrelated reasons or causes for low achievement. It also fails to offer a comprehensive perspective on achievement socialization (Scott-Jones, 1987; Slaughter, 1988; Slaughter & Epps, 1987; Stevenson et.al, 1990). Peisner-Feinberg et.al,(2001) reviewed the children's cognitive and social developmental trajectories and convincingly argued that the developmental outcome of the children is the product of both primary (i.e., the family) and secondary environments (i.e. the quality of childcare and early education).

Indeed, one can argue that disorganized and poorly run childcare centers with low teacher motivation and institutional expectations in conjunction with ineffective school practices could discourage achievement (see, for example, Allen & Niss, 1990; Pine & Hilliard, 1990). Therefore, the childcare center as an "out-of-home" issue might be of significant influence on child's outcome (see Shonkoff, 2000). A recent report entitled, "From Neurons to Neighborhood: the Science of Early Childhood" concludes that society must "recognize the significance of out-of-home relationships for young children and significantly rethink the interactions among early childhood science, policy, and practices" (Shonkoff and Phillips, 2000)

Organizational profile variables such as size have been found correlated with other structural variables such as complexity, formalization, and centralization-decentralization. Pugh et.al, (1968;1969); Blau (1970;1974) and many others (Hall, 1982; Mintzberg, 1979) have established varying degrees of associations among organizational contextual and structural variables. A number of studies established associations among contextual, structural and behavioral variables (Herzberg,et.al,1959,Herzberg,2003;Likert,1957; Tannenbaum, 1991;Champoux, 1992; Kovach, 1993; Ben Bakr et. al, 1994; Lahiry, 1994; O'Brien, 1995; Martin and Bennett, 1996; Cutcher-Gershenfeld, et. al, 1997; Kauffman, 2001; Truss, 2001James, 2002). McGregor (1954) discussed how the human side of an enterprise influences organizational outcomes. He used assumptions of theory X and theory Y, demonstrating differential outcomes. Herzberg et.al, (1957), Herzberg (2003) through motivation-hygiene theory argued for job enlargement and particularly, job enrichment toward employee motivation and higher individual productivity. Likert (1967) demonstrated the impact of participative management on productivity (i.e. system-4). Rynes et.al.(2002) dispel misconceptions about participative management and argued that participative goal setting contributes more towards organizational performance. Pollock (1995) argued communication and participation as morale boosters. Cook and Ferris (1986) demonstrated that HR practices lead to organizational effectiveness. Lengnick-Hall (1990) explained organizational effectiveness in terms of improved financial performance. In addition to financial performance, Delaney and Huselid (1996) focused on the individual outcomes of increased worker motivation, decreased turnover, and sustained competitive advantage. Kauffman (2001) preferred a broader perspective similar to a "balanced scorecard" (Kaplan and Norton, 1992; 1993) for effectiveness and organizational outcomes while using HR practices as dependent variable. In the area of quality and benchmarking, the literature boomed during the late 1980's and 1990's. Total Quality Management (TQM); Six Sigma Quality (Motorola), Baldrige Award standards (1988), Reengineering (Hammer, 1993), ISO, 9000, ISO 14000, and the like lead to downsizing initiatives, achievement of zero defect rates, technological breakthroughs (especially in the high tech, communication, and e-commerce sectors), to an exponential growth driven in part by "irrational exuberance" (James, 2002). Quality in the service sector followed manufacturing with its own particular features (such as the customer receives the services directly on premises unlike a manufacturing facility producing a product for remotely located customer and the market.). The quality parameters in the childcare practice is still lacking due probably to lack of adequate attention by the business scholars. The literature in this area most exclusively remained in the domain of behavioral and educational psychologists and practitioners. Of the limited material available, Hellburn and Howes (1996) developed a definition of quality for the childcare industry. They stated, *'it means that caregivers respond to children's social behaviors in a sensitive and positive fashion, are involved in their play and learning activities, and are not harsh in their management of children's behavior'* (p.64). Included in their definition were structural and process dimensions of quality. Organizational demographics such as, age, size, and teacher/pupil ratio were included in the structural quality measures; the Learning (i.e. the curriculum), the lack of negative outcomes (interpersonal and otherwise) were measured through an established rating scale as the process quality measures.

Based on the above literature, the following illustrative hypotheses were developed for testing in this paper:

- H₁: Higher the job enrichment (an HR strategy), higher are the financial outcomes of childcare centers irrespective of organizational size, age, bureaucratic, and HR profiles.
- H_{1a}: Organizational variables (Bureaucratic, HR and Quality profiles, HR strategy, Size) tend to explain the perceived relative profitability of childcare centers.
- H₂: Higher the HR profile lower the process outcome-student learning; Higher the job enrichment, higher the learning outcome irrespective of organizational size, bureaucratic profile, and HR profiles.
- H₃: Larger the size higher is the bureaucratic profile, and, consequently, lower the quality profile.
- H₄: Larger the size, higher is the likelihood of negative outcomes, and lower the behavioral profile of the center.

2.0 Methods and Measurement

A mail questionnaire instrument was developed to conduct the study. The instrument elicited factual information from the Director/Owner of the centers. The questionnaire consists of five distinct sections: a. General Profile of the Childcare centers, b. Internal/External aspects of operation, c. HR profile and strategies, d. Goals and Missions, and e. Business Challenges. A draft questionnaire was sent to the Bureau of Day Care of the New York City Department of Health for possible modification. It was then used for a pilot survey among 25 childcare centers. Based on this pilot survey, the questionnaire was modified and finalized for the final survey. In addition to questions pertaining to general profile (i.e., age of the center, number of employees, owner/manager's educational level, ethnic composition of employees and children), specific questions on recruitment strategies, fees, profitability, and other financial questions such as total revenues in the previous year were asked. The directors were asked to rate (from "Highly Agree" = 1, to "Highly Disagree" = 5) various statements about internal/external environment and the operation of the center, bureaucratic profile, mission and goals, nature of personnel practices, managerial attributes and aspects of business operations. In addition, directors were asked questions regarding the challenges that the center faces (behavior and discipline issues of the children, external competition, employee turnover, etc).

Privately financed centers make-up about half of all preschool organizations (excluding the family day care); and another one-fourth receive subsidies that comprise between 1% and 80% of their operating budget. Over one-half of all government support for childcare flows in the form of tax credits or targeted vouchers (Fuller et. al. 1993).

The sample for this study consisted of 70 privately owned childcare centers attended primarily by *minority* children from the five boroughs of New York City. This was a sampling based on the ethnic concentration of city neighborhoods where more than 60% of the children belonged to ethnic minority groups (e.g., African-American, Latino-American, Asian-American and others). Approximately 200 privately owned childcare center directors were contacted from a list from the New York City Department of Health. One hundred and eighteen of them agreed to participate. Accordingly, a letter of explanation, assurances of confidentiality, a questionnaire instrument, and a stamped addressed envelope were mailed with anticipated completion by the center directors. A total of 91 (77.11%) completed questionnaires were returned. Of these, 21 were considered unusable because they were incomplete. Thus the data of this study comes from 70 (n=70) questionnaires that represent 76.92% of the questionnaires received.

Undesirable outcome as a composite variable was conceptualized in terms of managerial problems and issues. These outcomes are dichotomized categorical variables (with 0,1 values) in the instrument. Profitability is an ordinal/interval type measurement of a subjective perception of the Center's Director/Owner (with a response rated in a Likert type scale). Organizational size (Size) was measured by the number of full time (equivalent) employees. It was also measured by the total number of children served by a center (Clientele) in a calendar year. Bureaucratic profile (Bureapro) consisted of six (Likert scale) interval type variables reflecting the degree of formalization and standardization. These items produced an acceptable alpha reliability ($\alpha=.78$). HR practice profile

included 5 items (Hrprof) indicating perception of benefit, participation, promotion, affirmative action, and conflict resolution practices. These are the only HR items that produced an acceptable alpha reliability ($\alpha=.74$). Similarly, quality of learning (Learn) was measured by six items (i.e., “teaching children language and interpersonal skills is our most important task”). This scale produced an alpha reliability of $\alpha=.78$. In addition, another reliable ($\alpha=.74$) quality profile (Qprofile) variable was created by combining two items: one on the use of benchmarking methods, and the other on the service quality being the top priority. A third item, the seeking of continuous parental feedback as a quality measure was dropped as it pulled the reliability coefficient back to an unacceptable level. Job enrichment as proposed by Herzberg (1957; 2003) included empowerment and the individual’s ability to design his/her own jobs. Furthermore, organizational behavior profile included items of perceived motivation, morale, job satisfaction, commitment, and employee dedication. This scale (Behavpro) produced a high alpha reliability coefficient of $\alpha=.83$. Finally, negative outcomes (Noutcme) were measured by adding six dichotomous items (i.e., children’s behavior problems, discipline problems, and the like). This composite scale produced an alpha reliability of $\alpha=.70$.

3.0 Findings

Table-1 reports Pearson correlation coefficients (r). Table-2 reports the standardized regression coefficients (B), multiple correlation coefficients (R), R^2 , t and F statistics where significant.

It appears from table-1 Size and Bureaucratic profile have significant positive association ($r=.29$). This finding is consistent with early literature dealing with structural issues (such as Pugh et. al; Blau, 1970;1974; Hall, 1982). Size and HR profile seem to be positively correlated, but the coefficient ($r=.24$) is not significant. It only affirms the direction of the relationship but not the magnitude of association. Size and annual revenue (Revpro) profile show a significant positive association ($r=.664$). This finding is obvious as a childcare center is a labor intensive enterprise and assistants are added to deal with increased volume. However, the strength of the association, as indicated by a highly significant coefficient, attest to the fact that a one interval unit increase in total revenue requires a 66.4% increase in an interval unit of Size (measured in terms of FTE employees). Size and Clientele size (Clientel) coefficient ($r=.646$) corroborates the findings on Size and annual revenue profile (Revpro). Size also shows significant positive association with negative outcomes (Noutcme). Due to reverse coding (higher values showing less negative outcomes), this means that organizations tend to have fewer negative outcomes (measured by their existence of behavior, discipline, and similar other problems) with each increase in Size. This finding makes sense as larger centers became larger due to their reputation and successful past performance.

An intriguing but significant finding ($r=-.395$) between Size and the perceived Learning outcomes (Learn) is reported in the table. It may be recalled here that many educational scholars attributed “Learn” as indicators of process quality for childcare centers. This association suggests that curriculum, and teaching mission may be less of a concern relative to discipline and behavior problems (measured by Noutcme) in the larger centers. This may not be as intriguing if we accept the traditional argument that Size (being reflective of clientele size) is an issue for effective learning. Thus it may be interpreted that while large centers are associated with less negative behavioral outcomes, they also have significantly less association with “process quality” or curriculum outcomes. Organizational behavioral profiles (Behapro) indicating employee motivation, morale, job satisfaction, commitment and dedication are positively and significantly associated ($r=.24$) with Size.

Bureaucratic profile (Bupro) shows significant positive association ($r=.292$) with annual revenue profile (Revpro). Similarly it also ratifies this significant positive association ($r=.376$) with Clientele size. Quality profile (Qprofile) shows a significant relationship only with Clientele size. It seems that benchmarking and continuous improvement programs are associated only with centers with larger clientele and not necessarily with increased number of FTE employees. Job enrichment (includes empowerment) negatively affects the quality profile with a coefficient $r=-.268$. While the coefficient is not significant due to small sample of Qprofile (a pairwise deletion of missing values was opted in the subprogram, Correlation), it raises the concerns as empowerment and enrichment (allowing an employee to design his/her work, and allowing him/her making significant decision) run contrary to

Table-1
Pearson r or Zero order correlation coefficients

	Size	Bupro	Qpro	Enrich	Hrpro	Revpro	Learn	Noutcme	Profit	Clientel	Behapro	Age
Size	1.00	.290*	.081	.021	.245	.664**	-.395*	.434**	-.045	.646**	.274*	.198
Bupro	.290*	1.00	-.054	.032	0.00	.292*	-.160	.109	.026	.376**	.208	-.018
Qpro	.081	-.054	1.00	-.268	.411	.208	.102	-.044	.097	.375*	-.062	.090
Enrich	.021	.032	-.268	1.00	-.494*	.001	.121	.060	.232	-.091	.382**	.035
Hrpro	.245	0.00	.411	-.494*	1.00	.057	-.485	.238	-.496*	.180	.247	.241
Revpro	.664**	.292*	.208	.001	.057	1.00	.001	.269*	.132	.579**	.025	.097
Learn	-.395*	-.160	.102	.121	-.485	.001	1.00	-.207	.398*	-.347	.077	.055
Noutcme	.434**	.109	-.044	.060	.238	.269*	-.207	1.00	.161	.278*	.498**	.394**
Profit	-.045	.026	.097	.232	-.496*	.132	.398*	.161	1.00	.047	-.076	.057
Clientel	.646**	.376**	.375*	-.091	.180	.579**	-.347	.278*	.047	1.00	.095	.158
Behapro	.274*	.208	-.062	.382**	.247	.025	.077	.498**	-.076	.095	1.00	.320*
Age	.198	-.018	.090	.035	.241	.097	.055	.394**	.057	.158	.320*	1.00

**Significant at .00 level

*Significant at .05 level

benchmarking principles (as individual’s job assignment becomes unstable, and flexible). An intriguing relationship is found with Job enrichment and HR profile. The significant negative association ($r=-.494$) can only be justified by the argument that enrichment is a HR strategy while the HR profile consists of the traditional HR practices of Benefits, Promotion, Affirmative Action, and the existence of grievance and conflict procedures. In this situation, more bureaucratic organizations with higher HR profiles tend to be conservative with assigned, clear job responsibilities for their employees. Job enrichment is a radical approach of employee motivation (Herzberg, 2003) which tends to be effective in the long run if applied correctly. Higher HR profile is negatively associated with learning outcomes ($r=-.485$). This intriguing relationship may be explained by the association of HR pro with Noutcme ($r=.238$) which indicates a negative association between higher HR profile with negative outcomes. In other words, employees who succeed in lowering negative outcomes receive more of the elements of the HR profile. It may also be explained by the extent of positive association between Size and Hrpro. To rephrase, the larger centers are more likely to afford benefit packages, conflict resolution procedures, promotion guidelines, and the like. While Pearson correlation provides bi-variate associations, further analyses are performed to partial out impact other variables through regression equations. These findings are narrated in the subsequent section.

Hrpro has a significant negative association with perceived relative profit (the question was framed so that the respondent compares his/her center with peer groups to determine profitability situation). This finding makes intuitive sense. Higher expenses in benefits, promotion, and affirmative action program should have a negative impact on relative profit (employers tend to say that it costs them more than the competition to pay for all these HR elements).

Enrichment and Behapro show a significant positive association ($r=.382$). It substantiates Herzber's claim that job enrichment does contribute positively to all behavioral aspects of motivation, morale, job satisfaction, commitment, and dedication. Though not shown in the table above, it also did show a significant negative association with turnover rates in another analysis with the same data. Behapro also shows a significant negative association with Noutcme ($r=-.498$) indicating that if employees are highly motivated, with high morale, job satisfaction, commitment, and dedication, they are more likely to reduce negative outcomes of children in the center.

Organizational Age is negatively associated with Noutcme perhaps indicating that experience is helpful in dealing with negative behavior, discipline and other problems. It is also positively associated with Behapro. It may mean that experience and continuous financial success allow centers to address behavioral dimensions of the employees over a period of time (i.e., Age).

Table-2 reports findings of several multiple regression equations. Annual revenue (Revpro) was used as the dependent variable in the first equation with enrichment strategy (Enrich) as independent while controlling for Size, Bureapro, Hrpro, and Qprofile. Due to the large number of variables in these composite scales, one should not be surprised by the magnitude of (69%) variance ($R^2=.689$) explained by the independent variables in this equation. The F statistic for R^2 as expected, is also significant. Thus, enrichment strategy (while controlling for other variables) significantly and positively influences annual revenue generation. From no relationship (as revealed earlier by zero-order relationship between Enrich and Revpro $r=.001$), one suddenly finds tremendous empirical support for enrichment strategies as ways to improve financial profile of the organization. This finding is highly consistent with the literature cited earlier.

On the question of relative Profit (EQ2), organizations in the sample gave indifferent responses as reflected in the regression equation. None of the independent variables produced any significant B coefficients when profitability was used as the dependent variable in the next equation. Only 11% ($R^2 =.111$) of the variance is explained by the whole host of independent variables.

The next equation uses Learn (as an index of process quality) as a dependent variable. The explained variance ($R^2 =.154$) is a meager 15% but F the statistics is significant at .05 level. The significant negative association (while controlling the effect all other independent variables) was revealed by Size ($B=-.27$). It means that Size is a factor in learning. But the magnitude of association as revealed by the size of the coefficient is not rather very high. This association is a ratification of an earlier finding in the zero-order relationship. Behapro has a positive association ($B=.182$) with Learn. Although the coefficient is not significant (due to small sample size), it provides a general direction of the relationship. It may be interpreted that the learning as a childcare center's outcome improves with higher behavior profiles (i.e., the satisfied, motivated, committed and dedicated) of the employees.

Qprofile was used as dependent variable in the (EQ4) regression equation on Table-3. As expected, none of the independent variables show significant association. Also, the R^2 value and F statistics are not significant. A positive association of Qprofile ($B=.226$) with Size indicates that the issues of quality as measured by benchmarking, and continuous quality improvement programs are matters of larger centers with higher FTE employees (and larger clientele).

The 5th equation uses employee behavioral profile as a dependent variable, and negative outcomes and organizational size as independent variables. The standardized B coefficient measures the strength of association between negative outcomes (Noutcme) and behavioral profile (Behapro). The significant coefficient ($B=-.477$) indicates a negative relationship between the variables while controlling for size. The (adjusted) $R^2=.23$ (with a significant F ratio) indicates that nearly one fourth of the variance in the dependent variable, Behapro is explained by the independent variables (Size and Noutcme). This finding means that a higher incidence of negative indicates a negative relationship between the variables while controlling for size. The (adjusted) $R^2=.23$ (with a significant F ratio) indicates that nearly one fourth of the variance in the dependent variable, Behapro is explained by the independent variables (Size and Noutcme). This finding means that a higher incidence of negative outcomes

Table-2
Standardized Regression Coefficients (B) and Other Test Statistics

Independent Variables	Dependent Variables	Coefficient B	F	R	R ²
EQ1 Enrich (Stepwise) Controlling for Size	Annual Rev	.857**	F**	.857	.689
Bureapro		.260			
Hrpro		.236			
Qprofile		.049			
		.025			
EQ2 Size	Profit	-.089	F	.333	.111
Bureapro		.253			
Hrpro		-.262			
Qprofile		.244			
Enrich		.265			
EQ3	Learn	-.019	F*	.154	.393
Enrich		-.095			
Bureapro		-.236			
Hrpro		.182			
Behavpro		-.270*			
Size					
EQ4 Size	Qprofile	.226	F	.261	.01
Age		.082			
Bureapro		-.146			
EQ5 Noutcme	Behapro	-.477**	F**	.512	.233
Size		.057			
EQ6 Hrpro	Noutcme	.000	F**	.574	.278
Bureapro		-.060			
Enrich		-.090			
Size		.338*			
Behavpro		.423**			
		**Significant at .00 level			
		* Significant at .05 level			

associates with lower employee behavioral profile (i.e., motivation, morale, job satisfaction, commitment, and dedication) irrespective of size. The reverse is also true. This means that with strategies to improve employee behavior profiles, organization could reduce negative outcomes such as discipline or behavioral problems of the clientele in the center. Likewise, with strategies to reduce clientele behavioral problems and other negative outcomes (included in the composite variable Noutcme), organizations could improve the employee behavior profile. This finding is consistent with the organizational behavior literature cited earlier.

The last regression equation deals with Noutcme as a dependent variable with Hrpro, Qprofile, Burepro, Enrich, and Size as independent variables. The explained variation ($R^2=.278$) with a significant F ratio attest to the associations produced by the equation. The most important and significant finding in this equation is the association of Behavpro with Noutcme while controlling for all other independent variables. The degree of association as indicated by the coefficient ($B=.423$) supports the explanation provided earlier that employees with higher scores on behavior profile contributes to the lowering of negative outcomes in the organization. In addition, a finding similar to one produced by another equation discussed was revealed with regard to size and Noutcome i.e., a significant, positive coefficient ($B=.338$).

4.0 Discussion

Hypothesis, H_1 : Higher the job enrichment (i.e. an HR strategy), higher the financial outcomes irrespective of organizational size, age, and HR profiles. This hypothesis has been substantiated by empirical evidence. Regression equation 1 presented on Table –2 provides all relevant coefficients and test statistics in support of the hypothesis. This finding is consistent with the literature (Cook and Ferris, 1986; Mueller, 1996; Ulrich, 1997; Truss, 2001). Hypothesis $H_{1(a)}$: Organizational variables tend to explain relative profitability of childcare centers. Although the Pearson correlation coefficients (Table-1) show strong and significant associations between (1) profit and HR profile, (2) Profit and Learn; the regression equation (2) failed to show any significant associations when all the independent variables were entered in the equation together. One possible reason for the finding may be associated with the data that was collected using the measurement of relative profitability. Thus further investigation will be useful in this regard.

Hypothesis H_2 : Higher the HR profile, lower the process outcome—student learning; higher the job enrichment, higher is the learning outcome irrespective of organizational size, bureaucratic profile, and the perceived job enrichment. Both Pearson correlation coefficients (between Hrpro and Learn, and between Enrich and Learn) support the associations as hypothesized, but regression equation (3) did not produce significant B, R^2 coefficients. However, Hrpro and Learn did show a sizeable B coefficient ($B=.236$) supporting the direction of association. It may be pointed out here that empirical evidence in the childcare literature shows that parents are not overly concerned about the learning aspect of the childcare in choosing appropriate center for their offspring. Only less than 40% of parents seem to care about this aspect of the childcare service (Helburn and Howes, 1996).

Hypothesis H_3 : Larger the size, higher the bureaucratic profile, and consequently, lower the quality profile. The first part of the hypothesis is supported by the significant Pearson correlation coefficient ($r=.29$). In the regression equation (4) Bureaucratic profile showed a negative association while controlling for Size ($B=.146$). While it supports the direction of the hypothesis, the coefficient and the test statistics were not significant. It should be noted however that Qprofile caused huge data reduction due to the infrequency of the use of benchmarking, and continuous improvement measures (included in this profile) by large number of child care centers. It is entirely possible that a large sample size could show deterministic association envisaged in the hypothesis.

Hypothesis H_4 : Larger the size, higher is the likelihood of negative outcomes, and lower the behavioral profile of the center. This hypothesis was tested with two separate multiple regression equations. In equation (5), Behavpro was the dependent variable while Noutcme and Size were independent variables. The significant negative $B=-.477$ (with Noutcome), significant F statistics provide empirical support for the hypothesis. Size, however, did not show much of an association ($B=.057$) with the dependent variable. This is contrary to the earlier literature on the subject. Negative outcome, however shows an adverse affect on employee morale, motivation, job satisfaction, commitment, and employee dedication. Equation (6) reaffirms the findings with a few more dependent variables explaining Noutcme. However, in this instance, both size and behavior profile as independent variables show significant associations. Independent variables in the equation explained about 28% of the variance in negative outcomes (mainly negative pupil behavior). However, in this case, Size shows a significant negative association, (i.e. larger the size, lower the negative outcomes). In this particular instance the hypothesis is substantiated only in part.

5.0 Conclusion

This study used multi-outcomes of organization based on the HR and behavioral literature (Huselid, 1995; Huselid et al; 1997; Truss, 2001; Herzberg, 2003). Highlights of the findings as narrated above are: (a) organizational financial outcomes are associated with HR strategies (of enrichment); (b) the issues of quality and continuous quality improvement, including the associated methodologies are yet to emerge in the urban childcare centers except in those that are larger in size; (c) increased bureaucratization in larger centers adversely affect behavioral outcomes of the employees; (d) organizational negative outcomes are probably both causes and effects of organizational behavioral outcomes; (e) the process outcome, learning is by and large a function of size (which is an alternative indicator of size of the clientele); more specifically, the larger sizes tend to show a negative association with learning. Authors admit the difficulty of eliciting credible information with regard to the issue of profitability, as it shows no significant relationships with any of the organizational or behavioral variables. However, this itself could be treated as a finding as all organizations under study are profitable although it is sector of business characterized by very small profit margins (Brown, 2001).

Additionally, this study demonstrates that the findings of management (largely the corporate) research dealing with important issues of organizational profiles, outcomes, and HR practices could also be applied in the study of small businesses such as Childcare centers. It also stresses the need for bridging the gaps among the researchers of social sciences, education and business through cross-referencing the literature and interdisciplinary studies. Future studies (preferably interdisciplinary) may be undertaken to do more of the same with larger samples of childcare centers. Such studies may taken multiple urban areas of the nation, including countries overseas toward a clear and empirical understanding of a highly visible and large sector of the economy. 📖

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