

Child care by default or design?  
An exploration of differences  
between non-profit and for-profit Canadian child care  
centres using the *You Bet I Care!* data sets

Gillian Doherty, Martha Friendly and Barry Forer  
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Martha Friendly

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## Summary

The issue of auspice in child care has been debated in Canada for many years and for several reasons. One reason is the consistent research finding that commercial child care centres as a group obtain lower ratings for overall program quality as measured by standard observational scales than do non-profit centres. Other reasons include the belief that essential services such as child care should be publicly operated, and concerns about ensuring accountability for the use of public funds if they are flowed to commercial operators.

This study explores the issue of auspice from the perspective of program quality. Two broad explanations have been suggested to explain the between-sector difference in quality:

- Non-profit centres have greater access to government funds and to free or subsidized space and/or utilities and therefore have higher levels of resources with which to provide a quality program.
- Non-profit and commercial operators have different goals that permeate the organization and lead to between-sector differences in organizational structures, behaviours and characteristics. Each of these is believed to influence quality level.

This study used data from the two centre studies in the *You Bet I Care!* project<sup>1</sup> to examine the two hypotheses above and also to explore whether the level of quality in a centre is influenced by the interplay between the auspice of the centre and the provincial or territorial context in which it operates. It found that:

- The non-profit sector's very real greater access to resources is not sufficient in itself to explain the between-sector differences in quality levels, though greater access to resources does appear to assist non-profit centres to provide higher quality programs. Even when the playing field is leveled in terms of centres' access to government operating grants and to free/subsidized space and/or utilities, non-profit centres as a group obtain higher quality ratings as measured by the *Caregiver Interaction Scale (CIS)*,<sup>2</sup> the *Infant/Toddler Environment Rating Scale (ITERS)*,<sup>3</sup> and the *Early Childhood Environment Rating Scale – Revised edition (ECERS-R)*.<sup>4</sup>

- There are between-sector differences in organizational structure. Non-profit centres provide their staff with greater clarity regarding their roles, responsibilities and rights through written documents and formal procedures and also provide directors and parents with greater opportunities to influence policy and program decisions.
- The above noted between-sector differences in organizational structure are reflected in between-sector differences in quality ratings. In particular, the non-profit sector's provision of greater clarity for staff is associated with significantly higher quality ratings on both the *ITERS* and the *ECERS-R*.
- Commercial centres as a group tend to behave in ways that make it harder for them to provide the type of program that supports children's development. Even when the playing field is level in terms of access to government funding and to free/subsidized space and/or rent, commercial centres hire directors and staff with lower levels of ECCE education than do non-profit centres, provide less support for staff to engage in professional development, pay lower wages, expect each teacher to be responsible for a larger number of preschoolers and are less likely to engage in the identification of formal goals for their program.
- Commercial centres have characteristics that work against the provision of quality care, for example, they have significantly higher rates of teaching staff turnover.

In summary, the between-sector difference in child care quality reflects not only different access to resources but also differences in organizational structure, behaviours and characteristics. These organizational differences are believed by theorists to reflect real differences in goals between the two sectors, differences which directly influence quality.

Due to small sample sizes it was only possible to examine the interplay between auspice and the provincial context in which the centre operates in two provinces – Alberta and New Brunswick. Consistent with the usual findings, quality was lower in the commercial sector in Alberta as were teaching staff ECCE education levels and wages. However, in New Brunswick, commercial and non-profit centres obtained virtually the same quality ratings, hired very similar proportions of untrained teaching staff and teaching staff with a two-year ECCE credential, and paid similar wages. These intriguing findings suggest the possibility that under certain circumstances contextual factors may modify the influence of auspice. In New Brunswick at the time of data collection there were no government operating grants, no regulations requiring teaching staff to be trained, and low average family incomes

which forced centres to keep fees and hence wage levels low. This context appears to both permit and force all centres to rely heavily on untrained, poorly paid staff.

The Alberta situation suggests that auspice becomes more important in a situation of low ECCE education requirements for teachers but fairly high average family incomes. Centres that so wish can still rely on staff with minimal training and pay them low wages but other centres wishing to recruit and retain staff with higher levels of ECCE education can charge higher parent fees and pay higher wages.

The *Early Childhood Development Initiative* (ECDI) agreed to by the First Ministers in September 2000,<sup>5</sup> explicitly states that its purpose is to promote the optimum development of *all* children during their prenatal period and first six years of life. However, Québec is the only jurisdiction in Canada with a specific strategy for the development of a coherent system of high quality child care services. The absence of comprehensive long-term approaches to planning in the rest of Canada, generally means that elsewhere child care services continue to emerge in an ad hoc fashion and their availability and quality differs markedly. There is a strong body of research documenting that high quality child care is associated with higher levels of school readiness and better performance in elementary school.<sup>6</sup> Research has also found that higher child care quality is associated with stricter regulations for ratio and for teaching staff ECCE educational level<sup>7</sup> and with the availability of government wage enhancement grants.<sup>8</sup>

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<sup>1</sup> Doherty et al., 2000; Goelman et al., 2000.

<sup>2</sup> Arnett, 1989.

<sup>3</sup> Harms, Cryer, and Clifford, 1990.

<sup>4</sup> Harms, Clifford, and Cryer, 1998.

<sup>5</sup> Canadian Intergovernmental Conference Secretariat, 2000.

<sup>6</sup> Doherty, 1996; Peisner-Feinberg et al., 1999, pp. 7-8.

<sup>7</sup> Doherty and Stuart, 1996; Helburn, 1995; Scarr et al., 1993; Whitebook, Howes and Phillips, 1990.

<sup>8</sup> Goelman et al., 2000.

## **By default or design: The child care auspice debate**

### INTRODUCTION

While the family, in its diversity of forms, is the environment common to almost all children prior to school entry, it is not the environment in which many young children spend much of their waking days. In the past few decades, workforce participation by women with pre-school-aged children has grown vastly in Canada so that in 1999, 61% of all women with at least one young child under age three were in the paid labour force. In recent years, policies in some jurisdictions that require mothers on social assistance to engage in paid employment or take job training even when their children are very young have served to heighten this. At the same time, child development research shows that the quality of extra-familial child care has a significant - even lasting - effect on children's development and well being.

Public policy in most developed nations today takes the approach that parental employment and child development goals can both be incorporated in inclusive, comprehensive systems of early childhood education and care. Canada, however, has still not developed the public policy that is necessary to shape a coordinated early childhood education and care strategy. This means that there is no way to ensure that parents needing or wanting to use child care have access to affordable services that are of quality high enough to be developmental for children. The lack of a systematic strategy and a coherent planning framework has resulted in a chaotic tangle of services that have by and large arisen haphazardly rather than by intention - by default rather than by design.

Today each of Canada's provinces and territories has an array of child care/early childhood education programs and services rather than a coordinated early childhood program like that found in France, Belgium, Denmark or Sweden for example.<sup>1</sup> Some services are free-to-the-user, some are not; some concentrate on specific populations such as children considered to be at risk for developmental problems; others are theoretically open to any parent who can afford the fee; some will provide service for the full working day and thus accommodate the needs of

employed parents; others only offer a part-day program. A variety of cash payments and fee subsidies are extended to selected – not to all – parents to enable them to purchase child care arrangements. It is important to note that, however, although there is a wide variety of programs and services provided across the country, only regulated child care services are designed to be sensitive to parent’s labour force needs. Today only a small minority of Canadian children and families have access to services that are both labour force sensitive and developmental.

The early childhood model in Canada today reflects a privatized market, not a systematic public service approach. This model fails to acknowledge two things: first, that the whole society benefits when families can be self-sufficient because reliable child care enables parents to work, and second, that participation in high quality early childhood education and care assists children to develop social and school-readiness skills. In this privatized market model, a public good becomes – rather than a public service – a private responsibility with business operators, voluntary and parent-run boards assuming the main responsibility for developing and maintaining child care and other early childhood services.

## 1.1 The auspices of Canadian child care

With regard to child care, the term *auspice* is used to describe who runs, or operates the service. Canada’s privatized mixed-service delivery model includes regulated child care programs operated under three types of auspice, two of which are “private” and one “public”.

**Non-profit child care services:** child care services incorporated under provincial legislation that specifies requirements for non-profit operation, for example, having a board of directors. These may be operated by a group of community volunteers who form a board of directors, a group of parents who operate a co-operative centre, an organization with charitable status or a non-profit organization such as the YM/YWCA or a church. They are not technically permitted to make profits.

**Commercial (or for-profit) child care services:** child care services that are private businesses operated by an individual, a partnership or a corporation that may or may not have shareholders, usually incorporated under provincial legislation. Commercial operations are permitted to make profits to be returned to their owners.

*Both non-profit and commercial (or for-profit) operation of child care services are privately (that is, not publicly) operated.*

**Publicly operated child care services:** child care services that are directly operated by a public entity, for example, a city government or a board of education. Under provincial child care legislation, they may not be required to be incorporated or have a board of directors. Publicly operated child care services constitute a small minority of total services; for pre-school-aged children, they are almost all in Ontario where they are operated by municipal/regional governments.

For economists, or from a legal point of view, these represent three distinct sectors: non-profit, commercial, and public. However, in Canadian child care, publicly operated services are usually considered to be part of the not-for-profit sector.

Important policy questions are closely related to the non-profit/commercial debate. These questions include: how to ensure accountability for public funds when they are provided to commercial centres; whether government policy and practice should support one sector rather than the other; and, if so, which sector and how. Currently, provincial/territorial practices vary considerably with some jurisdictions having policies that explicitly or implicitly support growth or provision of services in the non-profit rather than the commercial sector. Other jurisdictions treat both sectors identically.

The issue of auspice in child care has been debated in Canada for many years. As discussed in section 1.3, a number of research studies have reported that, on average, non-profit centres obtain higher scores on standard measures of quality than do commercial centres. Two explanations have been offered for this finding. One is that the poorer quality in for-profit services reflects the greater access of non-profit services to government funding and other resources. An alternative explanation is that the finding reflects something that is inherently different in non-profit and commercial auspice. This paper explores each of these explanations.

## **1.2 Fundamental differences between the non-profit and commercial sectors**

Organizations in the non-profit and the commercial sectors differ from each other in two significant ways regardless of the activities in which they are engaged or the

provincial/territorial legislation under which they operate.<sup>2</sup> These two major differences are, first, the permitted use of surplus revenue, and, second, the permitted approach to decision-making (note that “permitted” refers to what is permitted by the provincial legislation that governs both non-profit and commercial corporate entities). Both these between-sector differences are believed to have a direct influence on organizational behaviour and the quality of the product each sector produces.

### *1.2a Permitted use of surplus revenue*

The first major between-sector difference relates to the permitted use of surplus revenue. Legally, owners of commercial organizations can use discretion in the manner in which this is handled. They can reinvest the surplus back into the organization or distribute it to the owner or shareholders for their own private use. Non-profit organizations do not have this discretion and are required to reinvest any surplus revenue back into the organization.<sup>3</sup>

Theorists<sup>4</sup> believe that this fundamental difference is associated with a divergence of goals between the two sectors. The purpose of commercial organizations is to realize a profit for the owner or shareholders or at least an acceptable income for the owner notwithstanding any other goals such as the provision of child care. In contrast, non-profit organizations have no reason to pursue profit making and their primary goal will be the delivery of a good service while maintaining a balanced budget. These divergent goals are believed to lead to differences in organizational decisions and behaviours, for example, criteria for hiring employees and employee remuneration levels.<sup>5</sup> Thus, organizational theory would predict that non-profit child care programs would hire staff based on the goal of enhancing child development. In order to attract trained applicants, they would pay as high a salary as possible within the constraints of balancing the budget. In contrast, in commercial programs, the attempt to realize a profit could encourage them to hire staff with lower qualifications if this allowed them to pay lower salaries while still charging the same fees as non-profit programs in the same community.

### *1.2b Permitted approach to decision-making*

The second major between-sector difference relates to the way in which key decisions can be made. In the commercial sector, decisions regarding policy and administration can be made at the sole discretion of the owner and the shareholders where such exist. As a result, there is no inherent requirement for a commercial child care program to have a formal mechanism that would hold it accountable to the user-

parents or to the community it serves nor for it to provide a means whereby they can indicate their needs and preferences. In some cases the commercial operator may hire a director to manage the program but this person is solely accountable to the owner.

In contrast, there is provision in non-profit organizations for decisions to be made by a group of people - the board of directors. This group is legally responsible for all policy, administrative and service delivery decisions and its members are not permitted to have a vested financial interest in the organization. The board may delegate many responsibilities to a program director it hires. While this person can show considerable initiative in the day-to-day administration of the program, legally, the director's decisions are subject to board approval. To the extent to which the board is truly representative of user-parents and the community, this results in a formal mechanism for holding the child care program accountable to the user-parents and the community.

- **What does the research tell us?**

### *1.3a There are between-sector differences in quality*

*You Bet I Care! (YBIC!)*, a recent Canadian study <sup>6</sup> conducted in six provinces and the Yukon compared non-profit and commercial centres. It reports that the non-profit centres, as a group, obtained:

- III. Higher scores on a standard observational measure of the extent to which teacher behaviour was warm, attentive and engaged with the children.<sup>7</sup>
- IV. Lower scores on standard observational measures of harshness and of detachment.<sup>8</sup>
- V. Higher scores on a well-validated standard observational measure of overall quality that taps a variety of dimensions of quality including provisions for health and safety, the appropriateness of the physical environment, program resources, programming approaches and practices, and the extent to which staff needs are addressed. <sup>9</sup>

The findings from *YBIC!* are consistent with those of three earlier Canadian studies that also used the same measures of overall program quality. <sup>10</sup> One of these was conducted in Alberta, <sup>11</sup> one in Québec,<sup>12</sup> and the third, *The Atlantic Day Care Study*, <sup>13</sup> involved all four Atlantic provinces. All three studies report that non-profit centres as a group obtained higher quality ratings than commercial centres and, in the

case of *The Atlantic Study*; this was found in each of the four provinces.<sup>14</sup> In addition, five U.S. studies that used standard, well-validated measures of overall quality also report that non-profit centres as a group obtain higher quality ratings than commercial centres.<sup>15</sup> However, a sixth American study involving four states reports little between-sector difference in quality except in the state with the least stringent regulations.<sup>16</sup> In this state, overall quality was lower in the commercial sector than in the non-profit sector. In summary, the research indicates that while there may be high quality commercial programs, as a group, commercial programs tend to provide lower quality care than their non-profit counterparts.

### ***1.3b There are between-sector differences in centre behaviours***

*You Bet I Care!* identified the teacher's level of ECCE education, her salary level, and the ratio of teachers-to-children as significant predictors of the quality of programming in a given classroom.<sup>17</sup> These findings underline the importance of other Canadian studies that have consistently reported that in the commercial sector the level of specialized ECCE training among staff is lower,<sup>18</sup> teacher salaries are lower and benefits fewer,<sup>19</sup> and there are more violations of provincial regulations pertaining to teacher-to-child ratios.<sup>20</sup> The level of ECCE training among staff in a given centre and salary levels do not happen by chance. To a large extent they reflect hiring and remuneration behaviours based on decisions made by the centre's operator. Other between-sector differences reported in Canada include: significantly lower pre-service training credentials in the commercial sector (but somewhat more provision of in-service training by chain though not by independent commercial programs<sup>21</sup>), and lower proportions of the centre budget allocated to staff salaries/benefits<sup>22</sup> in the commercial sector but higher proportions spent on equipment and materials.<sup>23</sup>

## **1.4 What may explain between-sector differences?**

In Canada, there has been for some years a lively debate about what might explain the difference in average quality between the non-profit and commercial child care sectors. Two broad explanations for the differences in quality and predictors of quality have been suggested.

First, it is argued that non-profit centres have greater access to government funds and to free and/or subsidized space and/or utilities than do commercial centres. Since all centres in a given community have to charge similar fees in order to remain

competitive, it is argued that greater access to resources enables non-profit centres to pay higher salaries and thus recruit and retain staff with higher levels of ECCE education.<sup>24</sup>

Second, it has been suggested that non-profit and commercial operators have different motivations leading to different goals.<sup>25</sup> These different goals permeate the organization and lead to between-sector differences in organizational structures, behaviours and characteristics which in turn are associated with different levels of quality.

Two Canadian researchers have noted:

*“If differences in centres operated under different auspice are primarily a function of differential funding, this has political and social service implications. If there are differences in organizational structure and behaviour that can be identified, there may be implications for legislation, for training, and for recommendations to all centres, directors, boards and owners regardless of auspice.”*<sup>26</sup>

The present study focuses on two groups of centres: non-profit centres (not including those that are publicly operated), and commercial centres regardless of the type of operator. In so doing, it acknowledges that there is research that has identified *within*-sector differences in both quality and behaviours. For example, two studies found that centres operated by non-profit multi-service organizations behave more like commercial centres than other non-profit centres and have levels of quality that are more similar to that found in the commercial sector.<sup>27</sup> There is also research indicating differences between independently operated commercial centres and commercial centres that are part of a chain of several centres operated by the same entity.<sup>28</sup> The policy and practice implications of these apparent within-sector differences warrant further study but are beyond the scope of this report.

The present study uses data from the recent Canadian multi-jurisdictional study *You Bet I Care!* to examine the two broad explanations identified above that have been used to attempt to explain why commercial centres as a group tend to provide lower quality programs. It also explores the dynamic interplay between auspice and the jurisdiction in which a centre operates and how this may influence quality.

## 1.5 How this report is organized

**Chapter 2** provides information about the study's goals, the data collection instruments used, and the overall approach used in the study.

**Chapter 3** explores the influence on quality of the real between-sector differences in access to resources.

**Chapter 4** examines between-sector differences in organizational structures.

**Chapter 5** looks at between-sector differences in organizational behaviours and characteristics.

**Chapter 6** explores the interaction between auspice and jurisdiction.

**Chapter 7** discusses the implications of the findings.

A glossary of terms is provided at the end of the text, followed by the references.

### Notes

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<sup>1</sup>Québec is the exception. In that province the government does have an overall plan for the provision of child care and is providing funds to enable parents to access child care services.

<sup>2</sup>Hatton, 1990.

<sup>3</sup>In actuality, there are ways around this requirement, for example, paying a management fee to a member of the board of directors.

<sup>4</sup>For example, Blau, 1997; Friesen, 1992; Robbins and Langton, 1999; Scott, 1987.

<sup>5</sup>Scott, 1987.

<sup>6</sup>Goelman et al., 2000. The provinces were Alberta, British Columbia, New Brunswick, Ontario, Québec and Saskatchewan.

<sup>7</sup>The *Caregiver Interaction Scale*, Arnett, 1989.

<sup>8</sup>Ibid. Harshness refers to adult behaviour towards or with children that is critical, threatening or punitive, for example, scolding. Detachment refers to behaviour that is characterized by lack of involvement with the children, for example, passively watching them.

<sup>9</sup>The *Infant/Toddler Environment Rating Scale*, Harms, Cryer, and Clifford, 1990 was used in infant/toddler rooms and the *Early Childhood Environment Rating Scale - Revised*, Harms, Clifford, and Cryer 1998 in pre-school rooms.

<sup>10</sup>Friesen, 1995; Lyon and Canning, 1995; Mill, Bartlett and White, 1995. These studies actually used the earlier version of the *Early Childhood Environment Rating Scale*, (Harms and Clifford 1990) when they observed pre-school rooms.

<sup>11</sup>Friesen, 1995.

<sup>12</sup>Mill, Bartlett and White, 1995.

<sup>13</sup>Lyon and Canning, 1995.

<sup>14</sup>Ibid., p. 40.

<sup>15</sup>Fiene and Melnick, 1989; Jorde-Bloom, 1989; Kagan and Newton, 1989; Kontos and Fiene, 1987; Whitebook, Howes and Phillips, 1990.

<sup>16</sup>Helburn, 1995.

<sup>17</sup>Goelman et al., 2000, Figures 5.1 and 5.3.

<sup>18</sup>Canadian Day Care Advocacy Association/Canadian Child Care Federation, 1992, Doherty et al., 2000; Friesen, 1992; LaGrange and Read, 1990; Mill, Bartlett and White, 1995.

<sup>19</sup>Canadian Day Care Advocacy Association/Canadian Child Care Federation, 1992; Doherty et al., 2000; Friesen, 1992; LaGrange and Read, 1990; Mill, Bartlett and White, 1995; Schom-Moffatt, 1984.

<sup>20</sup>DeGagné and Gagné, 1988; West, 1988.

<sup>21</sup>Friesen, 1995.

<sup>22</sup>Canadian Day Care Advocacy Association/Canadian Child Care Federation, 1992; Lyon and Canning, 1999; Doherty et al., 2000.

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<sup>23</sup>Friesen, 1995.

<sup>24</sup>Kagan and Newton, 1989; Krashinsky, 1973; SPR Associates Inc./National Mail Surveys Inc., 1986.

<sup>25</sup>Blau, 1997; Friesen, 1995; Lyon and Canning, 1999; Morris and Helburn, 2000.

<sup>26</sup>Lyon and Canning, 1999, p. 7.

<sup>27</sup>Morris and Helburn, 2000; Phillips, Howes and Whitebook, 1992.

<sup>28</sup>Friesen, 1992; Phillips, Howes and Whitebook, 1992; SPR Associates Inc./National Mail Surveys Inc., 1986.

## Goals, methodological issues, and overall approach

### 2.1 Introduction

This chapter provides information about the data sets that were used for the present study including information about the data collection instruments used. It also provides information about the goals and overall approach used in the present study, the methodological issues that it had to address, the sample, and the data analyses.

### 2.2 The goals of the study

As indicated in the previous chapter, two quite different hypotheses have been put forward to explain the difference in quality between the non-profit and commercial sectors that has been documented repeatedly. Thus, there is a need to examine the influence of auspice on child care quality while taking into account:

- Between-sector differences in access to resources.
- Possible between-sector differences in organizational structures, behaviours and characteristics.
- Possible influence of the jurisdiction in which the child care centre operates, for example, its regulations pertaining to teaching staff training.

The present study undertook to explore the influence of auspice on program quality by exploring the following hypotheses:

1. That quality is poorer in the commercial sector because it does not have the same level of access to resources as the non-profit sector.
2. That quality is poorer in the commercial sector because its goals, organizational structures, behaviours and characteristics work against the provision of quality.
3. That quality is influenced by an interaction between auspice and the characteristics of the jurisdiction in which the centre operates.

In addition, the study also examined the **relative** influence on quality of auspice and the jurisdiction in which a centre operates.

### 2.3 Data sources

The *You Bet I Care!* project involved three studies and covered both centre- and family-based child care settings serving children somewhere in the age range between birth and age 6. The present study used the data sets from two of these studies (the third study involved only family child care):

- Study 1, the findings of which are reported in *You Bet I Care! A Canada-wide Study on Wages, Working Conditions and Practices in Child Care Centres*.<sup>1</sup> This research, conducted in the spring of 1998, used mail-in questionnaires sent to centre directors and teaching staff to obtain information on a wide variety of topics from centres in each province, the Northwest Territories and the Yukon. A total of 848 usable responses to the Centre Questionnaire were received giving a return rate of 47.2%. Responses to the Director Questionnaire were received from 861 people while 4,154 individuals responded to the Staff Questionnaire.
- Study 2, the findings of which are reported in *Caring and Learning Environments: Quality in Child Care Centres Across Canada*.<sup>2</sup> This study, conducted in the fall of 1998, collected similar information to that collected in Study 1 plus some additional information on another sample of centres in six provinces and the Yukon. The centres in Study 2 also permitted observations to assess the level of quality in a total of 114 infant/toddler rooms and 204 pre-school rooms. A total of 234 centres participated in Study 2 representing an overall participation rate of 56.5% of the centres that were approached. As noted by the researchers, this participation rate compares very favourably with that obtained in other large U.S. studies that are able to draw on a much larger population.<sup>3</sup>

The data sets from Studies 1 and 2 were combined for the present study's examination of between-sector differences in centre organizational structure, behaviours and characteristics.

## 2.4 The survey and observation instruments

Both Studies 1 and 2 used three self-completion questionnaires. The Centre Questionnaire covered a range of topics including: staff wage levels by position, benefits provided to staff, turnover patterns, sources of centre revenue, centre expenditure patterns, and the most pressing problems experienced by the centre in the year preceding data collection. The Staff and the Director Questionnaires both asked about the respondents' experience in child care, their level of formal education in any discipline, their level of ECCE education, their feelings about their centre and the other staff, their opportunities to influence centre decision-making, and their feelings about child care as a career.

Study 2 also involved a telephone screening interview that obtained information such as the number of years the centre had been in operation, a supplementary Centre Questionnaire that, among other things, asked about provisions for parental input into centre decision-making, and a supplementary Staff Questionnaire that sought information on items such as whether the centre director and staff regularly set formal goals for the program.

In addition, Study 2 collected data on observed quality using the *Caregiver Interaction Scale (CIS)* <sup>4</sup> in both infant/toddler and pre-school rooms, and either the *Infant/Toddler Environment Rating Scale (ITERS)* <sup>5</sup> or the *Early Childhood Environment Rating Scale, Revised edition (ECERS-R)* <sup>6</sup> depending on the age of the children. The *CIS* assesses the affective tone of the adult-child interaction through three sub-scales. The first focuses on a teacher's *sensitivity*, the extent to which the adult is warm, attentive and engaged with the children. The second sub-scale focuses on a teacher's level of *harshness*, the extent to which the teacher demonstrates critical, threatening or punitive behaviour with the children. The final sub-scale looks at *detachment*, the extent to which the teacher interacts with and supervises the children. The *ITERS* and *ECERS-R* both examine a variety of dimensions of quality through items that assess the safety and appropriateness of the physical setting, health and safety practices, personal care routines, programming materials and equipment, programming activities, teacher-child interactions, program structure, and the provisions for adults. The *CIS* and the *ITERS* have been widely used in previous research and their validity has been well substantiated. <sup>7</sup> The *ECERS-R* is a revision of the well-respected *Early Childhood Environment Rating Scale (ECERS)* <sup>8</sup> which has been widely used by researchers in both Canada <sup>9</sup> and the United States. <sup>10</sup>

The observations of quality carried out for Study 2 were done by people with a minimum of a one-year ECCE credential plus post-graduation experience who were trained in the administration of the scales and achieved at least an 85% inter-rater agreement level on each scale before observations began.<sup>11</sup> A check on inter-rater agreement was done on each observer's fifth or sixth observation. At this time, only one person obtained an agreement level below 85% (81%). She was given additional instruction and regained the 85% level. Observers spent between three and four hours in the centre for each observation.<sup>12</sup> At the beginning of the observation, a notation was made of the teacher-to-child ratio and the number of teaching staff in the room.

## **2.5 Methodological issues and how they were addressed**

### ***2.5a Variables that confound the issue of auspice***

The influence of auspice on quality in child care centres is clouded by the following two factors:

- In Canada, the highest proportion of commercial centres is found in those provinces that have no or low requirements regarding teaching staff ECCE education and low child care staff wages.<sup>13</sup> When the data from several jurisdictions are combined in an exploration of between-auspice differences in quality, as was done in *Caring and Learning Environments: Quality in Child Care Centres Across Canada*,<sup>14</sup> it is difficult to disentangle the influence of auspice from the influence of jurisdictional factors such as low regulatory requirements and poor wages.
- A higher proportion of non-profit centres receive free or subsidized space and/or utilities.<sup>15</sup> Receipt of such in-kind donations predicts higher *ITERS* and *ECERS-R* scores.<sup>16</sup>

In the present study an attempt was made to disentangle the influence of jurisdiction in the between-sector comparisons within each province. As discussed in Chapter 6, this was only possible for two provinces due to small sample sizes in one or the other sector in most provinces. The influence of free or subsidized space and/or utilities was addressed by doing a comparison of between-sector quality ratings on only those centres that do not receive either type of in-kind donation.

### *2.5b Differences in provincial/territorial practices*

Canadian jurisdictions vary as to whether they treat non-profit and commercial centres the same way for purposes of fee subsidization and other government grants. Furthermore, in Ontario, Prince Edward Island, Nova Scotia, Manitoba and the Yukon, centres within the same auspice are not treated uniformly for the purpose of government funding; this depends on the date on which the centre was originally licensed.<sup>17</sup> This reality precluded the use of statistical modeling techniques to control for the influence of provincial funding practices since it was not possible to know from the *YBIC!* data how each individual centre from these jurisdictions had been treated for purposes of government grants and fee subsidies.

In order to address the issue of differential government funding practices, a decision was made to focus solely on those jurisdictions that treat all commercial and all non-profit centres identically for funding purposes. At the time of data collection in 1998 this was the situation in four provinces – Alberta, British Columbia, Newfoundland and New Brunswick. However, the available data set for Newfoundland was very small – 20 centres – and represented a participation rate of only 22.7% of the centres that had been sent questionnaires.<sup>18</sup> Therefore, it was not used. This left data sets for Alberta, British Columbia and New Brunswick.

### *2.5c Maximization of the sample size*

Maximization of the sample size is important when data from only three provinces are available for analyses related to variables that influence quality. Each of Alberta, British Columbia and New Brunswick had participated in both studies whose data sets were used for this research. As a result, there were two data sets available that contained information on wages, working conditions, centre practices and staff characteristics.

The participants in Study 1 and Study 2 were drawn from the same sampling frame. However, the way in which they were selected differed. Before the first study was conducted, fifty centres in each of the three provinces were reserved for use in the second study-the examination of quality. To reduce observers' travel time, the centres for the second study were randomly selected only from specific target communities. The centres to be approached to participate in the first study – the mail-in questionnaire related to wages, working conditions, centre practices and staff characteristics – were randomly selected from all the remaining eligible centres across the country once the centres for the second study had been excluded.

In spite of the fact that the participant selection was done differently in the two studies, data from both data sets were combined for the analyses looking at between-auspice differences in variables that are associated with or predict quality level. This combining of data sets was considered to be acceptable on the basis that all centres came from the same sampling frame and the selection of centres within the target communities for the second study was random as was the selection of centres for the first study.

#### *2.5d The issues of atypical centres and multiple centres under the same operator*

The present study focuses on non-profit centres, excluding those operated by municipalities, and commercial centres regardless of their operator type. In 1998, municipalities operated an estimated 3.1% of centres across Canada and all were located in Ontario.<sup>19</sup> Not only is the municipal sector small but also it differs from other non-profit centres in important variables such as the proportion of teachers with a two-year or higher ECCE credential and wage levels.<sup>20</sup> Given the relatively small number of municipally operated centres and the unknown influence of being operated by a municipality rather than a community board, a decision was made to exclude municipal centres from the analyses.

The study was intended to explore the influence of auspice on typical community based centres. However, five centres in the combined data sets for the three provinces were confirmed by telephone to be college or university laboratory schools. Given their particular role and the possibility of their receiving additional resources, including consultation from the college or university, data from these centres were not included in the analyses. An examination of the data sets also indicated some situations where data had been collected from more than one centre under the same operator. It was assumed that multiple centres under the same operator would have the same or very similar policies and practices and that a one-to-one relationship between centre and operator was desirable. Therefore, only one centre under each operator was used.

## **2.6 Limits imposed by the data**

The present study used existing data sets that had been developed for other purposes and its explorations were constrained by this fact. For example, it was not possible to explore the effect of auspice on some variables suggested by other studies as being important for quality such as the complexity of the centre's organizational structure.<sup>21</sup>

In addition, small sample sizes in British Columbia precluded a within-province comparison of non-profit and commercial centres in that jurisdiction. While it was possible to do a between-sector examination of quality ratings in pre-school rooms in both Alberta and New Brunswick, it was not possible to do this for infant/toddler rooms in either province due to small sample sizes.

## 2.7 The sample

For the reasons explained in Section 2.5b, only data from Alberta, British Columbia and New Brunswick were used. This provided quality ratings for 33 infant/toddler and 45 pre-school rooms in non-profit centres and 15 infant/toddler and 43 pre-school rooms in the commercial sector. Information on centre variables such as the proportion of teaching staff with a two-year or higher ECCE credential were available from the data sets from both *You Bet I Care!* studies from a total of 71 non-profit centres and 166 commercial centres.

TABLE 2.1: FINAL SAMPLE OF PARTICIPATING ROOMS

Auspice	Alberta	BC	NB	Combined
Non-profit				
• Infant/toddler rooms	9	12	12	33
• Pre-school rooms	18	11	16	45
Commercial				
• Infant/toddler rooms	4	2	9	15
• Pre-school rooms	14	7	22	43
TOTALS	45	32	59	136

## 2.8 Data analyses

Data were analyzed using the SPSS-X Program for Windows.™ Descriptive data including means, medians, percentages and standard deviations were generated first. The next step consisted of correlational analyses in which associations were explored among variables. The present study also used multiple regression to explore the extent to which auspice influences wage level.

## *Notes*

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<sup>1</sup> Doherty et al., 2000.

<sup>2</sup> Goelman et al., 2000.

<sup>3</sup> *Ibid.*, p. 22.

<sup>5</sup> Harms, and Clifford, 1990.

<sup>6</sup> Harms, Cryer, and Clifford, 1998.

<sup>7</sup> Goelman et al., 2000, p. 14-16.

<sup>8</sup> Harms and Clifford, 1980.

<sup>9</sup> Doherty and Stuart, 1996; Goelman and Pence, 1988; Schliecker, White and Jabobs, 1991; White, Jacobs and Schliecker, 1988.

<sup>10</sup> Helburn, 1995; Kontos and Stremmel, 1988; Whitebook, Howes and Phillips, 1990.

<sup>11</sup> Goelman et al., 2000, p. 16.

<sup>12</sup> *Ibid.*, p. 17.

<sup>13</sup> Doherty et al., 2000, Table 9.1.

<sup>14</sup> Goelman et al., 2000.

<sup>15</sup> Doherty et al., 2000, Table 10.9.

<sup>16</sup> Goelman et al., 2000, Figures 5.1 and 5.3.

<sup>17</sup> Doherty et al., 2000, Appendix G.

<sup>18</sup> *Ibid.*, Table 2.4.

<sup>19</sup> *Ibid.*, Table 9.2.

<sup>20</sup> *Ibid.*, Appendix D.

<sup>21</sup> Lyon and Canning, 1999.

## Differences in access to resources

### 3.1 Introduction

As discussed in Chapter 1, Canadian research has consistently documented that non-profit child care centres as a group obtain higher scores on standard, objective measures of quality than do commercial centres.<sup>1</sup> Commentators in both Canada<sup>2</sup> and the United States<sup>3</sup> have suggested that quality is poorer in the commercial sector because non-profit centres have access to resources that commercial centres do not.

The *YBIC!* data show that the non-profit sector does have greater access to resources. When the data used in the present study were collected in 1998, five jurisdictions limited access to fee subsidy and/or to some or all recurring government grants (for example wage grants) to non-profit centres.<sup>4</sup> As illustrated in Table 3.1, non-profit centres also have greater access to in-kind donations.<sup>5</sup>

TABLE 3.1: DIFFERENCE IN RECEIPT OF IN-KIND DONATIONS BY AUSPICE, 1998.

Auspice	Subsidized or free space %	Subsidized or free utilities %	Both subsidized or free rent and utilities %	Free or subsidized janitorial or maintenance %	Donated toys or equipment %
Non-profit	35.4	25.3	21.3	20.8	23.1
Commercial	3.4	3.4	2.0	3.3	18.7

Source: Doherty et al., 2000, Table 10.9.

Note: Data from municipal centres not included.

The report on *You Bet I Care's! Study 2, Caring and Learning Environments: Quality in Child Care Centres Across Canada* reports that the receipt of free or subsidized space and/or utilities predicted higher quality and that there was a statistically significant association between the receipt of a government wage enhancement grant and higher quality.<sup>6</sup> A multi-state American study found that non-profit centres with government funding or donated space/utilities pay higher salaries, have teaching staff with higher levels of ECCE education, and obtain higher ratings on an objective

measure of centre quality than do non-profit centres that do not receive either kind of resource.<sup>7</sup>

This chapter explores the influence on quality of the between-sector differences that exist in access to resources. Two important findings emerge:

- The non-profit sector's greater access to resources such as government grants and free/subsidized space and/or utilities contributes to its ability to provide programs that support and enhance children's well-being and development.
- However, the between-auspice difference in access to resources is not sufficient **by itself** to explain the overall lower quality in the commercial sector.

The following two chapters explore the second major hypothesis used to explain the between-sector differences in quality – that the non-profit and commercial sectors have different goals that play out in the form of different structures, behaviours and characteristics.<sup>8</sup>

### **3.2 The sampling methodology used in the analyses presented in this chapter**

Data were used from Studies 1 and 2 of the *You Bet I Care!* project – *A Canada-wide Study on Wages, Working Conditions, and Practices in Child Care Centres*<sup>9</sup> and *Caring and Learning Environments: Quality in Child Care Centres Across Canada*<sup>10</sup> to derive a sample of centres that operated on a “level playing field” financially. This meant that two issues of financial resources had to be addressed: government funding and in-kind donations or resources. The method used addressed both of these.

The issue of differential government funding practices on the basis of auspice was addressed by only using findings from Alberta, British Columbia and New Brunswick. At the time of data collection all three treated commercial and non-profit centres identically for purposes of fee subsidy and access to other government funding. We can be confident that this approach resulted in a sample of centres that operated on a “level playing field” with respect to government funding in both Alberta and New Brunswick. However, while the government does not differentiate by auspice in British Columbia, grants under the Compensation Contribution Program are not automatically provided to all centres. Centres have to apply for the grant each year and the application includes signing a contract to follow certain distribution rules, to maintain specific records pertaining to the use of the funds, and

to provide the records to the government if requested. Some centres choose not to apply for the grant; however, information on the proportion of non-profit and of commercial centres making this decision is not available.<sup>11</sup>

The issue of between-sector differences in access to in-kind donations was addressed by doing analyses solely for those centres in the three province sample that do not receive either free/subsidized space or utilities. These two forms of donations are valuable to a centre in terms of freeing up budget that can be used for other purposes. While this strategy further levels the playing field, it has the disadvantage of reducing the sample size. A smaller sample size reduces the probability of finding a statistically significant between-sector difference even when, as evident in Table 3.2 for the mean *ITERS* Total scores for centres that do not receive any in-kind donation, there is a clear difference between the non-profit and commercial sectors.

### **3.3 The instruments used to measure quality and their scoring**

Three observational instruments were used to collect data on the quality of care provided in the participating centres. The *Caregiver Interaction Scale (CIS)*<sup>12</sup> was used in all rooms along with either the *Infant/Toddler Environment Rating Scale (ITERS)*<sup>13</sup> or the *Early Childhood Environment Rating Scale – Revised edition (ECERS-R)*<sup>14</sup> depending on the age of the children. Additional information about these instruments is provided in Section 2.4.

### **3.4 Findings**

Scores on each of the sub-scales of the *CIS* range from 1.0 to 4.0. High scores are desirable for *Sensitivity* while low scores are desirable for both *Harshness* and *Detachment*. Total scores for each of the *ITERS* and *ECERS-R* can range between 1.0 and 7.0. Higher scores are desirable on both of these scales. For example, a score of 4.88 reflects a situation more likely to support children's development than does a score of 4.05. Scores between 3.0 and 4.9 reflect a situation where health and safety is protected, some degree of warmth and support is provided but there are few activities intended to stimulate children's development. Scores of 5.0 and above indicate the presence of activities that support and encourage development.

As illustrated in Tables 3.2 and 3.3, commercial centres as a group obtain significantly lower *ITERS* and lower *ECERS-R* Total scores when only government differential treatment by auspice for purposes of funding is addressed ( $p < .05$ ). Teachers in commercial centres obtain lower (less desirable) scores on the *Sensitivity* sub-scale of the *CIS* in both infant/toddler and pre-school rooms although the between-sector difference is not statistically significant.

When the playing field is further leveled by comparing only centres that do not receive either donated space or utilities, the between-sector differences on the *ITERS* and *ECERS-R* are in the same direction although not statistically significant. Again infant/toddler teachers working in commercial centres obtain lower *Sensitivity* scores and higher scores on both the *Harshness* and *Detachment* sub-scales. In pre-school rooms, teachers in the non-profit sector obtain higher scores on *Sensitivity* but there is little between-sector difference on the other two *CIS* sub-scales.

TABLE 3.2: QUALITY RATINGS, INFANT/TODDLER ROOMS, BY AUSPICE AND BY AVAILABILITY OF RESOURCES

	Total three-province sample		Only those centres that receive neither donated space nor utilities	
	N	Mean	N	Mean
<i>ITERS</i> Total score - NP	33	4.88	12	4.30
- commer.	15	4.05 *	15	4.05
<i>CIS Sensitivity</i> - NP	33	3.49	12	3.49
- commer.	15	3.16	15	3.16
<i>CIS Harshness</i> - NP	33	1.05	12	1.04
- commer.	15	1.32*	15	1.32*
<i>CIS Detachment</i> - NP	33	1.35	12	1.29
- commer.	15	1.55	15	1.55

\*  $p < .05$

Note: The three provinces are Alberta, British Columbia and New Brunswick.

TABLE 3.3: QUALITY RATINGS, PRE-SCHOOL ROOMS, BY AUSPICE AND BY AVAILABILITY OF RESOURCES

	Total three-province sample		Only those centres that receive neither donated space nor utilities	
	N	Mean	N	Mean
<i>ECERS-R</i> Total score				
- NP	45	4.96	17	4.72
- comm	43	4.43*	42	4.42
<i>CIS Sensitivity</i>				
- NP	45	3.36	17	3.36
- comm	43	3.29	42	3.28
<i>CIS Harshness</i>				
- NP	45	1.20	17	1.24
- comm	43	1.25	42	1.25
<i>CIS Detachment</i>				
- NP	45	1.40	17	1.40
- comm	43	1.37	41	1.37

\* =  $p < .05$

Note: The three provinces are Alberta, British Columbia and New Brunswick.

Tables 3.2 and 3.3 also illustrate that quality as measured by the *ITERS* and *ECERS-R* clearly decreases when non-profit centres that receive free/subsidized space and/or utilities are excluded from the sample. However, this further leveling of the playing field makes little difference to quality ratings in the commercial sector where few centres receive this type of in-kind donation.

### 3.5 Discussion and conclusions

#### 3.5a Summary of findings

Statistically significant lower Total scores were obtained in the commercial sector for both the *ITERS* and the *ECERS-R* and for the *Harshness* scale of the *CIS* in infant/toddler rooms in a sample of centres from provinces that treat both auspices identically for purposes of funding. Commercial centres as a group continued to receive lower quality ratings on both the *ITERS* and *ECERS-R* when the playing field was further leveled by examining only those centres that do not receive either donated space or utilities. These findings are consistent with previous Canadian research that also reports higher levels of quality in the non-profit sector as measured by the *ITERS* or the original version of the *Early Childhood Environment Rating Scale*<sup>15</sup> in jurisdictions treating both sectors identically for funding purposes.<sup>16</sup>

The findings of the present study indicate that between-sector differences in access to resources, while real, are not sufficient in themselves to explain the lower quality in the commercial sector.

### ***3.5b The effect of free/subsidized space and/or utilities***

As illustrated by Tables 3.2 and 3.3, quality as measured by the *ITERS* and *ECERS-R* decreases in the non-profit sector when centres that receive free/subsidized space and/or utilities are excluded but this exclusion makes virtually no difference in the commercial sector where the proportion of centres receiving such assistance is very small. *Caring and Learning Environments: Quality in Child Care Centres Across Canada* found that receipt of free/subsidized space or utilities was a direct predictor of both *ITERS* and *ECERS-R* Total scores<sup>17</sup> and that there was a highly significant correlation ( $p < .01$ ) between receipt of a government grant to increase wages and both *ITERS* and *ECERS-R* Total scores.<sup>18</sup>

In the present study, those non-profit centres that do not receive either free/subsidized space or utilities spend 11.3% of their budget for space and 6.1% for utilities. As a result, receipt of both donated space and utilities would free up 17.4% of the budget of the average non-profit centre for other types of expenditures. This illustrates the substantive value of such donations. There is some pressure on centres within a given community to charge similar parent fees in order to remain competitive in attracting families to enroll their children. Access to government grants and/or donated space or utilities by some centres gives them an advantage over other centres operating in the same area. Centres that so desire can use the resources gained by not having to purchase space and/or utilities for other expenditures directly related to the provision of higher quality. For example, they can pay higher wages, which in turn increases the centre's ability to attract staff with higher ECCE education levels.

### ***3.5c Conclusions***

In conclusion, the between-sector difference in access to government grants and to free/subsidized space and/or utilities is not sufficient **by itself** to explain the overall lower quality in the commercial sector. However, the non-profit sector's greater access to these resources probably **contributes** to its ability to provide programs that support and enhance children's well being and development. Are there other between-sector differences that might contribute to the consistent finding of between-sector differences in quality?

The following two chapters explore the second major hypothesis used to explain the between-sector differences in quality – that the non-profit and commercial sectors have different goals, which play out in the form of different structures, behaviours and characteristics.

## *Notes*

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<sup>1</sup> Friesen, 1995; Goelman et al., 2000.; Lyon and Canning, 1995; Mill, Bartlett and White, 1995.

<sup>2</sup> Krashinsky, 1973; SPR Associates Inc./National Mail Surveys Inc., 1986.

<sup>3</sup> Kagan and Newton, 1986.

<sup>4</sup> Childcare Resource and Research Unit, 2000.

<sup>5</sup> Doherty et al., 2000.

<sup>6</sup> Goelman et al., 2000, Tables 4.12 and 4.13, Figures 5.1 and 5.3.

<sup>7</sup> Helburn, 1995.

<sup>8</sup> Blau, 1997; Friesen, 1995; Lyon and Canning, 1999; Morris and Helburn, 2000.

<sup>9</sup> Doherty et al., 2000.

<sup>10</sup> Goelman et al., 2000.

<sup>11</sup> Lynda Gander, Child Care Grants Coordinator, Government of British Columbia, personal communication, September 9, 2001.

<sup>12</sup> Arnett, 1989.

<sup>13</sup> Harms, Cryer, and Clifford, 1990.

<sup>14</sup> Harms, Clifford, and Cryer, 1998.

<sup>15</sup> Harms and Clifford, 1980.

<sup>16</sup> Friesen, 1995; Lyon and Canning, 1995.

<sup>17</sup> Goelman et al., 2000, Figures 5.1 and 5.3.

<sup>18</sup> Ibid., Table 4.12 and 4.13.

## Auspice and differences in organizational structures

### 4.1 Introduction

To a greater or lesser extent, all organizations create structures to coordinate their activities and manage the actions of the people within them. Two important components of organizational structure are:

- Formalization – the extent to which roles and responsibilities are standardized and explicit. When an organization is highly formalized, there are written job descriptions and salary scales and employees have clear written guidelines regarding their roles, responsibilities, and reporting relationships.
- Centralization – the degree to which decision-making is concentrated at a single point and the extent to which others can and do have input into decisions. When an organization is highly centralized, the owner or manager makes the majority of decisions and there are few, if any, provisions for consultation with or input by frontline employees or users of the service.

Various researchers have suggested that the operators of non-profit and of commercial child care programs have different goals. <sup>1</sup> These different goals permeate the organization and lead to between-sector differences in organizational structure which are associated with between-sector differences in quality level.

Two previous Canadian studies have documented differences in organizational structure between non-profit and commercial child care centres. Both also explored whether different levels of formalization and centralization in the two sectors were associated with differences in centre quality. One study was conducted by Friesen in Alberta <sup>2</sup> while the other, conducted by Lyon and Canning, involved centres from across Canada. <sup>3</sup> Both studies reported that, overall, centres in the non-profit sector are significantly more formalized and provide significantly more opportunities for both parental and staff involvement in decision-making – that is, are less centralized.

The Friesen study reported a significant positive correlation between higher levels of quality as measured by the *Infant/Toddler Environment Rating Scale (ITERS)* <sup>4</sup> and lower levels of centralization ( $p < .5$ ). There was a non-significant positive

correlation between the extent to which a centre was formalized and its quality level with more formalized centres tending to be ranked as higher quality. The Lyon and Canning Canada-wide study found was no significant correlation between ratings on the *Early Childhood Environment Rating Scale (ECERS)* <sup>5</sup> and either formalization or centralization. There was, however, a trend for centres rated high on the *ECERS* to be more formalized and less centralized. This chapter presents data from the present study that are consistent with these previous findings.

## **4.2 The methodology used in the present chapter**

Data were used from Studies 1 and 2 of the *You Bet I Care!* project <sup>6</sup> to examine differences between the non-profit and commercial sectors in organizational structure. The data were drawn from questionnaires and from ratings of global quality.

Centre directors and teaching staff in both studies completed the same questionnaires that sought information about factors such as their working conditions and their perception of opportunities to influence decision-making in the centre. Information about centre provisions for parental input was obtained for a supplementary centre questionnaire completed by directors in the second *You Bet I Care!* study. <sup>7</sup>

*You Bet I Care!* assessed global quality using the *Caregiver Interaction Scale (CIS)* <sup>8</sup> in both infant/toddler and pre-school rooms and the *Infant/Toddler Rating Scale (ITERS)* or the *Early Childhood Environment Rating Scale – Revised Edition (ECERS-R)* <sup>9</sup> depending on the age of the children in the room was used. Additional information about these three scales is provided in Section 2.4.

## **4.3 The present study's findings related to organizational structure**

### ***4.3a Between-sector differences in formalization***

Table 4.1 provides a comparison of the extent to which centres are formalized, that is, have certain written policies and formal procedures. The policies and procedures selected for the present study mirror those used to measure the degree of formalization in the study involving centres from across Canada. <sup>10</sup> The statistic for each of the six variables and for each sector was obtained by averaging the percent of

teaching staff in each centre who reported that the variable in question was available in their centre.

TABLE 4.1: BETWEEN-SECTOR COMPARISON OF THE EXTENT TO WHICH CENTRES HAVE WRITTEN POLICIES AND FORMAL PROCEDURES

Variable	Auspice	Average percent
Teaching staff have written job descriptions	Non-profit	73.4
	Commercial	46.5**
Teaching staff have written job contracts	Non-profit	41.7
	Commercial	22.2**
There is a written salary schedule	Non-profit	29.2
	Commercial	12.1**
There is a staff manual outlining staff policies	Non-profit	70.9
	Commercial	57.2**
Teaching staff receive regular written job performance appraisals	Non-profit	38.5
	Commercial	11.2**
There is a formal grievance procedure	Non-profit	31.5
	Commercial	15.3**

\*\* =  $p < .01$

Source: Staff Questionnaire from both *You Bet I Care!* data sets for all centres in Alberta, British Columbia and New Brunswick combined.

Note: Data from 147 non-profit and 163 commercial centres. The term 'teaching staff' refers to all staff other than directors who are responsible for providing care to children.

Table 4.1 illustrates that – consistent with the two previous studies – the present study found that centres in the non-profit sector were significantly more likely to have written policies and formal procedures and, thus, had a greater level of formalization.

#### ***4.3b Between-sector differences in centralization***

Centralization refers to the extent to which decision-making is concentrated at a single source. Centralization is reflected in the extent to which centre employees and user-parents are consulted with and given the opportunity to have input into or make decisions.

This study looked at the extent of centralization within a centre as experienced from three perspectives:

- Teaching staff – using data from the Staff Questionnaire from Studies 1 and 2 of the *You Bet I Care!* project for the three provinces (Alberta, British Columbia and New Brunswick).
- Directors – using data from the Director Questionnaire from Studies 1 and 2 of the *You Bet I Care!* project for the three provinces.
- Parents – using data from the Supplementary Centre questionnaire used in the *Caring and Learning Environments: Quality in Child Care Centres Across Canada*.<sup>11</sup>

#### *Teaching staff*

Data were used from two questions on the Staff Questionnaire. The first question asked respondents to indicate whether or not each item on a list of descriptions of how decisions are made applied to their centre. The second question asked teaching staff to indicate, on a three-point scale (with one indicating “very little” and three “considerable”), their perception of the degree of influence they have in various types of organizational decision-making (see Table 4.2).<sup>12</sup>

The only significant between-sector difference in Table 4.2 is that a higher proportion of teaching staff in non-profit centres perceived themselves as being able to provide input on the content of staff meetings – an indication of low centralization. The finding of only one significant between-sector difference at the teaching staff level is in sharp contrast to the findings related to directors and parents (see Tables 4.3 and 4.4). However, it is consistent with the findings of the study that involved centres from across Canada.<sup>13</sup> In that study as well, between-sector differences in centralization were at the director – rather than the teaching staff – level.

TABLE 4.2: DEGREE TO WHICH TEACHING STAFF FEEL ABLE TO MAKE DECISIONS OR HAVE INPUT INTO DECISION-MAKING, BY AUSPICE

Statistic	Variable	Auspice	% agree (average)
Average percent of teaching staff indicating that this description applies to their centre	1) People are encouraged to be self-sufficient in making decisions	Non-profit Commercial	56.0 58.3
	2) The director likes to make most of the decisions	Non-profit Commercial	30.7 26.8
	3) People don't feel free to express their opinions	Non-profit Commercial	26.1 21.6
	4) Everyone provides input on the content of staff meetings	Non-profit Commercial	70.4 56.7 **
	5) People provide input but the decisions have already been made	Non-profit Commercial	11.2 15.9
	6) Teachers make decisions about things that directly affect them	Non-profit Commercial	50.5 51.9
	7) Teachers are seldom asked their opinion on issues	Non-profit Commercial	10.0 10.7
	8) The director values everyone's input for major decisions	Non-profit Commercial	61.9 62.3
Average percent of teaching staff indicating that they have <b>very little influence</b> on the way this decision is made	9) Ordering materials and supplies	Non-profit Commercial	24.1 30.7
	10) Determining program objectives	Non-profit Commercial	17.2 16.9
	11) Orientation of new teachers	Non-profit Commercial	33.7 37.9
	12) Planning the daily schedule of activities	Non-profit Commercial	7.0 7.6
	13) Developing or changing policies	Non-profit Commercial	53.6 53.4
	14) Influencing how procedures are developed or determined	Non-profit Commercial	46.1 45.5

\*\* =  $p < .01$

Source: Staff Questionnaire from both *You Bet I Care!* data sets for all centres in Alberta, British Columbia and New Brunswick combined.

Note: Data from 147 non-profit and 163 commercial centres.

### Directors

The director of a non-profit centre is an employee (of the board) while the director of a commercial program may either be an employee or the owner. The *You Bet I Care!* Director Questionnaire asked directors who were employees a series of questions about their perception of the person or group to whom they are directly responsible. This person or group would most often be the owner or board of directors but – in the case of a large centre with several sites – might be a manager. Some of the questions that were asked explored the degree to which the director felt able to make administrative decisions and to have input into policy decisions. Table 4.3 indicates the percentage of directors by auspice that agreed with each statement.

A clear between-sector difference emerges in Table 4.3 with directors of commercial centres reporting significantly greater curtailment on their ability to try out new ideas, to make decisions related to daily administrative matters, or to influence policy development. All these responses indicate a high degree of centralization. In addition, a higher proportion of directors in the commercial sector stated that the person to whom they report was unresponsive to their requests for direction. Such lack of responsiveness hinders the director’s ability to take action and may also indicate centralization.

TABLE 4.3: DEGREE TO WHICH DIRECTORS WHO ARE EMPLOYEES FEEL FREE TO MAKE DECISIONS OR HAVE INPUT INTO DECISION-MAKING, BY AUSPICE

	Variable	Auspice	% agree
Put a checkmark beside each of the following items that describes your relationship with the person or group to whom you report or has supervisory responsibility for your performance.	1) Encourages me to try new ideas	Non-profit Commercial	76.6 60.3*
	2) Gets too involved in daily administrative issues that should be left to me to handle	Non-profit Commercial	4.0 19.0 **
	3) Seeks my input in policy development	Non-profit Commercial	79.8 49.2**
	4) Trusts my judgment	Non-profit Commercial	89.5 68.8**
	5) Is unresponsive to my requests for direction	Non-profit Commercial	8.9 22.2 *

\* =  $p < .05$ ; \*\* =  $p < .01$ .

Source: Director Questionnaire from both the *You Bet I Care!* data sets for all centres combined from Alberta, British Columbia and New Brunswick.

Note: There were responses for all variables from 63 directors in the commercial sector who were employees (not owners and 124 (of 147) in the non-profit sector. Some directors did not respond to this or responded only to certain items. Data were only where there were responses for all items.

### Parents

The way in which key decisions can be made is one of the major differences between non-profit and commercial organizations. In the commercial sector, decisions regarding policy, administration and service can be made at the sole discretion of the owner(s) and the shareholders where such exist.<sup>14</sup> As a result, there is no inherent requirement for a commercial child care program to have a formal mechanism that would hold it accountable to the user-parents or to the community in which it operates. In contrast, non-profit organizations are required to have a board of directors although the composition of the board is not usually specified in legislation. To the extent to which the board of a child care centre is representative of user-parents and the community, the board provides a formal mechanism for holding the program accountable and for enabling parents and the community to express their needs and preferences.

The supplementary Centre Questionnaire used in *Caring and Learning Environments: Quality in Child Care Centres in Canada*<sup>15</sup> asked a number of questions that sought information about formal methods other than board membership through which parents could indicate the degree to which the centre meets their needs and/or express their opinion on key issues. The existence of these other methods expands the extent to which parents can influence policy, financial and program decisions. Table 4.4 reports on the percentage of centres in each sector that had each of three types of formal mechanism for parental involvement in decision-making. It shows that non-profit centres as a group provide parents with a greater opportunity to express opinions and have input into centre decisions.

TABLE 4.4: THE EXISTENCE OF FORMAL METHODS OTHER THAN BOARD MEMBERSHIP FOR PARENTAL INPUT BY AUSPICE

Method	Non-profit %	Commercial %
Regular parent/guardian satisfaction questionnaire or telephone interview to determine level of satisfaction	70.0	39.6 **
Annual meeting open to all parents/guardians	82.7	54.0 **
Centre has a parent advisory group	29.4	6.3**

\*\* =  $p < .01$

Note: Data for all centres in Alberta, British Columbia and New Brunswick. Responses to all three items were received from 50 non-profit centres and 48 commercial centres.

### Summary

In summary, centralization was explored from the perspectives of teaching staff, directors, and user-parents. A significant between-sector difference was found for

only one of 14 measures of the extent to which teaching staff can make or influence decisions. In contrast, there were significant differences in all measures relating to opportunities for such action by directors and user-parents. These findings suggest little between-sector difference in centralization as it applies to the daily activities of teaching staff but greater centralization in the commercial sector in regard to administrative, policy and financial matters.

#### ***4.3c Summary of findings related to both types of organizational structure***

This study found that:

- A significantly higher proportion of centres in the non-profit sector had high levels of formalization, that is, written policies and formal procedures.
- A significantly higher proportion of centres in the commercial sector had high levels of centralization, that is, decision-making concentrated at the level of the owner with little opportunity for input by directors or user-parents.

The findings related to formalization duplicate those of the two previous Canadian studies <sup>16</sup> that examined this aspect of organizational structure. The present study's finding of overall higher levels of centralization in the commercial sector duplicates the findings of the only other Canadian study that has examined centralization in non-profit and commercial child care centres. <sup>17</sup>

### **4.4 The relationship between organizational structure and program quality**

#### ***4.4a Introduction***

Previous Canadian research reports that more formalized and less centralized centres tend to have higher levels of quality as measured by the *ITERS* or *ECERS*. <sup>18</sup> These findings are consistent with the hypothesis that there are between-sector differences in organizational structure and these differences may in part explain the overall lower quality found in the commercial sector.

#### 4.4b Methodology used in the present study

This study used the same approach as used by Lyon and Canning's Canada-wide study<sup>19</sup> in its exploration of the relationship between quality and each of formalization and centralization. Centres were dichotomized by median splits into more or less formalized for each of the six variables identified in Table 4.1. These scores were then summed and a summary measure of formalization was obtained. Centres were then split into more or less formalized overall at the median split for this measure and placed into one of three categories of quality as measured by their Total score on the *ITERS* or *ECERS-R*. The present study used the same category definitions for quality as used by the Canada-wide study – low (*ITERS* or *ECERS-R* Total score <3.95), medium (*ITERS* or *ECERS-R* Total score 3.95- 4.95) and high (*ITERS* or *ECERS-R* Total score >4.95).

The same approach was used for centralization using the variables in Tables 4.2, 4.3 and 4.4. As a result, the summary measure for centralization was based on the combined perspectives of teaching staff, directors and parents. In developing the measures for formalization and centralization, the present study used data only from centres for which an *ITERS* or *ECERS-R* score was available. In Study 2 of *You Bet I Care!*, each centre contributed one *ITERS* and/or one *ECERS-R* score. As a result, there is a one-to-one relationship between centre and *ITERS* rating and centre and *ECERS-R* rating.

TABLE 4.5: PERCENTAGE OF MORE OR LESS FORMALIZED CENTRES RATED LOW, MEDIUM AND HIGH ON THE *ITERS*

Median split on formalization	Three quality rating categories			Total
	Low (<3.95)	Medium (3.95 - 4.95)	High (>4.95)	
Less formalized	44.0 (11)	36.0 (9)	20.0 (5)	100.0 (25)
More formalized	17.0 (4)	17.0 (4)	65.0 ** (15)	99.0 (23)
Total	31.0 (15)	27.0 (13)	42.0 (20)	100.0 (48)

\*\* =  $p < .01$

Note: The numbers in brackets refer to the actual number of centres in each cell. Percentages do not always add up to 100.0 because of the effect of rounding. Data were available from all 48 centres in the present study for which *ITERS* scores were obtained.

#### 4.4c Findings

##### *Degree of formalization and level of quality*

Table 4.5 illustrates that there is a significant correlation between whether a centre has a high degree of formalization and is in the highest category of quality as measured by the *ITERS*. The highest proportion of centres with a low level of formalization is in the lowest quality category. Friesen's Alberta <sup>20</sup> study also reported a positive correlation between a centre's degree of formalization and its Total score on the *ITERS* although in this study the association was not statistically significant.

The present study also found that there was a trend for pre-school rooms in more formalized centres to have higher quality ratings and those in less formalized centres to have lower quality ratings although the association between quality rating and formalization was not statistically significant (see Table 4.6). The sample sizes in the present study are small in some cases, which suggests caution should be used in interpreting the findings. However, the consistency in the findings in the present study and the two previous studies <sup>21</sup> provides support for the hypothesis that there is an association between a high degree of formalization and provision of higher quality care.

TABLE 4.6: PERCENTAGE OF MORE OR LESS FORMALIZED CENTRES RATED LOW, MEDIUM AND HIGH ON THE *ECERS-R*

Median split on formalization	Three quality rating categories			Total
	Low (<3.95)	Medium (3.95 - 4.95)	High (>4.95)	
Less formalized	30.0 (14)	37.0 (17)	33.0 (15)	100.0 (46)
More formalized	7.0 (3)	45.0 (19)	47.0 (21)	99.0 (42)
Total	19.0 (17)	40.0 (35)	40.9 (36)	100.0 (88)

Note: The numbers in brackets refer to the actual number of centres in each cell. Percentages do not always add up to 100.0 because of the effect of rounding. Data were available from all 88 centres in the present study from which *ECERS-R* scores were obtained.

### *Degree of centralization and level of quality*

The present study looked at centralization from the perspective of teaching staff, directors, and parents. In so doing, it used data from three different questionnaires for a total of 23 variables. Data pertaining to centralization for the 14 variables from the perspective of teaching staff were available for all centres for which quality scores were available. However, in some situations, one or more of the questions pertaining to centralization as it relates to directors or to parents had not been answered. The findings reported in Tables 4.7 and 4.8 are only from those situations for which there were responses for at least 20 of the total 23 variables. This approach reduces the likelihood that the findings are distorted by missing data given the methodology used to obtain the summary measure of centralization. However, it also means that centralization data related to infant/toddler rooms were unusable for 15 of the 48 centres for which *ITERS* scores were available and unusable for 40 out of the 88 centres for which there were *ECERS-R* scores. It is impossible to estimate the degree to which this substantial loss of data influences the extent to which the centres in these two tables represent the total sample of centres used in the present study.

Table 4.7 indicates that infant/toddler rooms in centres that are less centralized tend to have higher quality. The association between centralization and quality in pre-school rooms is less clear because many centres cluster in the medium quality range as measured by the *ECERS-R* regardless of their degree of centralization. The failure to duplicate the findings of the earlier research<sup>22</sup> reporting an association between lower centralization and higher quality may reflect the loss of data in the present study noted above or the fact that this study used a different approach.

Table 4.7: Percentage of more or less centralized centres rated low, median and high on the *ITERS*

Median split on centralization	Three quality ratings			Total 100.1 (16)
	Low (<.3.95)	Medium (3.95 - 4.95)	High (>.4.95)	
Less centralized	19.0 (3)	19.0 (3)	63.0 (10)	100.1 (16)
More Centralized	35.0 (6)	24.0 (4)	41.0 (7)	100.0 (17)
Total	27.0 (9)	21.0 (7)	52.0 (17)	100.0 (33)

Note: Numbers in brackets refer to the actual number of centres in each cell. Percentages do not always add up to 100 due to rounding. Centralization data were only usable for 33 of the 48 centres for which *ITERS* scores were available.

TABLE 4.8: PERCENTAGE OF MORE OR LESS CENTRALIZED CENTRES RATED LOW, MEDIUM AND HIGH ON THE ECERS-R

Median split on centralization	Three quality ratings			Total
	Low (<.3.95)	Medium (3.95 - 4.95)	High (>.4.95)	
Less centralized	13.0 (3)	33.0 (8)	54.0 (13)	100.0 (24)
More centralized	17.0 (4)	33.0 (8)	50.0 (12)	100.0 (24)
Total	15.0 (7)	33.0 (16)	52.0 (25)	100.0 (48)

Note: The numbers in brackets refer to the actual number of centres in each cell. Centralization data were only usable for 48 of the 88 centres for which ECERS-R scores were available.

#### ***4.4d Summary of findings related to the association between organizational structure and levels of quality***

There is an association between higher levels of formalization and higher quality ratings for both infant/toddler and pre-school rooms; the association is statistically significant for the infant/toddler rooms. There is a trend for infant/toddler rooms in centres with lower centralization to have higher quality scores but this was not evident in pre-school rooms.

#### **4.5 The association between sector organizational structure and quality level**

The following findings from the present study have been reported earlier in this chapter:

- A higher proportion of non-profit than commercial centres has written policies and formal procedures. Thus, overall, non-profit centres are *more* formalized.
- Directors perceive that they have fewer constraints on their ability to make decisions and more input into policy development in non-profit centres and non-profit centres provide more avenues through which parents can influence policy decisions. Thus, overall, non-profit centres are *less* centralized.
- *High* levels of centre formalization are associated with quality ratings in the *highest* category in both infant/toddler and pre-school rooms. The association is statistically significant in infant/toddler rooms.

- *Low* levels of centralization are associated with quality ratings in the *highest* category for infant/toddler rooms but pre-school rooms tend to cluster in the medium quality category regardless of their centre’s degree of centralization.

Collectively, these findings suggest that the higher levels of formalization and lower levels of centralization in the non-profit sector contribute to the overall higher quality in that sector. As illustrated in Table 4.9, this hypothesis is supported.

The percent of commercial and of non-profit centres in the three quality rating categories are shown in Table 4.9. Non-profit centres overall were significantly more likely to be in the high category and significantly less likely to be rated in the low category on both the *ITERS* and *ECERS-R*. These findings are consistent with those obtained by earlier research using the *ECERS*.<sup>23</sup>

TABLE 4.9: PERCENTAGE OF CENTRES BY AUSPICE IN THE LOW, MEDIAN AND HIGH QUALITY RATING CATEGORY

Quality measure ( <i>ITERS</i> or <i>ECERS-R</i> )	Auspice	Three quality rating categories			Total
		Low % (<3.95)	Medium % (3.95 – 4.95)	High % (>4.95)	
<i>ITERS</i>	Non-profit	24.2 (8)	21.2 (7)	54.5 * (18)	99.9 (33)
	Commercial	46.7 (7)	40.0 (6)	13.3 (2)	100.0 (15)
<i>ECERS-R</i>	Non-profit	15.6 (7)	28.9 (13)	55.6 * (25)	100.1 (45)
	Commercial	23.3 (10)	51.2 (22)	25.6 (11)	100.1 (43)

\* = <.05

Note: The numbers in brackets refer to the actual number of centres in each cell. Percentages do not always add up to 100.0 because of the effect of rounding. Forty-eight centres provided *ITERS* scores, of which 33 were non-profit. Eighty-eight centres provided *ECERS-R* scores, of which 45 were non-profit.

## 4.6 Discussion

The findings in the present study showing higher levels of formalization and lower levels of centralization in the non-profit sector and an association between higher levels of formalization and higher quality are consistent with those of the two previous Canadian studies cited.<sup>24</sup> The consistency of the findings related to formalization from these three studies supports the hypothesis that the greater formalization in the non-profit sector may in part explain its overall higher level of quality. The consistency may also indicate the importance of having written policies and formal procedures as a way to encourage quality in child care regardless of a centre's auspice.

The present study is consistent with the findings of the Friesen study conducted in Alberta<sup>25</sup> that lower levels of centralization are associated with higher levels of quality in infant/toddler rooms. However, unlike the Lyon and Canning study,<sup>26</sup> it did not find a clear association between level of centralization and level of quality for pre-school rooms. The difference between the findings of the present and the other study may reflect the loss of pre-school data in the present study (as discussed in section 4.4c) and/or the use of different questions to explore centralization. Nevertheless, the present study provides support for the hypothesis that the lower levels of centralization in the non-profit sector may in part explain its overall higher level of quality.

### *4.6b How might the degree of formalization within a centre influence its quality?*

A greater degree of formalization may be associated with higher quality because order and clarity in organizational practices have a positive association with both job satisfaction and employee performance.<sup>27</sup> Formal or written policies and procedures are associated with greater role clarity and less ambiguity in terms of reporting relationships and responsibilities and less confusion and stress for teaching staff. Formal performance appraisals clarify expectations and provide an opportunity for supervisors and teaching staff to identify staff practices that require improvement. Not surprisingly, the provision of regular formal performance appraisals has been identified as one of the keys to quality assurance in the child care field.<sup>28</sup>

#### *4.6c How might lower levels of centralization within a centre influence its quality?*

Intuitively, one would expect that a lower level of centralization would be associated with higher quality because:

- More freedom to make program decisions and greater opportunities to provide input into policy development would increase the sense of being valued and hence job satisfaction for both directors and teaching staff. This in turn would be expected to reduce turnover levels and provide greater continuity of relationships with the staff for the children and greater continuity in the administrative management of the centre.
- Parental opportunities to express an opinion provide a mechanism for accountability and increase the director's and teachers' understanding of the child-rearing practices and culture of the user-parents. When such understanding informs practice, it should result in greater sensitivity with children by teaching staff.
- Having a larger number of people involved in a meaningful way in policy and program decisions provides a greater array of knowledge and expertise and may encourage higher levels of reflection about the possible effects of decisions that are under consideration.

#### **4.7 Conclusion**

There are real between-sector differences in organizational structure. Overall, non-profit centres are more formalized and less centralized than centres in the commercial sector. These differences in organizational structure contribute to the overall higher quality found in non-profit centres.

#### *Notes*

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<sup>1</sup> Blau, 1997; Friesen, 1995; Lyon and Canning, 1999; Morris and Helburn, 2000.

<sup>2</sup> Friesen, 1995.

<sup>3</sup> Lyon and Canning, 1999.

<sup>4</sup> Harms, Cryer and Clifford, 1990.

<sup>5</sup> Harms and Clifford, 1980.

<sup>6</sup> Doherty et al., 2000; Goelman et al., 2000.

<sup>7</sup> Goelman et al., 2000.

<sup>8</sup> Arnett, 1989.

<sup>9</sup> Harms, Clifford and Cryer, 1998.

<sup>10</sup> Lyon and Canning, 1999.

<sup>11</sup> Goelman et al., 2000. This questionnaire was not used by Doherty et al., 2000.

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- <sup>12</sup> The statistic for each of the first eight variables and for each sector was obtained by averaging the percent of teaching staff in each centre who reported that the description applies to their centre. The statistic for variables nine through 14 and for each sector was obtained in the same way on the basis of the percent of teaching staff who reported having very little influence on the way in which the decision in question is made at their centre.
- <sup>13</sup> Lyon and Canning, 1999.
- <sup>14</sup> Hatton, 1990.
- <sup>15</sup> Goelman et al., 2000.
- <sup>16</sup> Friesen, 1995; Lyon and Canning, 1999.
- <sup>17</sup> Lyon and Canning, 1999.
- <sup>18</sup> Friesen, 1995; Lyon and Canning, 1999.
- <sup>19</sup> Lyon and Canning, 1999.
- <sup>20</sup> Friesen, 1992.
- <sup>21</sup> Friesen, 1992; Lyon and Canning, 1999.
- <sup>22</sup> Lyon and Canning, 1999.
- <sup>23</sup> Ibid.
- <sup>24</sup> Friesen, 1992; Lyon and Canning, 1995.
- <sup>25</sup> Friesen, 1992.
- <sup>26</sup> Lyon and Canning, 1999.
- <sup>27</sup> Moos, 1986.
- <sup>28</sup> Bredekamp and Glowacki, 1996.

## Differences in organizational behaviours and characteristics

### 5.1 Introduction

Chapter 3 demonstrated that the very real difference in access to resources between the non-profit and the commercial sectors is not sufficient by itself to explain the lower overall quality found in the commercial sector entirely. The findings discussed in the previous chapter show that there are between-sector differences in organizational structure that are associated with between-sector differences in quality. This chapter explores whether there are also between-sector differences in centre behaviours and in centre characteristics that contribute to the difference in quality between the non-profit and commercial sectors as a whole.

Two important findings emerge in this chapter:

- Commercial centres tend to exhibit *behaviours* that lessen their ability to provide a quality service. Even when the between-sector playing field is level in terms of access to government funding and to free/subsidized space and/or utilities, commercial centres hire directors and teaching staff with significantly lower levels of ECCE education, provide significantly less assistance to teaching staff to engage in professional development, expect each teacher to be responsible for a higher number of pre-schoolers than non-profit centres, pay significantly lower wages, and are less likely to identify formal goals for the program.
- Commercial centres also have *characteristics* that work against the provision of quality. Several studies<sup>1</sup> have reported a highly positive correlation between high teaching staff turnover rate and poor centre quality as measured by the *ITERS* and/or the *ECERS*. Friesen's Alberta study found a positive correlation between the number of years the centre has been open under the same operator and its level of quality.<sup>2</sup> Even with the playing field level in terms of access to government funding and to free/subsidized space and/or utilities, commercial centres as a group have significantly higher rates of teaching staff

turnover and have been operated by the same license holder for shorter periods of time.

## 5.2 The methodology used in the present chapter

This chapter uses data obtained from the Centre Questionnaire, the Staff Questionnaire and the Director Questionnaire from the two centre studies of the *You Bet I Care!* project.<sup>3</sup> It also uses data from the telephone screening interview and the supplementary staff questionnaire used in one of these studies<sup>4</sup> plus the notations regarding teacher-to-child ratio made when the *ITERS* or *ECERS-R* was done.

As documented in Chapter 3, the receipt of free or subsidized space and/or utilities contributes to a centre's ability to provide high quality care. In recognition of this, the between-sector comparisons reported in this chapter use data only from centres that do not receive either type of donation. This approach, plus the present study's restriction to provinces that treat the sectors identically for purposes of access to government funds provides a level playing field across the two sectors in regard to access to resources.

The centre behaviours and centre characteristics identified for examination were chosen on the basis of previous research. All these have either been found to predict a centre's level of quality and/or to be associated with its quality level.

## 5.3 Centre behaviours

The between-sector comparison of centre behaviours looks at both predictors and correlates of quality. Predictors are the more powerful statistic. A predictor is a critical piece of information, such as the ECCE level of the teacher that enables the prediction of something such as the relative level of program quality in a classroom. In contrast, a correlation simply identifies a situation where there is a relationship between two variables that could not, from a statistical perspective, have happened simply by chance.

### *5.3a Behaviours that predict the level of quality*

#### *Identification of the behaviours to be explored*

The *YBIC!* research whose quality findings are being used in the present study identified five variables that reflect centre behaviours and are predictors of the level of quality in a given classroom.<sup>5</sup> These variables are:

- The observed teacher's level of ECCE education.
- The observed teacher's wage level.
- The teaching staff-to-child ratio in the pre-school room (though not in infant/toddler rooms) at the time of observation.
- The number of teaching staff in the room at the time of observation (regardless of whether it is an infant/toddler or a pre-school room).
- The centre is used as a student teacher practicum site.

In the *YBIC!* study, higher quality ratings were predicted by each of the following: the observed teacher having a higher level of ECCE education, the observed teacher having a higher wage level, teachers being responsible for fewer children if working in a pre-school room, there being more staff in the classroom, and the centre being used as a practicum site. Some of the same variables have been identified as predictors of child care quality by other researchers, specifically: teaching staff wage level, teaching staff ECCE education level, and teaching staff-to-child ratio.<sup>6</sup>

Three other predictors identified in the research literature are:

- The director's length of experience in the child care field.<sup>8</sup>
- The director's level of formal education in any field.<sup>9</sup>
- The director's level of ECCE education.<sup>10</sup>

#### *Findings*

Table 5.1 illustrates the between-sector differences in the eight predictors identified above in centres that obtain neither free nor subsidized space or utilities. When looking at this table it is important to note that:

- The director's level of formal education in any subject is based on a seven level categorization of education ranging from some high school through to B.A. or higher degree. Thus, 3.75 indicates a higher level of education than does 3.50.

- The same approach was used for Director's level of ECCE education with the scale ranging from none to ECCE-related B.A. or higher degree.

Table 5.1 indicates that even when access to government grants and in-kind donations is equal between the two sectors, commercial centres:

- Hire significantly higher proportions of teaching staff who do not have any ECCE education or only a course lasting less than one year and smaller proportions of teaching staff with a two-year or higher ECCE credential.
- Hire directors with significantly lower levels of ECCE education and somewhat lower levels of overall education.
- Hire directors with less experience in the child care field.
- Pay their teaching staff significantly lower wages.
- Expect teaching staffing in pre-school rooms to be responsible for a larger number of children.
- Have fewer teaching staff in the classroom.
- Are significantly less likely to have been used as a practicum setting for ECCE students.

Variables such as the proportion of teachers with a two-year ECCE credential in a centre and wage levels do not happen by chance but at least in part reflect conscious decisions that result in centre hiring and remuneration behaviors. Thus, the findings in Table 5.1 indicate that commercial centres as a group behave in ways that make it less likely that they will provide child care that supports and stimulates children's development.

An examination of Table 5.1 leads to the question of whether the lower wage levels in the commercial sector simply reflect the lower qualifications of teaching staff working in commercial centres. An analysis of pan-Canadian data from the 1991 *Caring for a Living Study* used a regression analysis to explore this question. It found that teaching staff wages were approximately 13% lower in the commercial sector even after holding the following variables constant: position (assistant teacher or teacher), age, employment status (part-time or full-time), level of education in any subject, level of ECCE education, years of experience in the child care field, years of experience at their current centre, the centre's unionization status (unionized or not), and the province in which the centre was located.<sup>11</sup> In other words, a person working in a commercial centre would earn less than a person with the same characteristics working in a non-profit centre that had the same unionization status and was in the same province. (However, this study did not take into account the between-sector differential access to government grants and to donated space and utilities).

TABLE 5.1: COMPARISON OF PREDICTORS OF QUALITY BY AUSPICE IN CENTRES THAT OBTAIN NEITHER FREE NOR SUBSIDIZED SPACE OR UTILITIES

Variable	Auspice	Number of respondents	Mean %
Proportion of assistant teachers and teachers combined without any ECCE education or a course lasting less than one year	Non-profit	71	20.7
	Commercial	145	40.4 **
Proportion of assistant teachers and teachers combined who have a two-year or higher ECCE credential	Non-profit	70	48.2
	Commercial	138	31.1 **
Mean gross hourly wage for all teaching positions combined	Non-profit	71	\$10.29
	Commercial	145	\$8.38 **
Teacher-child ratio at the time of observation in pre-school rooms	Non-profit	15	1:4.5
	Commercial	40	1:4.8
Number of teaching staff in the room at the time of observation	Non-profit	78	2.42
	Commercial	58	1.67
Centre has been a practicum site for ECCE students within the previous 12 months	Non-profit	71	78.9
	Commercial	166	57.2 **
Director has over ten or more years experience in the child care field	Non-profit	66	60.6
	Commercial	154	48.1 **
Director's level of formal education in any subject	Non-profit	71	3.75
	Commercial	153	3.50
Director's level of ECCE education	Non-profit	70	4.26
	Commercial	138	3.87 *

\* =  $p < .05$ , \*\* =  $p < .01$

Note: Data from both *You Bet I Care!* studies that were collected for Alberta, British Columbia and New Brunswick combined.

The present study replicated the study cited above using data from Studies 1 and 2 in the *You Bet I Care!* project from only those provinces that treat both sectors identically for purposes of funding and *only* centres that do not receive free or subsidized space or utilities. Again auspice clearly influenced wage level. When age, hours scheduled to work per week, province in which the centre is located, whether the centre is unionized, position, level of ECCE education, length of experience in the field, and years at their current centre were held constant, teaching staff in non-profit centre earned 10.9% more than their counterparts in commercial centres.

### ***5.3b Behaviours that are correlated with quality***

#### *Identification of the behaviours*

In addition to the predictors noted above, *YIBC!* Study 2 identified a number of centre behaviours that are correlated with a centre's quality rating. There were significant positive correlations between the *ITERS* and/or *ECERS-R* Total score and:

- The observed teacher's level of formal education in any discipline.
- The proportion of centre budget used for each of staff wages and staff benefits.
- The observed teacher had participated in professional development within the previous 12 months.
- The director and staff regularly engaged in the identification of formal goals for the centre.

Higher quality ratings were associated with the observed teacher having a higher level of overall education and having participated in professional development within the previous 12 months and the centre using a higher proportion of its budget for wages and regularly engaging in program goal identification. Since the present study is interested in centre behaviours rather than doing a comparison of the proportion of staff in each sector who had engaged in professional development, Table 5.2 looks at two key centre behaviours that encourage and enable staff to further their knowledge and skills.

As illustrated in Table 5.2, overall teaching staff in non-profit centres have higher levels of education in any discipline, and non-profit centres spend a higher proportion of their budget on staff wages and benefits, provide more assistance to staff to engage in professional development, and a higher proportion of them have a mechanism whereby centre and staff regularly consider the goals for their centre.

TABLE 5.2: COMPARISON OF POSITIVE CORRELATES OF QUALITY BY AUSPICE IN CENTRES THAT OBTAIN NEITHER FREE OR SUBSIDIZED SPACE NOR UTILITIES

Correlate	Auspice	Number of respondents	Mean
Teaching staff (assistant teachers and teachers combined) level of formal education in any subject	Non-profit	71	3.9
	Commercial	153	3.5 *
Proportion of centre budget used for staff wages	Non-profit	62	70.1
	Commercial	153	58.3 **
Proportion of centre budget used for staff benefits	Non-profit	60	8.9
	Commercial	101	4.7 **
Proportion of centres that provide in-service education	Non-profit	70	74.3
	Commercial	156	42.9 **
Proportion of centres that provide teaching staff with unpaid release time to engage in PD	Non-profit	40	92.5
	Commercial	54	61.1 **
The proportion of centres where the director and teaching staff regularly engage in the identification of formal goals	Non-profit	21	36.3
	Commercial	48	19.2 *

\* =  $p < .05$ , \*\*  $p < .01$

Note: Data from both *You Bet I Care!* studies that were collected for Alberta, British Columbia and New Brunswick combined.

### 5.3c Summary and discussion

There is a statistically significant between-sector difference on five of the eight predictors and on all five positive correlates of quality. These behavioral differences indicate that a higher proportion of commercial centres act in ways that make it harder for them to provide high quality child care.

The provision of quality child care and education is a skilled occupation. Over the past decade, a consensus has emerged in the child care field that doing the job well requires a body of specific knowledge and skills.<sup>12</sup> The ability of a centre to provide a quality service is related to the extent to which it hires trained teaching staff, has a trained, experienced director who can provide leadership and guidance, and assists staff to keep their skills and knowledge current through on-going professional development.

Part of the reason that a relatively low wage level predicts lower quality may be the strong correlation between a relatively low wage and job dissatisfaction.<sup>13</sup> Job dissatisfaction in turn is associated with undesirable adult behaviours such as harshness with the children<sup>14</sup> and with higher levels of teaching staff turnover.<sup>15</sup> High levels of staff turnover rates are of concern for several reasons. First, they disrupt the relationship between adult and child and the child's sense of security and, through this, the child's ability to benefit from learning opportunities. Second, high turnover rates in centres predict or are associated with low program quality as measured by the *ITERS* and/or the *ECERS*.<sup>16</sup> Third, as in any team process, it takes time and effort to establish the communication among teachers that is necessary to create and maintain a high caliber program. A team's functioning is disrupted and the stress level of its members is increased each time a teacher leaves.

The number of teaching staff in a room may be important for quality because when there are two or more teachers it is possible to respond more quickly when two children are simultaneously upset or in need of attention. The link between being a practicum setting for ECCE students and quality is less obvious than the links between quality and teaching staff levels of ECCE education and wages. It may reflect an increased level of reflection about their own practice among teaching staff in centres where there are students, and/or a director who values ECCE education and is prepared to invest some of her own time and that of her teaching staff in the supervision of students.

## 5.4 Centre characteristics

### *Identification of the characteristics to be explored*

The research whose quality findings are being used in this study identified two characteristics that reflect centre characteristics and *predict* the relative level of quality in pre-school rooms. These characteristics are the observed teacher's satisfaction with:

- The support provided by her colleagues.<sup>17</sup>
- The centre as a working environment.<sup>18</sup>

Higher levels of satisfaction predict higher levels of quality. Three characteristics that have been found by researchers to be *positively correlated* with quality are:

- Rates of teaching staff turnover.<sup>19</sup>

- The length of time a centre has been operating under the same license holder.<sup>20</sup>
- Teachers' satisfaction with their wages, benefits and promotion possibilities.<sup>21</sup>

TABLE 5.3: COMPARISON OF CENTRE CHARACTERISTICS BY AUSPICE IN CENTRES THAT OBTAIN NEITHER FREE NOR SUBSIDIZED SPACE NOR UTILITIES

Characteristic	Auspice	Number of respondents	Mean
Teaching staff level of satisfaction with the support provided by their colleagues	Non-profit	71	6.87
	Commercial	140	6.47 *
Teaching staff level of satisfaction with the centre as a working environment	Non-profit	71	5.70
	Commercial	153	5.82
Teaching staff level of satisfaction with their wages, benefits and promotion possibilities	Non-profit	71	3.04
	Commercial	153	2.79
Years the centre has been operating under the same license holder	Non-profit	49	16.2
	Commercial	47	9.7 **
Teaching staff annual turnover rate	Non-profit	67	23.4
	Commercial	164	44.8 **

\* =  $p < .05$ , \*\*  $p < .01$

Note: Data from both *You Bet I Care!* studies for Alberta, British Columbia and New Brunswick combined.

### Findings

Table 5.3 provides a between-sector comparison of the centre characteristics noted above. The teacher's satisfaction with the support provided by her colleagues, the centre as a working environment, and her wages, benefits and promotion possibilities were explored through a series of statements with the respondents being asked to indicate those that applied to them. The statistics in the table are based on the average of the responses to each series of statements. The higher the mean, the greater the satisfaction.

Again there are significant between-sector differences with a higher proportion of non-profit centres exhibiting characteristics that are associated with higher quality levels.

Teachers in non-profit centres are more satisfied with the support provided by colleagues and their own wages, benefits and promotion possibilities and this can be expected to translate into higher levels of job satisfaction. Non-profit centres have turnover rates that are very significantly lower and also have been operating under the same license holder for a significantly longer period of time.

## 5.5 Conclusions

Previous research supports the hypothesis that there are between-sector differences in organizational structures, behaviours and characteristics and that these differences in part explain the overall higher quality found in the non-profit sector.<sup>22</sup>

As discussed in the previous chapter, the present study found the same between-sector differences in organizational structure as found by previous researchers and concluded that these differences contributed to the repeatedly reported between-sector differences in overall quality. This chapter has confirmed that commercial centres tend to act in ways that lessen their ability to provide a program that supports and enhances children's development. They also have characteristics, such as high turnover rates, that work against the provision of quality child care. Section 5.3c discusses some of the ways in which centre behaviours and characteristics influence the extent to which a centre can provide a quality program. The following chapter explores the influence on quality of the interaction between a centre's auspice and characteristics of the jurisdiction in which it operates.

### Notes

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- <sup>1</sup> Helburn, 1995; Kontos and Fiene, 1987; Phillips, McCartney and Scarr, 1987, Phillips, Howes and Whitebook, 1991.
  - <sup>2</sup> Friesen, 1995.
  - <sup>3</sup> Doherty et al., 2000; Goelman et al., 2000.
  - <sup>4</sup> Goelman et al., 2000.
  - <sup>5</sup> Ibid., Figures 5.1 and 5.3.
  - <sup>6</sup> Helburn, 1995; Whitebook, Howes and Phillips, 1990.
  - <sup>8</sup> Helburn, 1995.
  - <sup>9</sup> Jorde-Bloom, 1989.
  - <sup>10</sup> Bredekamp, 1989.
  - <sup>11</sup> Cleveland and Hyatt, in press.
  - <sup>12</sup> British Columbia Centre for Curriculum, Transfer and Technology, 2001; Canadian Child Care Federation, 2000 a and b; Ontario Colleges Standards and Accreditation Council, 1996; Québec Ministry of Education, 2001.
  - <sup>13</sup> Kontos and Stremmel, 1988; Stremmel, 1991; Whitebook, Howes and Phillips, 1990.
  - <sup>14</sup> Berk, 1985; Kontos and Fiene, 1987; Phillips, Howes and Whitebook, 1991.
  - <sup>15</sup> Cleveland and Hyatt, in press; Stremmel, 1991; Whitebook, Howes and Phillips, 1990.
  - <sup>16</sup> Goelman et al., 2000; Helburn, 1995; Kontos and Fiene, 1987; Phillips, McCartney and Scarr, 1987; Phillips, Howes and Whitebook, 1991.
  - <sup>17</sup> Goelman et al., 2000, Figure 5.3.
  - <sup>18</sup> Ibid.
  - <sup>19</sup> Helburn, 1995; Kontos and Fiene, 1987; Phillips, McCartney and Scarr, 1987; Phillips, Howes and Whitebook, 1991.
  - <sup>20</sup> Friesen, 1992.
  - <sup>21</sup> Goelman et al, 2000, Tables 4.14 and 4.15.
  - <sup>22</sup> Friesen, 1995; Lyon and Canning, 1999; Morris and Helburn, 2000.

## The interaction between auspice and jurisdiction

### 6.1 Introduction

So far this report has identified four between-sector differences all of which contribute to the overall lower quality in commercial child care centres. These differences are:

- The non-profit sector's greater access to government grants and to in-kind donations of space and/or utilities.
- The greater level of clarity regarding roles, responsibilities and rights provided for their staff by non-profit centres through written policies and formal procedures.
- The tendency of commercial centres to behave in ways that make it more difficult for them to provide quality programming, for example, hiring directors and teaching staff who have low levels of ECCE education.
- The higher proportion of commercial centres with characteristics that work against the provision of quality such as high turnover rates among teaching staff.

In Canada there are substantial differences across jurisdictions in government funding for child care and in regulations such as the required level of teaching staff ECCE education and the maximum number of children for whom one person can be responsible. These differences reflect different histories and different values. The jurisdictions that provide very small government operating grants (or don't provide them at all) and require no or low levels of ECCE education for teaching staff tend to have the greatest concentration of commercial centres.<sup>1</sup> Might the association between lower quality and commercial status also reflect the provincial/territorial context in which many commercial centres operate?

Quality ratings were available on a sufficient number of non-profit and of commercial centres in two of the three provinces used in the present study to enable a between-sector comparison at the provincial level (Alberta and New Brunswick).

Consistent with the usual finding that quality is lower in the commercial sector (see Section 1.3a), commercial centres in Alberta obtained lower quality ratings than non-profits. They also had a significantly higher proportion of untrained staff and paid lower salaries. However, commercial and non-profit centres in New Brunswick obtained virtually the same quality ratings, hired almost identical proportions of untrained staff and staff with an ECCE course lasting less than one year, and paid fairly similar wages. These findings raise the intriguing possibility that in certain situations, contextual factors such as government regulations and funding practices may change the way in which auspice influences quality levels. The chapter concludes with hypotheses about how the interaction between auspice and jurisdiction may play out in each of Alberta and New Brunswick.

## **6.2 The methodology used in the present chapter**

Data were used from both centre studies in the *You Bet I Care!* project for the examination of teaching staff ECCE levels and wages and from Study 2 for quality ratings. The issue of differential government funding by auspice was addressed by only using data from Alberta, British Columbia and New Brunswick. At the time of data collection these three provinces treated non-profit and commercial centres identically for purposes of government funding.

## **6.3 The instruments used to measure quality**

Three instruments were used to measure quality, the *Caregiver Interaction Scale (CIS)*, which was used in all rooms, and the *Infant/Toddler Environment Rating Scale (ITERS)* or the *Early Childhood Environment Rating Scale – Revised edition (ECERS-R)* depending on the age of the children. Additional information about these scales is provided in Section 2.4. The *ITERS* and *ECERS-R* both examine the overall quality of the centre while the *CIS* measures the affective quality of the interaction between the teacher and the children.

## **6.4 Findings**

General research practice precludes reporting comparative data between two groups unless each group has at least ten subjects. As illustrated in Table 2.1, there were less than ten infant/toddler rooms in the commercial sector in both Alberta and New

Brunswick. As a result, only data from pre-school rooms are provided. Again due to low sample size, it was not possible to use data only from centres that do not receive either donated space or utilities for the comparison of quality ratings. In addition to quality ratings, this section provides information on the findings related to two variables that have been shown to predict quality – teaching staff level of ECCE education and teaching staff wages. <sup>2</sup>

### *Quality ratings*

Total scores on the *ITERS* and *ECERS-R* range between 1.0 and 7.0. On both scales scores between 3.0 and 4.9 reflect a situation where health and safety is protected and warmth and support is provided, but there are relatively few activities that would stimulate children’s social, language or cognitive development. Scores of 5.0 and above indicate the presence of activities intended to support and encourage development and some degree of purposeful planning by teaching staff.

Scores on each of the three sub-scales of the *CIS* range between 1.0 to 4.0. High scores on Sensitivity are desirable while low scores are desirable on the Harshness and Detachment sub-scales.

TABLE 6.1: QUALITY RATINGS IN PRE-SCHOOL ROOMS BY PROVINCE AND AUSPICE, ALL CENTRES, 1998

Province and auspice	N	Mean <i>ECERS-R</i> Total score	Mean <i>CIS</i> Sensitivity	Mean <i>CIS</i> Harshness	Mean <i>CIS</i> Detachment
Alberta non-profit	18	5.57	3.77	1.10	1.13
commercial	14	4.61**	3.51 *	1.14	1.25
combined	32	5.15	3.65	1.12	1.18
N.B. non-profit	16	3.96	2.93	1.31	1.77
commercial	22	4.00	2.99	1.30	1.56
combined	38	3.98	2.97	1.30	1.64

\*\* =  $p < .01$ ; \* =  $p < .05$ .

The following findings are of particular note in Table 6.1:

- In Alberta the mean *ECERS-R* Total score is significantly lower in the commercial sector ( $p < .01$ ), as is the mean *CIS* Sensitivity score ( $p < .05$ ).
- In New Brunswick the mean *ECERS-R* Total score is almost identical in the commercial and in the non-profit sector as is the mean *CIS* Sensitivity score.
- The mean *ECERS-R* Total score in the *non-profit* sector in New Brunswick is significantly lower than that of the *commercial* sector in Alberta ( $p < .05$ ).

The finding of lower quality in the commercial sector in Alberta is consistent with earlier reports of lower quality ratings in commercial centres when the *ITERS* or *ECERS* was used in Alberta, <sup>3</sup> Québec, <sup>4</sup> and in each of New Brunswick, Newfoundland, Nova Scotia, and Prince Edward Island. <sup>5</sup> Such findings suggest that auspice had more influence on centre quality than does jurisdiction. However, in the present study commercial and non-profit centres in New Brunswick obtained very similar ratings may have the intriguing possibility that conditions in New Brunswick in 1998 modified the impact of auspice on centre quality.

*Actual teaching staff levels of ECCE education in the centres for which quality ratings were obtained*

Table 6.2 illustrates that consistent with previous research (see Section 1.3b), actual levels of training among staff in commercial centres were lower than for their counterparts in non-profit centres in Alberta. However, there is minimal difference between the two sectors in New Brunswick.

TABLE 6.2: TEACHING STAFF ECCE EDUCATION LEVELS BY PROVINCE AND CENTRE AUSPICE IN ONLY THOSE CENTRES FOR WHICH QUALITY RATINGS WERE OBTAINED

Auspice	ECCE education level	Alberta	New Brunswick
Non-profit	None	5.1%	29.3%
	Course of less than one year	10.9	9.1
	One year college credential	18.6	30.3
	Two year college credential	53.2	15.2
	Over two years of ECCE education	12.2	16.1
	Totals	100.0% N = 156	100.0% N = 99
Commercial	None	14.9%	29.6%
	Course of less than one year	35.1	11.1
	One year college credential	26.6	38.3
	Two year college credential	22.3	12.3
	Over two years of ECCE education	1.1	8.7
	Totals	100.0% N = 94	100.0% N = 81

Source: Data set from the Goelman et al. 2000 study.

Note: Educational levels are for all respondents in the centres in which observations were made and therefore include teaching staff who were not observed.

*Actual teaching staff wage levels*

Table 6.3 provides information about the wage levels of teaching staff in the two provinces that are the subject of this chapter. As noted earlier, the receipt of free or subsidized space and/or utilities frees up funds that a centre may choose to use for salaries. Non-profit centres have greater access to such donations; this reality is addressed in Table 6.3 by comparing wage levels across auspice for only centres that do not receive donated space or utilities.

In New Brunswick, while wage levels are somewhat lower in the commercial sector as has been reported in other studies (see Section 1.3b), the between-sector difference is not substantial. This finding was further explored using a regression analysis that controlled for the individual’s age, hours scheduled to work per week, position, level of ECCE education, length of experience in the field, years at their current centre, whether the centre received free/subsidized space and/or utilities, and the unionization status of the centre. This analysis showed that teaching staff working in non-profit centres in New Brunswick earn only 2.6% more than their counterparts in the commercial sector. However, in Alberta teaching staff working in non-profit centres earned 28.8% more than staff with the same level of ECCE education and experience working in the commercial sector. This suggests that there is something about operating in New Brunswick that modifies the usual influence of auspice on wage levels.

TABLE 6.3: MEAN HOURLY WAGE BY PROVINCE, CENTRE AUSPICE AND STAFF POSITION IN CENTRES THAT DO NOT RECEIVE EITHER FREE/SUBSIDIZED SPACE OR UTILITIES

Auspice	Teaching staff position	Alberta	NB
Non-profit	Assistant teacher	\$8.42	\$6.42
	Teacher	9.54	6.88
	Supervisor	10.84	7.91
	Totals	9.55 N = 176	6.90 N = 57
Commercial	Assistant teacher	6.97	6.14
	Teacher	7.51	6.60
	Supervisor	8.18	7.21
	Totals	\$7.50 N = 295	\$6.60 N = 112

Source: Combined data sets from both centre studies in the *You Bet I Care!* Project (Doherty et al., 2000; Goelman et al., 2000).

## **6.5 Variations in the context in which centres operate**

The term 'Canadian child care' implies relative Canada-wide homogeneity. In reality, child care regulations and policies pertaining to variables such as required levels of ECCE education for teaching staff, the availability of government operating grants, and the broader context in which child care operates varies considerably across the provinces and territories.

In 1998, the government of New Brunswick did not require either directors or teaching staff to have any ECCE education, did not provide centres with any operating grants, and had a cap on its fee subsidy budget. In contrast, Alberta required directors to have a two-year ECCE credential and one in four staff to have a one-year credential or equivalent. All other persons working with children in Alberta child care centres were required to take a 50-hour orientation course. The fee subsidy budget was not capped and at that time, the provincial government provided small operating grants to all centres.<sup>6</sup>

The broader context in which centres operate also varies by jurisdiction in ways that influence child care quality. In 1998, on a Canada-wide basis the average centre obtained 49.2% of its revenue directly from parents and 30.5% from fee subsidies.<sup>7</sup> This means that centres are heavily dependent on parent fees and fee subsidies for their revenue. The fee level that is affordable by the average family varies across the provinces and territories as a result of differences in the average family income and average costs for essentials such as food and housing.

There may also be differences across jurisdictions in public understanding that child care has a developmental purpose in addition to ensuring children's safety in their parents' absence. Such differences would play themselves out through differences in public demands that child care programs support child development.

## **6.6 The dynamic interplay of auspice and jurisdiction**

The findings discussed earlier in this chapter indicate that auspice is a strong contributor to centre quality through its influence on centre behaviours and characteristics. However, in certain circumstances it appears that the jurisdictional context in which a centre operates may modify the influence of auspice. How might this work? An exploration of the situation in each of Alberta and New Brunswick at

the time of data collection may shed some light on the dynamic interplay of auspice and jurisdiction.

### *6.6a New Brunswick*

At the time of data collection in 1998 New Brunswick did not provide any government funding other than fee subsidy and the fee subsidy budget was capped. As a result, some eligible families could not obtain fee subsidy. The average New Brunswick centre relied on parents who could pay the full fee for 68.7% of its revenue in contrast to 53.8% in Alberta.<sup>8</sup> However, the average industrial wage in New Brunswick in 1998 was \$2.10 an hour less than in Alberta.<sup>9</sup> In New Brunswick, low average family income levels and heavy reliance on full-fee parents for revenue force all centres to keep wages low in order to remain financially viable. A centre that wished to improve its quality by attracting staff with ECCE education through paying higher wages than other centres in the community would have difficulty doing so since its ability to cover the additional cost by increasing fees would be very limited. In addition, the lack of ECCE educational requirements for teaching staff in New Brunswick not only enables centres to hire untrained people but also may encourage this behaviour by sending a message that ECCE education is unimportant. As has been repeatedly demonstrated by the research, low teaching staff ECCE education levels and low wages predict the type of child care that fails to support children's development.

### *6.6b Alberta*

In 1998 the average industrial wage in Alberta was \$21.52 in contrast to \$19.42 in New Brunswick<sup>10</sup> resulting in higher average family incomes. The Alberta government also provided an operating grant to all centres (note that it not longer does so). In this situation, centres that wished to pay higher wages in order to attract and retain staff with higher qualifications could do so by using their operating grant for salaries and/or by charging higher parent fees than other centres in the community. This flexibility in a centre's ability to charge higher fees than others in the community may partly explain the between-sector difference in not only wages but also the level of ECCE education among teaching staff and the quality ratings found in Alberta but not in New Brunswick.

## 6.7 Discussion and conclusions

In New Brunswick, the lack of regulations requiring teaching staff to have ECCE education in a situation in which there are no government operating grants and low family incomes appears to both enable and force centres in both sectors to rely heavily on untrained staff who are poorly paid. In contrast, the Alberta situation suggests that auspice becomes more important than jurisdiction in a situation of low ECCE educational requirements for teachers and (relatively) high family incomes. Centres that so wish can rely heavily on staff with minimal training levels and pay them low wages while other centres wishing to recruit staff with higher levels of ECCE education can do so by offering higher wages.

The findings related to Alberta and to New Brunswick indicate that – in addition to auspice – the stringency of government regulations matters. An American four state study involving 228 infant/toddler rooms and 521 pre-school rooms reported both state and auspice differences in quality as measured by the *ITERS* and *ECERS*. Higher overall quality was found in the state with the most stringent regulations while the greatest between-sector difference in quality occurred in the state with the weakest regulations. The researchers conclude that, “*Child care regulation does have an impact on the quality of care that children experience. More stringent regulations do affect process quality, regardless of the sector in which centres operate.*”<sup>11</sup> Other researchers have noted that commercial centres are more likely than non-profit centres to skimp on variables that are important for quality in situations where, “*Relatively low licensing standards permit more leeway for skimping on staff ratios and staff training.*”<sup>12</sup>

Government funding also matters. The provision of a quality service, whether it be child care or computer programming requires adequate resources. The fee level that the average parent can afford to pay is simply insufficient to provide centres with the level of revenue required to provide programs that support children’s development. The *YBIC!* study reported a positive correlation significant at the .01 level between the receipt of a government wage enhancement grant and the Total score on each of the *ITERS* and the *ECERS-R*.<sup>13</sup> The finding of a strong correlation between quality and the receipt of government funding is consistent with the findings of a the multi-state American study cited above that reported that non-profit centres that receive government operating grants obtain higher scores on the *ITERS* and *ECERS* than non-profit centres that do not receive these resources.<sup>14</sup>

The following chapter explores the implications of the findings presented in this paper for government policies, regulations, and practices.

### *Notes*

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<sup>1</sup> Newfoundland, 80.2%; Prince Edward Island, 75.5%; Alberta, 70.3%; New Brunswick, 68.9% (Doherty et al., 2000, Table 9.1).

<sup>2</sup> Goelman et al., 2000; Helburn, 1998; Whitebook, Howes and Phillips, 1990.

<sup>3</sup> Friesen, 1995.

<sup>4</sup> Mill, Bartlett and White, 1995.

<sup>5</sup> Lyon and Canning, 1995.

<sup>6</sup> Childcare Resource and Research Unit, 2000. This document provides information on government regulations and funding in 1998 for all the provinces, the Northwest Territories and the Yukon. Nunavut had not been created at that time.

<sup>7</sup> Doherty et al., 2000, p. 125. Note that the situation in Québec where parents pay a maximum of \$5.00 a day and the provincial government pays the remainder of the cost.

<sup>8</sup> *Ibid.*, Table 6.1.

<sup>9</sup> Statistics Canada, 1999b.

<sup>10</sup> *Ibid.*

<sup>11</sup> Phillipsen et al., 1997, p. 301.

<sup>12</sup> Morris and Helburn, 2000, p. 386.

<sup>13</sup> Goelman et al., 2000, Tables 4.12 and 4.13.

<sup>14</sup> Helburn, 1995.

## Implications of the research findings

### INTRODUCTION

The findings from the research discussed in the previous chapters can be summarized as follows:

- The non-profit sector's greater access to resources – while real – is not sufficient in itself to explain the consistently reported higher levels of centre quality in the non-profit sector although it may contribute to it. When the playing field is leveled in terms of centres' access to resources, commercial centres as a group continue to obtain lower quality ratings.
- There are between-sector differences in organizational characteristics and these are associated with the differences found in quality levels. The non-profit sector's provision of greater clarity for its staff regarding roles, responsibilities and rights through written documents and formal procedures appears to be an important contributor to that sector's overall higher quality levels.
- Commercial centres as a group tend to behave in ways that make it harder for them to provide the type of program that supports children's well-being and development. *You Bet I Care!*, a large multi-jurisdictional study conducted in Canada in 1998 demonstrated that higher levels of quality are predicted by higher proportions of teaching staff in a centre with ECCE education and by higher wage levels.<sup>1</sup> Even when the playing field is leveled in terms of centres' access to resources, commercial centres as a group continue to pay lower wages and to hire teaching staff with lower levels of ECCE education.
- Commercial centres as a group have characteristics that work against the provision of high quality programming such as high teaching staff turnover rates. High turnover rates among teaching staff disrupts the relationship between adult and child and the child's sense of security and, through this, the child's ability to benefit from learning opportunities. Also, as in any team process, it takes time and effort to establish the communication among teaching staff that is necessary to create and maintain a high quality program. A team's functioning is disrupted and the stress level of its members is increased each time a teacher leaves.

- In some circumstances, contextual influences such as government regulations, whether or not operating grants are available to centres, and average family incomes may change the way in which auspice influences quality levels.

In summary, the lower level of quality found in the commercial sector as a whole is not simply a reflection of the non-profit sector's greater access to resources but is related to between-sector differences in organizational structures, behaviours and characteristics. The finding that in some circumstances contextual factors may change the way in which auspice influences quality illustrates the potentially important role that government regulations may have, for example, through the level of teaching staff ECCE education level required in all centres. Government funding also makes a difference. Canadian research reports a strong positive relationship between higher quality level and whether a centre that receives a government wage enhancement grant.<sup>2</sup>

## 7.1 The current situation in Canada

*Every child should be valued and have the opportunities to develop his or her unique physical, emotional, intellectual, spiritual, and creative potential.*  
(Canadian Intergovernmental Conference Secretariat, 2000: 1).

The *Early Childhood Development Initiative* (ECDI), agreed to by Canada's First Ministers (with the exception of Québec) in September 2000, explicitly states that its purpose is to promote the optimum development of *all* children during the prenatal period and first six years of life. This position is consistent with the policy statements made by the Federal-Provincial-Territorial Council on Social Policy Renewal in 1999 when outlining a vision for a National Children's Agenda.<sup>3</sup> To what extent is access to the type of child care that supports children's development available to the more than 45% of children under age six<sup>4</sup> who are regularly involved in non-parental care while their parents work or study or, indeed, to all children? There is a strong body of research documenting that high quality child care is associated with higher levels of school readiness and better performance in elementary school.<sup>5</sup> Thus, in addition to assisting families to be self-sufficient through enabling parents to work, high quality child care is a foundation for lifelong learning and an investment in Canada's future workforce.

However, although it is abundantly clear that accessible high quality child care benefits society as a whole, Canada continues to rely on a private market model approach to the provision of what is an essential public good. The responsibility for

the development and implementation of child care services continues to remain with business operators, voluntary boards of directors, and parent groups. Québec is the only jurisdiction in Canada with a specific strategy for the development of a coherent system of early childhood care and education services. The absence of comprehensive long-term planning in the rest of Canada generally means that child care services continue to emerge in an ad hoc fashion. Both availability and, as the *YBIC!* project shows, quality, differ markedly among jurisdictions.

## 7.2 Looking to the future: From child care by default to child care by design

If Canadian governments are serious about meeting the commitments made to supporting all children to develop *their “physical, emotional, intellectual, spiritual and creative potential”*, they cannot continue to take a laissez-faire attitude towards the development and provision of child care services. There is a clear need to:

- Implement a systematic, planned and comprehensive approach to ensuring provision of high quality programs in all child care services.
- Develop a substantial number of new regulated spaces in the non-profit sector.
- Move towards a long-term goal of providing universal child care through public funding and operation.

The research is compelling – “*Child care quality is the result of a dynamic interaction of different kinds of variables.*”<sup>9</sup> These variables include: caregiver level of specific education related to the provision of early childhood care and education, the maximum permitted number of children per caregiver (staff-child ratio), the program’s financial resources, caregiver remuneration level, and the availability of supports such as opportunities for continuing professional development and for networking with others in the field.

In June 2000 the Organization for Economic Cooperation and Development (OECD) reported on the findings of a review of early childhood education and child care in 12 countries: Australia, Belgium, the Czech republic, Denmark, Finland, Italy, the Netherlands, Norway, Portugal, Sweden, the United Kingdom, and the United States.<sup>11</sup> In most of the countries in the *Starting Strong* review, child care programs are publicly initiated and operated and governments pay 70% - 75% of the operating costs. The OECD report concludes that given aging populations, declining fertility rates, and the sharp rise in dual-earner households there is a need for “*Substantial public investment in [child care] services and the infrastructure.*”<sup>12</sup>

Tinkering with the current Canadian child care situation is no longer enough. Enabling the provision of high quality child care requires a planned, purposeful, comprehensive approach, not merely increasing training requirements or implementing wage enhancement grants. As the OECD study points out, high quality ECEC requires substantial government financing, good regulation in all forms of provision and well trained and paid staff and a coherent approach. These structural elements clearly require commitment at the policy level.

One key element that has been missing from Canadian ECEC is systematic, sustained, coherent planning for quality improvement. The OECD study describes successful, systematic approaches to ongoing quality improvement that include consideration of pedagogy, analysis of monitoring systems, qualitative and quantitative approaches to program evaluation, service support and infrastructure, and in-service training and professional development. But a systematic approach requires a Canadian shift from child care to default to child care by design – from a market model to a public, purposeful approach.

The present study of auspice – or who runs the service – reinforces and amplifies previous research that has consistently suggested that child care services operated for-profit are less than likely to deliver the high quality care environments in which young children will thrive. This very much fits with the idea that a market model for child care is less than adequate for giving children the best start in life.

In *Starting Strong*, the OECD notes that improving the quality of and access to early childhood services has become a major priority in OECD member countries. This reflects the recognition by these countries that giving children a good start in life is a key component of a successful educational, social and family policy agenda. But this does not occur randomly or by happenstance. Purpose must replace laissez-faire if Canadian governments are to deliver on their promises to children.

## Notes

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<sup>1</sup> Goelman et al., 2000, Figures 5.1 and 5.3.

<sup>2</sup> Ibid., Tables 4.12 and 4.13.

<sup>3</sup> Federal-Provincial-Territorial Council on Social Policy Renewal, 1999.

<sup>4</sup> Johnson, Lero and Rooney, 2001, p. 43, from a special tabulation by the Canadian Council on Social Development using Statistics Canada's *National Longitudinal Survey of Children and Youth 1996/97* share file.

<sup>5</sup> Doherty, 1996; Peisner-Feinberg et al., 1999, pp. 7-8.

<sup>9</sup> Goelman et al., 2000, p. 76.

<sup>11</sup> Organization for Economic Cooperation and Development, 2001.

<sup>12</sup> Ibid., Executive Summary, p. 5.

## **Glossary**

### **Assistant teacher:**

A person working directly with children under the direction of a teacher, supervisor or the centre director.

### **Association:**

The extent to which there is a relationship between two things; for example, teacher level of ECCE education and the score obtained on a measure of the quality of the program the teacher provides.

### **Auspice:**

A term referring to who or what operates a program, for example, a business partnership or a voluntary board of directors.

### **Centralization:**

The degree to which decision-making is concentrated at a single point and the extent to which others can and do have input into decisions. When an organization is highly centralized the owner or manager makes the majority of the decisions and there are few, if any, provisions for consultation with or input by frontline employees or users of the service.

### **CIS:**

The *Caregiver Interaction Scale* (Arnett, 1989), a measure of the quality of the interaction between adult and child. It has three sub-scales: Sensitivity, Harshness and Detachment (see entries for each).

### **Correlation:**

Another term for Association, see above.

### **Detachment:**

Adult behaviour characterized by lack of involvement with the children; for example, passively watching them instead of being actively engaged with them in an activity.

### **ECCE:**

Early childhood care and education.

**ECERS or ECERS-R:**

The *Early Childhood Environment Rating Scale* (Harms and Clifford, 1980) and the *Early Childhood Environment Rating Scale –Revised* (Harms, Clifford and Cryer, 1998). These scales measure the overall quality of a preschool room in a child care centre.

**Formalization:**

The extent to which roles and responsibilities are standardized and explicit. When an organization is highly formalized there are written job descriptions and salary scales and employees have clear written guidelines regarding their roles, responsibilities and reporting relationships.

**Harshness:**

Adult behaviour towards or with children that is critical, threatening or punitive; for example, scolding children.

**ITERS:**

The *Infant/Toddler Environment Rating Scale* (Harms and Clifford, 1990). This scale measures the overall quality of an infant/toddler room in a child care centre.

**Mean:**

What is commonly known as the average. It is calculated by taking the sum of all the scores on a variable and dividing it by the total number of subjects.

**Median:**

The point at which an equal number of cases fall above and below a specified value.

**Predict:**

A situation where knowledge about one variable, such as the observed teacher's level of ECCE education, enables an accurate estimate of what will occur with another variable, such as the level of score the teacher will obtain on a measure of the quality of the programming she provides children.

**Ratio:**

The number of children for whom an adult is responsible. A staff-to-child ratio of 1:8 means that one adult is responsible for eight children.

**Responsiveness:**

Adult behaviour that is characterized by reacting promptly and appropriately to a child's verbal or non-verbal signals for attention. It includes having expectations that are appropriate for the child's developmental level and being sensitive to the child's mood.

**Sensitivity:**

Adult behaviour that is warm, attentive, and engaged with the children.

**Significant or significance:**

A statistical term identifying the extent to which a relationship between two variables; for example, between teacher responsiveness and child language development, is likely to have occurred simply by chance. If a relationship is significant at the .05 level it means that the probability of this relationship having occurred randomly is 5 in 100 (5%). Traditionally, researchers have accepted that the .05 level as indicating something other than random association. A level of .01 is more significant since it means the probability of the relationship being random is only 1 in 100.

**Staff turnover rate:**

The frequency with which staff leave a centre. It is usually expressed as a percentage and measured on the basis of the number of people who leave in a 12-month period.

**Standard deviation (SD):**

A measure of the extent of variability among scores. A high standard deviation indicates considerable variation from the mean (the average) in both directions.

**Supervisor:**

A person who works directly with children and also supervises teachers, sometimes call the Director.

**Teacher:**

A person with primary responsibility for a group of children. This person may also supervise assistant teachers.

**Teaching staff:**

The combination of assistant teachers, teachers and supervisors.