



1994

## Parenting During Recovery: An Analysis of Parenting During the First Year in a Chemical Dependency Treatment Program

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LOYOLA UNIVERSITY OF CHICAGO

NONPROFIT CHILD CARE FACILITY MANAGEMENT:  
FUNDING RELIANCE, SIZE AND  
ORGANIZATION BEHAVIOR

A THESIS SUBMITTED TO  
THE FACULTY OF THE GRADUATE SCHOOL  
IN CANDIDACY FOR THE DEGREE OF  
MASTER OF ARTS

DEPARTMENT OF SOCIOLOGY

BY

AMI E. NAGLE

CHICAGO, ILLINOIS

JANUARY 1994

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## ACKNOWLEDGEMENTS

I would like to thank my thesis committee, Kisten Gronbjerg, Ken Johnson and Robin Jarrett, for supporting my efforts and providing guidance throughout this process. In particular, I would like to thank Kirsten Gronbjerg, my committee chairperson, for her patience, insights, critique and encouragement in this and previous endeavors. Trinita Logue, and the staff of the Illinois Facilities Fund, were interested in the subject matter as well as personally and financially supportive. I am indebted to the 13 directors of child care centers who agreed to take time from their busy schedules to speak with me. This project would have not been possible without the assistance of Nancy and Bill Nagle, who not only were sympathetic to my struggles but provided transportation to all of the interviews. Without them this research project would not have been possible. I appreciate the companionship of Carol Gaglino and Lori Wingate who dutifully listened to my tirades, excused me for strange behavior and assisted in numerous ways. Finally, I would like to thank Mark Chaves who was an understanding friend and discriminating critic.

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## INTRODUCTION

Child care has become an essential service for many American families. In 1989, the proportion of working women with children under six was 56 percent, up from 30 percent in 1970 (Hayes, et al., 1990). Increasingly, child care is provided by day care centers (Bureau of Census, 1987), both because of the proliferation of child care centers and because of the widespread belief in the positive effects of early childhood education (Ainsworth, Blehar, Walters and Wall, 1978; Belsky, 1984; Ruopp, Travers, Glantz and Coelen, 1979). The nonprofit sector is critical to the provision of child care and nonprofit organizations are well entrenched in the field, especially as the main provider of government subsidized child care. In 1989, nonprofit organizations provided 75 percent of center based child care in the United States (U.S. General Accounting Office, 1990).

Despite the importance of child care centers, there is little information on these agencies as organizations. How do they set organizational priorities? How do they manage revenues, engage in long and short term planning, etc.?

Day care centers are not the only nonprofit sector population about which such basic questions remain unanswered. There is a lack of understanding of management aspects of nonprofit organizations, in general. Often, researchers and management experts apply theories derived from for-profit management to



nonprofits (Steinberg, 1987). However, there are significant differences between these types of organizations and general theories of organizational operation are not always applicable. Nonprofit human service organizations operate with different goals than for-profit firms. In for-profit firms, surplus is a management goal, a means by which to offer investors a profitable return on their investment. In contrast, nonprofit organizations focus on substantive goals (services, advocacy, etc.) rather than return on share holder investment, and are required by law to redistribute profits to the financing of future services or to non-controlling entities (Hansman, 1987). In addition, most nonprofit organization must manage a variety of resource streams (for example, government, fees, fund-raising, as well as donations from funding federations) whereas for-profit agencies typically manage fewer sources (for example, fees and fund-raising) (Steinberg, 1987). Thus, a nonprofit organization's profit status and resource characteristics are different in ways that are likely to affect management styles and goals.

A critical aspect for the management of child care organizations in particular is facility management. Child care is a facility-intensive industry and management of facilities, including day-to-day management, planned building projects, emergency maintenance, and developing a maintenance reserve, can have a definite impact on the operation of the organization. Child care organizations operate a majority of their programs in their building(s), they have specific facility

requirements governed by state licensing boards,<sup>1</sup> and the day-to-day operation of the program relies on properly maintained facilities. Such maintenance can represent a serious drain on financial and administrative resources. A dilapidated facility can threaten the financial stability of an organization by forcing it to take on costly, unplanned facility projects as well as present a serious barrier to meeting licensing regulations. Sound facilities are a critical resource for organizations and can be seen as the infrastructural underpinning to quality care.

Child care organizations vary in the ways they handle this critical management issue, and this thesis addresses that variation. The specific research questions are these: How do child care organizations differ in the planning and implementation of facility projects? Why do some child care organizations engage in systematic facility project planning while others do not? What factors affect the process by which facilities management is conducted?

This thesis contains six chapters. In the first chapter I review the relevant literature on the sociology of organizations which suggests several hypotheses for this analysis. In the second chapter, I describe the research methods and define the variables I use for the analysis. Chapters three through five comprise the analysis section in which I discuss differences in how child care centers plan and execute a facility project, address the influence of formal structure on that

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<sup>1</sup>A majority of the regulations governing child care address facility issues. The "Plant and Equipment" section (407.31) of the Illinois Department of Children and Family Services Handbook is 17 percent of the points in the entire code book. The next largest representation is "Infants and Toddlers" regulations (407.27) with nine percent of the points.

process, and the influence of size and resource dependency on formal structure.

In chapter six, I outline the conclusions drawn from this study, limitations of the analysis and possible policy implications.

# CHAPTER I

## LITERATURE REVIEW AND HYPOTHESES

The study of organizations has deep roots in sociology, dating back to Weber's (1946 and 1947) analyses of bureaucracy. His analyses of the development of organizations gave way to modern theorists who attempt to understand the nature of organizations in our society. In this review of the literature I outline sociological thought on the nature of organizations, paying particular attention to Institutional and Resource Dependency theorists. From the review I generate several hypotheses to guide this analysis of child care organizations.

### BACKGROUND

Weber studied bureaucracy as a way to understand the action of individuals as arranged by organizations. He viewed organizations as closed systems which rationally worked towards a unified goal. According to Weber, the factors which most clearly impact an organization's structure are internal factors such as size of the organization. Later theorists, building on Weber, focused on organizations as open systems intimately linked with and sensitive to

environmental influences. Regardless of originating perspective, theorists note the importance of understanding organizations as part of a social order and continue to struggle to understand the causes of differentiation in organizations.

In much of his work, Weber searched for reasons to explain the development of such unique Western features as the development of bureaucracy and capitalism. He defined bureaucracy as the presence of a particular type of administrative structure, the rational-legal form of authority (Weber, 1947). These administrative characteristics include: a fixed division of labor among participants, a hierarchy of offices, a set of general rules that govern performance, a separation of personnel from official rights, a selection of personnel on the basis of technical qualifications, and employment viewed as a career by participants (Scott, 1992).

Weber went on to examine the growth in bureaucracy as the relationship between the administrative component and other internal parts of the organization. In particular he hypothesized that the increasing size of the administrative component yielded the particular aspects of administrative characteristics linked to bureaucracy. Although Weber's analysis has come under criticism,<sup>1</sup> it significantly impacted the study of organizations by introducing both a theoretical and substantive argument on which sociologists build and extrapolate today.

Recent research on organizational structure places more emphasis on the

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<sup>1</sup>See Scott, 1992, for review.

influence of external factors. These "environmentally-oriented" theorists (Meyer and Scott, 1983; Singh, House and Tucker, 1986; Thompson, 1967) analyze the relationship between changes in the organizational environment and internal structure or process. Organizational adaptation theories are particularly useful in understanding the role of the environment in organizational structure. This paradigm suggests that organizations alter their internal structures to adapt to transformations in the environment, thereby increasing their propensity to survive (Singh, House & Tucker, 1986).

Organizations exist in and react to their environmental conditions. Thompson (1967) argues that organizations are "open systems" which seek out stability and act in ways to gain or insure certainty in the environment. Organizational leaders construct, change and/or maintain an organization's internal structures in response to their environment (Hefferon, 1989; Thompson, 1967). The link between the external environment and internal structure has been the focus of recent organizational theory.

Resource dependency (Pfeffer & Salancik, 1978; Zald, 1970) and institutional (DiMaggio & Powell, 1983; Meyer & Scott, 1983) models directly address the changes in the environment and subsequent internal transformations that an organization will go through in order to survive. More specifically, resource dependency theorists assert that organizations rely on critical resources to survive and will undergo internal change in an attempt to secure these resources. For example, in order to obtain government funding an organization

may have to alter an existing program or take on an entirely new one.

Institutional theorists assert that organizations associate themselves (formally and informally) with institutions<sup>2</sup> as a source of legitimacy and a buffer from external turbulence. Organizations gain legitimacy through association with the institutional environment and lose legitimacy if they deviate from the culturally defined norms of association. These theorists assert that the external organizational environment will impact internal aspects of the organization's operation.<sup>3</sup>

As this brief overview of major theories in organizational analysis suggests, three aspects of organizations are particularly relevant to the present research: size, institutional linkages and resource dependency. A more detailed discussion of each of these is warranted.

## THE INFLUENCE OF SIZE

The size of an agency has been a dominant factor in the analysis of the differences in organizational structure. Size is an internal variable which has been found to influence almost all structural characteristics in organizations (Blau,

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<sup>2</sup>Institutions are a part of the organizational environment and can be defined as any organization, system of organizations or group outside of the organization or entity in question.

<sup>3</sup>Issues of institutional isomorphism and resource dependency are difficult to disentangle and frequently co-exist for an organization (Powell & Friedkin, 1987). Institutional connections can provide both monetary resources and organizational legitimacy and therefore occur simultaneously (Tolbert, 1985; Zucker, 1987).

1970). However, size is most often treated as an independent variable which shapes other internal structural characteristics (Scott, 1992). Most researchers concerned with the effects of the size of the organization on organizational behavior argue that the larger an organization (based on a variety of characteristics), the larger and more formally organized its administrative component (Blau, 1970; Meyer, 1972). In fact, some argue that the effects of size seem to be "ubiquitous" (Blau, 1970). The studies detailed below give an indication of the scope of findings in terms of the impact of size.

Blau (1970) links expanding administrative units to size of the organization. In this theoretical treatise, Blau constructs a systematic theory of administrative differentiation. His two basic generalizations are "(1) increasing organizational size generates differentiation along various lines at decelerating rates; and (2) differentiation enlarges the administrative component in organizations to effect coordination" (p. 201). Using deductive theory, he devises subsequent propositions and principles which are borne out in research on employment security agencies in the U.S. Blau concludes that the larger the organization, the more (at a decelerating rate) and larger administrative units it develops with fewer management level positions.

Several studies of organizational process and operation have touched on Blau's thesis (Meyer, 1972; Rowan, 1982; Tolbert, 1985). Marshall Meyer (1972) attempted to operationalize size and identify its impact on organization management. Using a sample of city, county and state finance departments, he



found that size (measured by the number of full time employees) affected the number of departmental units and virtually nothing affected size. In addition, Meyer found that the effect of size is felt more strongly in certain types of units than in others and, when size is controlled, the relationships among other variables are reduced. Meyer's conclusion is clear: organizational structure is a result of size.

Although many researchers consider size to be a significant factor in organizational studies, others find it inadequate as a causal variable. John Kimberly (1976) reviewed 80 studies of organizational structure and found that there are genuine problems with using size as a variable in organizational analysis. He found difficulty inferring specific patterns among private universities from general patterns among universities of all types. By categorizing the studies according to how size was defined and type of organization, Kimberly (1976) found large variation among organizations of the same nominal type, and concluded that the measurement of size cannot be operationalized the same way for all types of organizations and that size is too broad a concept to be the most important or the only factor in organizational structural analysis.

Kimberly's cautions notwithstanding, there is strong evidence that size is a key variable for a number of organizational characteristics, and the present research will address its effects.

## INSTITUTIONAL LINKAGES

Baum and Oliver, in a 1991 study of the impact of institutional linkages on the organizational mortality of child care centers in Toronto, Canada, found that organizations with institutional linkages had a significant survival advantage over those with no linkages. Baum and Oliver defined institutional linkages as "a direct and regularized relationship between an organization and an institution in the organization's environment" (Baum & Oliver, 1991, pg. 187). They identified two particular forms of institutions, government and community groups, and found that these institutions offered legitimacy to child care centers which improved their survival rate. Linkages with these institutions sheltered small organizations more than large organizations.

Similarly, Miner, Amburgey and Stearns (1990) found that institutional linkages act as "buffers" from organizational failure. In their study of Finnish newspaper organizations over 200 years, they compare transformation and failure patterns of organizations with and without inter-organizational linkages. They identified and differentiated between the two functions of buffers and transformational shields and found that newspapers buffered through interorganizational linkages had a lower failure rate than all other types of newspapers. These newspapers were also protected from failure in periods of exogenous shock.

Rowan (1982) looked at the effect of institutional linkages on the administrative components in public schools by tracing the diffusion of three types

of educational administrative domains: school health, school psychology, and school curriculum. He found that when a school had a sponsoring institutional link, the administrative structure spread more quickly to lower levels than in schools without these linkages.

These analyses of the influence of institutional linkages on organizations demonstrate that organizations are influenced by their organizational environment in a variety of ways. My research takes up this theme with respect to the planning and execution of facility projects in child care centers.

## RESOURCE DEPENDENCY

Similar to institutional linkages, resource dependency also is critical to analyzing the management of child care centers. Some previous studies have addressed the relationship between resource base and *program* change while others have addressed the relationship between resource base and *management* change. Both of these are essential to understanding the influence of resource dependencies because forces which create program decisions are linked to management decisions. A discussion of the research of both of these areas gives a richer understanding of resource dependency.

Program Change: Hollingsworth and Hollingsworth (1986) studied operation and performance of public, private for-profit and nonprofit hospitals for three years (1935, 1961, 1979). During the early period, the hospitals differed in their primary source of funding. Early public hospitals, were funded by state and

local taxes, nonprofit hospitals by charitable donations, and for-profit hospitals by fees paid by patients. These differences were associated with different organizational behavior.

However, the initial distinctions (size, length of stay, percentage of hospitals professionally accredited, full-time equivalent staff per bed, types of patients treated, etc.) dissipated over time. Hollingsworth and Hollingsworth attribute this convergence to several things: the general acceptance of medical technologies, the standardization effects of accreditation and other features, and the increasing similarity between funding streams brought on by the evolution of third-party reimbursement. As a result, the unique behaviors of public, proprietary and nonprofit hospitals have diminished and their similarities increased (Hollingsworth and Hollingsworth, 1986).

Geiger (1986), similar to Hollingsworth and Hollingsworth, notes that the differences between public and nonprofit institutions can be traced to their funding source. However, in the case of higher education, divergence in institutional funding patterns have increased differences between public and private nonprofit universities. Since the 1950s, there has been a tremendous growth in the number of higher education institutions and shifts in the relative market share of public and nonprofit institutions. According to Geiger, the most striking development is that nonprofit institutions became centers for research/liberal arts while public schools became urban institutions. Nonprofit institutions depend on tuition and fees. The government provided only 11 percent

of revenues for private institutions in 1950 and that had increased only to 20 percent by 1982. Public institutions depend heavily on government revenues. In 1982, public institutions received over 60 percent of their revenues from public sources. Although higher education has greatly expanded, these sectors' funding streams have remained distinctive. Accordingly, their focus and contribution as educational institutions remained distinct.

Management Change: Gronbjerg (1993) looks in-depth at funding relations and their impact on managing nonprofit organizations. Focusing on social service and community organizations, she demonstrates, among other things, that receiving government funds requires a higher level of organizational involvement than other sources of funding. For example, in order to receive a government contract, an organization must go through a lengthy and complicated proposal process and agree to stringent reporting requirements. If granted, the funds are often late or not fully delivered. This reliance on government funds requires an organization to devote larger amounts of time to management issues.

Similarly, Hartogs and Weber in a 1978 report entitled Impact of Government Funding on the Management of Voluntary Agencies highlighted institutional linkages in voluntary<sup>4</sup> agencies. Recognizing the importance of government funds to voluntary organizations, this study analyzed the management

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<sup>4</sup>There are two main defining characteristics in a voluntary agency: they are governed by a board of directors and have a budget which is based on voluntary contributions (Hartogs and Weber, 1978).

practices of voluntary agencies that accepted government funds. Of particular interest here is the analysis of small voluntary agencies. Hartogs and Weber reported that small budget agencies spend a larger percent of their revenues and staff time than larger agencies to administer and support their government grants and contracts. Further, because of the voluntary agency's lack of organizational sophistication, small organizations often mis-handle or become unable to monitor carefully their contracts.

Resource dependency is thus a salient issue in organizational studies. Differences in resource dependency can impact program choices and changes in social services organizations and there seems to be particularly important differences between organizations that rely on government funding and those that do not.

In summary, there are many studies which analyze the influences of size, institutional linkages and resource dependency. These studies demonstrate the importance of relationships among internal size, external resources, institutional relationships and internal organizational process. Hence, they serve as guidelines for the present research on the management of facilities of child care centers and suggests hypotheses for the present analysis. Based on Blau's (1970) research on formal structure and internal management strategies, I hypothesize that the level of formal structure will affect the systematic planning and execution of facility projects. Based on Blau's (1970) and Meyer's (1972) analyses of size and formal administrative structures, I hypothesize that the size of the organization will affect

the level of formal structure in child care organizations. Finally, based on Gronbjerg's (1993) and Geiger's (1986) research on reliance on an institutionalized source of funding and organizational administration, I hypothesize that reliance on an institutional source of funding will affect formal structure.

## CHAPTER 2

### DATA AND METHODS

In this research project I investigate the differences in the process of planning and executing facility projects among child care centers. On the basis of previous research, I expect several independent variables to have an effect on the extent to which facility projects are systematic and well planned. These include: 1) the degree to which day care centers are formally structured, 2) their size and, 3) the extent to which they depend on institutional and non-institutional sources of revenues. I investigate the relationships among these variables using methods of quantitative and qualitative analysis.

#### THE DATA

There are two sources of data in this research project. The first source is a database of nonprofit child care organizations in Illinois and the second consists of interviews with a sub-sample of directors (managers) of these organizations. Each provide particular opportunities to examine diverse aspects of facilities planning, formal structure, size, and resource dependency. The survey analysis provides an understanding of the dimensions of child care centers and critical



aspects of their facility, whereas the interviews will help in understanding the level of the process by which managers deal with facility issues and aspects of formal structure.

## DATA AND SAMPLE

The database I used for the first phase of this study was constructed from a 1990 mail survey of 1,718 Illinois nonprofit human service organizations which addressed a number of facility related issues.<sup>1</sup> The final data base consisted of 484 responding organizations.<sup>2</sup> The sample includes nonprofit organizations engaged in very broadly defined human services, including traditional social service, training and employment, health, and youth related services. It excludes hospitals, educational institutions, grant making organizations, and fund raising organizations.

From this database of 484 organizations, I selected a subset of organizations (N=60)<sup>3</sup> which identified their primary mission as "child care or early childhood development". I excluded other human service organizations that provide child care as part of a secondary mission because those organizations

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<sup>1</sup>The project director of this survey was K. Gronbjerg, Professor of Sociology at Loyola University. I worked as a research assistant on this project.

<sup>2</sup> See the Appendix B for a detailed discussion of sample selection, creation of the survey instrument, research protocol, etc.

<sup>3</sup>I define child care centers as any organization which on a regular basis cares for and educates young children on a part or full day schedule including regular child care centers, pre-schools, and day nurseries.

potentially have additional resources (staff, mixed sources of revenue, larger in size, etc) which might obscure the relationship between primary funding source and organizational structure.

The second source of data came from interviews I conducted with directors of 13 nonprofit child care organizations. I interviewed directors from metro-Chicago agencies that were in the sample of nonprofit organizations used in the survey sample and met special criteria allowing for systematic comparison. I limited myself to directors from the metro-Chicago area because of ease of access.

I used a dimensional sampling<sup>4</sup> technique to identify particular organizations in the database. Child care organizations in the metropolitan Chicago area (n=31) were first cross classified by two independent variables that I expected to be important: degree of formalization (operationalized as the presence or absence of characteristics of facility planning in budget) and funding reliance (institutional, i.e. government or non-institutional, i.e. parent fees). Then, I randomly selected three centers from within each cross-classification. The following table summarizes this procedure.

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<sup>4</sup>This technique is essentially a comparative multiple case study design (Yin, 1989). The sampling is based on theoretical "dimensions" stated in the hypotheses.

Table 1. -- DIMENSIONAL SAMPLING OF CHILD CARE ORGANIZATIONS

<b>Budget Planning</b>	<b>Institutional<sup>a</sup> (%)</b>	<b>Non Institutional<sup>b</sup> (%)</b>
Yes	4 <sup>c</sup> (40%)	3 (30%)
No	3 (30%)	3 (30%)
<b>Total</b>	<b>7 (100%)</b>	<b>6 (100%)</b>

a. Organizations with 60 percent or more of their annual revenues from government sources.  
b. Organizations with 60 percent or more of their annual revenues from parent fees.  
c. Number of interviews conducted

Initially, I limited my selection to three interviews per category in order to get an in-depth understanding as possible with the organizations. This sampling should not be misconstrued as representative of all organizations of a given type. Rather, the interviews gave me insight into the process of facility management in small nonprofit organizations with certain institutional relationships.

It was necessary to conduct interviews in order to understand better both the internal process of facility project management and organizational structure and to link facility problems and facility planning processes to organizational structure. The topics covered in these interviews included: organizational structure; the formal and informal management processes (relating to management and facilities issues); assessment of current facilities; a detailed description of recent and future projects; how facilities issues are identified; how facility planning compares to other management planning tasks; and how the

agency plans for facilities related projects, etc. (See attached interview schedule and survey in Appendix B).

I limited my selection to three interviews per category in order to get an in-depth understanding as possible with the organizations. This sampling should not be misconstrued as representative of all organizations of a given type. Rather, the interviews gave me insight into the process of facility management in small nonprofit organizations with certain institutional relationships. I initially selected 12 organizations to be interviewed. In the category of government-reliant organizations with characteristics of budget planning I conducted an additional interview in order to examine the effects of size more closely.

## THE VARIABLES

I used four variables in this analysis: the extent to which facilities management is systematic and well-planned, degree of formal structure, size, and resource dependency. I extracted data on the facilities management process (the dependent variable) from the interviews, data on formal structure from the from the database and the interviews, and data on size and resource dependency are drawn from the data base.

Facility Project Planing and Execution: I define an organization's facility project planning and execution process as the steps it took to identify, plan, negotiate with important actors and institutions and complete a past and future facility project. I did not look at the total number of steps, but rather the process

as a whole: Who were the significant players in the organization that were involved in the project and what role did they assume? What were the barriers with respect to this project? How was this project initiated and what were the steps taken toward completion?

For ease of analysis I divided the organizations into three levels of facility project planning and execution: "Systematic" (n=7), "Somewhat Systematic"(n=3) and "Non-Systematic"(n=3) planning and execution of facility projects. Categorizing the processes along these lines enabled me to group the organizations for analysis. I operationalized a "systematic" process as one including several members of the organization in the project planning and execution, pre-project planning efforts as part of the regular organizational process, seeking out technical assistance. If barriers were encountered they did not inhibit project completion. For example, a project in the "Systematic" category would have been planned as part of the previous year's budget process, have funds already allocated to it or a funding mechanism in place as part of the planning, have a project director within the organization and would have received assistance from several members of the organization, and due to the planning efforts encountered few barriers to completion.

I define a "Somewhat Systematic" process as having some elements of pre-project planning, however, encountering a few barriers due to lower levels of planning. For example, a "somewhat systematic" project would not have been part of the previous year's budget, it may be a project that comes up as an emergency,

the director tends to be the only one in the organization who handles the details of the project, and the project encounters barriers which delay or inhibit completion.

I define a "Non-Systematic" process as involving little or no pre-project planning efforts, and barriers so significant that completion was prohibited. For example, a "Non-Systematic" project would perhaps begin as an expressed desire by the director of an organization, but due to barriers of organizational funding or management no planning efforts are taken on and projects are prohibited from completion. In practice, the primary indicator for distinguishing these types of processes is the degree to which the organization was sufficiently well organized to overcome barriers to completing a facility project.

Formal Structure: I define formal structure as "norms and behavior patterns that exist regardless of the presence of individual actors..." (Scott, 1992, pg. 54). In this analysis I measure the degree of formal structure through an index which includes the degree of staff differentiation, record-keeping, budget process and structure, activeness and structure of the Board of Directors,<sup>5</sup> and characteristics of long-term planning. A detailed description of the index follows.

Staff differentiation: The literature on organizational structure and bureaucracy indicates that one of the ways to assess an organization's formal structure is by reviewing the differentiation of staff positions (Blau, 1970). That is, do staff members have specialized tasks only or do they also assume tasks

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<sup>5</sup>It is especially important to look at the Board of Directors in nonprofit organizations because it is the legal entity and controlling body of nonprofit organizations.

which might otherwise fall under different job descriptions? I define staff differentiation as presence or absence of differentiation for the Director because the Director of the child care organization is the main source of administrative decision making and control.<sup>6</sup> Most of the child care organizations in this analysis did have staff differentiation: Ten of the 13 organizations had Directors that took on no other tasks regularly, and thus had staff differentiation.

Record-keeping: All child care organizations which are licensed by the Department of Children and Family Services (DCFS) required to do some record keeping, such as keep attendance, medical history and vaccination records of the children. I define record-keeping as the amount of records collected beyond what is required by law, including anything that pertained to the child, family or the center itself. I gathered this data from the interviews with child care directors and dichotomized their two categories into only required record keeping and additional record keeping. Ten of the 13 Directors that I interviewed indicated that they kept records beyond what was required by DCFS. The other three Directors indicated that they kept just enough records to be within licensing standards.

Budget Process: I determined the annual budget (both the process of development of the budget and the content) to be a significant aspect of administrative practice because it indicates of the organization's ability to learn

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<sup>6</sup>I gathered the data for this variable from the interviews with child care directors.

from previous years and to project to the next year (Tullock, 1966). I define formal budget structure as an organization having either separation between operating and capital funds in the budget, the presence of a maintenance reserve in their annual budget, or the presence of a facilities fund. I define a formal budget process as involving multiple people in the organization to construct the budget and having consistent and regular processes.<sup>7</sup> I collected the data for the budget structure and process from both the interviews and data set.

Almost all of the organizations had a formal budget process. Forty-three percent of child care organizations in the data base distinguish between capital and operating funds in the annual budget. Ten of the 13 organizations I interviewed had either a defined budget procedure, or formalized elements to the budget structure. The other three organizations had neither a formal budget process nor formalized elements of the budget.

Board of Directors: The Board of Directors can be especially critical to small nonprofit organizations because it is seen as an additional resource to the Director, particularly in organizations which might not have other institutional support (Middleton, 1987). The Board of Directors, for these organizations, is the legal entity which can either play a critical and active role in planning and operations or a very limited role.

I examined two Board characteristics: 1) if the Board has a committee

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<sup>7</sup>This is based my assessment of the Director's description of the budget process.



structure, and, 2) the depth and scope of activities in which the Board engages.<sup>8</sup> The presence of a committee structure is an indication of formal structure at the governing level of the organization. A Board with a committee structure would distribute Board members into critical governing elements such as development, finance, policy, operations, etc. I operationalize an active Board as one in which the Board takes part in more than mandatory governing activities. For example, a I defined activities such as strategic planning and facilities management as beyond the mandatory for a Board of Directors. These elements of the Board provide information regarding both formal structure and actual activities. The child care organizations had divergent Board characteristics. Seven of the 13 organizations had both a formal Board structure and a Board which was active. The Board of Directors of the remaining six organizations had neither of these characteristics.

Long-term planning: I determined the presence and utilization of long-term planning as indicative of a high level of organizational structure because it requires a Director (and Board) to look at patterns (financial and programmatic) in the organization's recent past, analyze their relevance and project to future goals that the organization would like to achieve.

I examined several aspects of long-term planning and define it as occurring if more than one of the following characteristics are present: a long-range plan, and a facilities plan. For example, an organization with long-term planning may

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<sup>8</sup>This is both an assessment on the part of the Director and myself. I asked the Director if he/she had an active Board and how that was defined. I assessed the committee structure, and activities from documents and interview material.

have a written plan that was adopted by the Board, and has a facilities portion that follows programmatic plans and has been actively utilized in the past. An organization that has no long-term planning may have a "wish list" but nothing in writing that has been mutually agreed upon by both the Director and Board of Directors. Only seven of the 13 organizations had a long-range plan that was actively implemented. The other organizations have no institutionalized long-term planning.

The combination of these characteristics create an index of formal structure. The sample distribution grouped in such a way that it was appropriate<sup>9</sup> to dichotomize the sample into two groups: organizations (n=10) that had at least one-half of the index characteristics of formal structure and those that had less than one-half of the characteristics of formal structure (n=3).

Size: As indicated in the literature on organizations (Blau, 1970; Meyer, 1972), size affects administrative and structural aspects of the organization. Size is measured by the organization's annual revenues which I drew from the survey of nonprofit organizations. I used annual revenues as an indication of size because revenues represent a variety of resources (buying staff time, paying rent) and infrastructural underpinnings. Although I initially believed that size would not be a crucial variable in this analysis, I found size to be quite important in understanding differences in the level of formal structure.

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<sup>9</sup>These organizations appeared to either have many of the characteristics or almost none which caused them to naturally fall into two groupings.

The median annual revenue for child care centers in Illinois is \$81,000. Most child care centers are very small in comparison to other nonprofit organization. Fifty-eight percent of child care centers had revenues of less than \$100,000 whereas only 4 percent had annual revenues of \$1 million or more (the maximum was \$1,501,990). For ease of analysis I divided these into two categories: small organizations with less than \$150,000 in annual revenues, and large organizations with more than \$150,000. In my interview sample there were seven small organizations and six large organizations.

Resource Dependency/Institutionalization: The literature on resource dependency indicates that organizations which depend upon certain sources of revenues will seek to keep that funding stream intact (Aldrich and Pfeffer, 1976). That is, their dependency upon the resource makes them particularly sensitive to institutional forces. I define resource dependency as an organization receiving at least 60 percent of its funding from a single type of funding source. I constructed the measure of resource dependency from the survey data.

Child care centers rely primarily on one of two funding streams: government contracts or parent fees. I expect reliance on government funding to produce more formalization because in order to qualify for government funding a number of organizational pieces must be in place, for example, fill out detailed budget documents for the past three years. Organizations that rely on parent fees

will not feel these same institutionalized pressures.<sup>10</sup>

Of the child care organizations in this sample, 50 of the 60 organizations drew 60 percent or more of their revenues from a single type of source. Sixty-five percent of the child care centers rely heavily on parent fees as a primary revenue source, while only twenty-five percent of the child care agencies rely heavily on government contracts (the other ten percent have mixed funding streams). Child care organizations that are primarily fee-reliant only receive on average 1.2 percent of annual revenues from government sources. Government-reliant child care organizations receive on average six percent of annual revenues from parent fees.

Clearly, child care centers tend to rely on one type of funding or the other with little overlap. This means that these two types of centers operate in very different institutional environments, and are likely to respond to institutional pressures from their particular source of funding. The identification of resource dependency among child care centers allows me to isolate the influences of one type of funding from the influences of another type and draw conclusions about their respective impact on organizational behavior.

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<sup>10</sup>Fees from certain sources may be considered "institutional". For example, nonprofit child care organizations which are housed in hospitals but rely on parent fees will be subject to a number of institutional influences. In order to reduce the distortion of issues, I did not interview organizations with these affiliations.

## CHAPTER 3

### PLANNING AND EXECUTING FACILITY PROJECTS

One of my primary concerns was to identify the processes by which child care organizations plan and execute a facility project. These processes are fascinating. I found both uniqueness and re-occurring themes among the organizations in the planning and execution of facility related projects. Table 2 illustrates the differences I found. In general, I found seven organizations which had a "Systematic" facility project process, three that had a "Somewhat Systematic" process and three that had a "Non-Systematic" process. In this description, I address the type, identification, planning, ownership issues, and barriers encountered for past and future<sup>1</sup> facility projects.

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<sup>1</sup>The level of planning and the degree to which barriers were encountered among the entire group were fairly consistent between past and future projects.

TABLE 2.--PLANNING AND EXECUTING FACILITY PROJECTS

	Past Projects	Future Projects
Systematic	Fairly well planned. Help from Board of Directors Encountered few inhibitive barriers.	Planning of projects. Considerable Assistance from Board. Encountered few inhibitive barriers.
Somewhat Systematic	Some planning efforts. Low-level assistance from Board. Encountered some inhibitive barriers.	Little planning. Some help from Board. Encountered inhibitive barriers.
Non-Systematic	Little or no planning. Almost no Board activity. Encountered prohibitive barriers.	No planning. No Board involvement. Encountered prohibitive barriers.

## SYSTEMATIC ORGANIZATIONS

There were seven organizations engaged in systematic facility project planning and execution. In these organizations, the need to do a project was identified by the Director of the organization, the project had several levels of organizational involvement, and extensive pre-project planning efforts, and few barriers were encountered. These organizations involved their landlord (where appropriate) in the planning efforts and sought out technical assistance. Overall, these organizations' planning efforts led them to the successful completion of their facility projects.

Types of projects: The Directors of organizations with Systematic projects completed a variety of projects in the past couple of years. The projects ranged

from internal facility enhancement, to a complete renovation of a new site, to construction of a new playground. The future projects included the installation of a new heating unit and replacing the drainage system in a basement.

Identification: In each of the past and future projects these organizations took on, someone internal to the organization (the Director or a member of the Board of Directors) identified the need to take on a project. One Director said:

I had been aware for some time that the play-ground would need to be replaced and expanded. The teachers agreed, too. I encouraged them [the teachers] to consider their space as part of their domain, if there is a problem or something I want to know about it. I guess I feel that I am ultimately responsible for those things [facility issues] (1176).

This indicates that the leadership (at several levels) of the organization was aware of facility needs and had the foresight to act on them before licensing representatives identified the problems. The Director was most involved with monitoring projects. However, one of these organizations had a Facilities Manager who identified and oversaw all facility activities. This kind of leadership proved essential to a successful project.

In some facility projects it was important to get the support of the Board of Directors, as the Board of Directors is the legal entity, and must sign leases and contracts. Four of the seven Systematic organizations had active Board participation in facility projects the other three had relatively little Board activity in facility projects. The less active Boards only oversaw the planning of the project and made major decisions regarding the project; the Director (or in one

case, the Facilities Manager) was the person most responsible for the implementation of the project. The four organizations with active Boards had at least one Board member who assisted the Director on facility issues and projects. For example, when the playground came up as a needed project, the Board helped with needs assessment and project design. For these types of projects, the Board of Directors was a key player in project completion.

Project planning: Five of the seven organizations with Systematic planning engaged in extensive planning for the past project. The two organizations that did not have a planning phase had very small projects, that, in actuality, did not need much planning.<sup>2</sup> Planning for the larger projects involved identifying the need for a project, researching and deciding on a way to address it, assigning tasks, discussing a plan of action with Board and key players, getting technical assistance if necessary, etc. One Director said:

Once we decided to go ahead with the project [playground], I drove around on a Saturday and looked at the playgrounds in the neighborhood. When I found a couple I liked, I called up the Director and asked to make an appointment...I asked about the company they used, materials, how long it took, how much money... I wanted to make sure I had all the information before I began working on our plans (1615).

Part of an extensive pre-project planning process involved gathering specific information in order to be able to prepare for any barriers that might arise.

Another aspect of planning involved getting estimates on the work that needed to be done. In the five larger Systematic projects, the organizations had

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<sup>2</sup>Both of these small projects consisted of painting a classroom.



cost estimates done before taking on the project. Four of these organizations had multiple bids on the proposed project. The organizations that did not have an estimate had considerable technical assistance from an outside source, or had projects that were too small for estimates. Getting bids on projects was a well entrenched process in the planing efforts of these organizations.

Similar to the recent projects, these "Systematic" organizations had detailed planning efforts outlined for future projects. Five of the seven had plans in progress for future facility-related projects. The future planning efforts included identifying a need, addressing the Board, discussions with the landlord, deciding upon possible sources of funding, getting technical assistance, and setting a course of action (who was to be responsible for what). In addition, two of these organizations had already gotten bids on how much the project would cost to complete.<sup>3</sup>

Part of the planning process for past and future projects included making decisions about where they would locate the necessary funding to do this a project. Two Systematic organizations funded the past project through existing facility funds. That is, they either set aside a portion of their annual revenues funds with a particular project in mind or they set aside funds specifically designated to address future facility problems. Two organizations funded their projects by fundraising on the part of parents. One Director said:

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<sup>3</sup>The two organizations that did not have any projects planned for the future indicated that they did not currently have any problems that needed attention in the next year.

[w]e knew the details of the project -- how much it would cost-- and got the parents involved.... Each year they have a fundraiser and that year they dedicated the funds to the playground (1176).

Determining the financial resources for this project became part of the planning process.

The other three organizations with Systematic projects the agency applied to a state agency for funding of a project. For example, the Department of Human Services (DHS) issued a request for proposals (RFP) to develop a child care center in a particular county. The RFP noted that DHS would provide funds to renovate an existing structure if a child care organization would provide services for children who are eligible to receive publically subsidized child care.

The Director said:

We knew there was a serious need for infant care in that community and had been planning or at least thinking about an expansion. When we heard about the RFP we knew we could put our plan in motion (1082).

The decision to apply for the grant was an early step in their planning process.

Funding for the Systematic projects was not a major concern due to well developed planning efforts.

Landlord issues: A particular point of interest was the negotiation between the center and the landlord on facility projects. In past projects, where renovation was being done to rental property, the landlord was a full partner in the facility project. In each of the playground construction cases, ownership of the final product (the playground) became an issue which needed to be addressed during the planning phases. For example, one of the organizations wanted to construct a

new playground and needed to negotiate with the landlord on where the equipment would go, what types of materials they could use, and who would have ownership of the playground. In order to be allowed to build the playground, the Director had to give ownership of the equipment to the landlord. The organization's planning efforts for these facility projects necessarily included a planning process with the landlord and/or the landlord's organization.

Barriers: Barriers to projects are those issues or people which impede a project's progress. The "Systematic" organizations did not encounter barriers which significantly inhibited the completion of the past projects. The fact that they are fairly organized in their operation and were able to plan for these projects helped them to avoid problems.

There were four Systematic organizations which cited barriers that temporarily inhibited the completion of the past project. The barrier they cited was unforeseen work. One Director said of the replacement of the hand wash area of the bathroom:

The project was going along just great. We had arranged to get the work done over a holiday weekend so the kids wouldn't be in the way. When he [the contractor] got in behind the wall it became clear that more work needed to be done. He just couldn't tell until he got in there behind the wall. But this really didn't set us back (1311).

This unforeseen work was a barrier in terms of time and money, however it did not inhibit the completion of the project.<sup>4</sup>

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<sup>4</sup>Other barriers included deliberations with the local zoning board.

There appeared to be two types of barriers that the organizations encountered in the future project planning: securing funding and landlord issues. For example, one Director went to the government for funding of a facility project. After determining that government dollars were not available they turned to internal sources. In this case, the money would come from an already existing operating budget or by planning to do this project next year and setting aside funds. The Director noted:

The waiting time gave us more time to make a better decision about what needs to be done. We can find funds and volunteers. Waiting gives you time to make better decisions (3233).

This organization used the delay to their advantage by using the additional time as a way to raise the funds as well as to more concretely weigh the options of the project.

Given the different administrative levels in the organizations that were involved in the project, the amount of pre-project planning and the fact that the inhibitive barriers encountered only slowed the project progress, I determined that these organizations had "Systematic" planning efforts in the recent past as well as for future projects. Several administrative levels (including the Board) established plans in the planning and execution of the projects, but the center Director was the person most involved in the project. Part of the planning process included securing adequate funds. These Systematic organizations, because they undertook planning, encountered few barriers and their planning efforts enabled them to overcome whatever barrier they encountered.

## SOMEWHAT SYSTEMATIC ORGANIZATIONS

Three organizations had a "Somewhat Systematic" process to planning and executing facility projects. People internal and external to the organization identified the project, the organization had elements of planning in their past and future projects, however the planning efforts were not as detailed as Systematic organizations. These organizations encountered barriers which were inhibitive due to lack of advanced planning.

Type of Project: All three of the "Somewhat Systematic" organizations took on projects in the recent past. These projects included restructuring the washrooms, installing a playground, and having the roof fixed. The organizations also had future projects in mind which varied a great deal in size. One organization wanted to construct a playground, another wanted to expand the program to a new site and the third wanted to renovate a classroom. Successful completion of any of these projects would require planning efforts.

Identification: Several different sources identified facility needs. For example, in two of the past and one of the future projects the Director, or another person internal to the organization identified the need, and in one past project the Department of Human Services determined the need for a facility project. This variety of people identifying needed projects (and only a few at the administrative level) is an indication that there is no designated individual in charge of facility issues.

Board involvement in the "Somewhat Systematic" past and future projects

was relatively low in comparison to the "Systematic" organizations. The Board of Directors worked on these projects but only after critical decisions were already made. One Director said:

I had been planning, and working on the project for a while. I went ahead and did all the planning, got an estimate -no, two- and had plans drawn....I brought the Board in to OK the contract (3252).

The Board of Directors simply "signed off" on the project. This lack of involvement from the Board indicates that facility concerns are for the most part left up to the Director with little organizational support. This indicates that facility projects did not benefit from the consultations of several organizational members.

Planning: The level of planning associated with these past projects varied and, overall, contained less planning elements than in the "Systematic" organizations. In fact, one of the projects was an emergency where no pre-project planning was possible at all.<sup>5</sup> Although less pre-project planning took place in these Somewhat Systematic projects, estimates and bids were still obtained. One of the Directors noted that they "always get bids on projects. This is a DHS rule. We make this a policy we have in all our dealings we have with them, and in general" (3252). Even though they did not undertake extensive planning efforts, they did have some planning elements.

The amount of planning the organizations engaged in for future projects

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<sup>5</sup>During a storm, a large tree fell and broke a small hole in the roof which resulted in the leak in the classroom ceiling.

varied. One organization had a project which had been a "plan" for 15 years.

The Director said:

I have this one project - a playground out back - I have been trying to get done now for 15 years. But I don't get no support. I have plans of how I'd like it designed, but I just don't have the money (3252).

Similarly, another one of these organizations wanted to expand its program. The Director developed a plan and presented it to the Board, but was unable to implement the plan because she did not know what the next step in the planning process would be. Planning for a project can be very complicated and time consuming. Even though this Director was making efforts to plan for a facility related project, she will require technical assistance from Directors of other organizations or experts who have done projects like this before she can proceed.

The "Somewhat Systematic" organizations secured little technical assistance in past projects. In one case, after the Director identified a project as being necessary, she contacted one contractor who both advised the project and did the work. The Director did not gather any other opinion on the technical aspects of the project. Similarly, the Directors who engaged in future projects sought out no technical assistance besides estimates on projects. This lack of technical assistance, potentially, limits the number of barriers they might have been able to foresee and plan for.

Another aspect of project planning concerned the funding for the project. In two of the three "Somewhat Systematic" organizations the landlord funded the past project. In the third past project, the organization used pre-project planning

and were able to put some money aside in the budget to do the needed project. The project directors, arranging for fairly small projects, did not need to seek out large outside funding sources. Due to the inevitable cost of a facility-project, determining a funding source was an element in whatever planning efforts did take place, regardless of source of funding.

Barriers: Organizations which engage in fewer planning efforts encounter barriers which might inhibit and potentially prohibit project completion. One past project had a significant barrier in the interference of the landlord in the project's execution process. The Director said:

I didn't want him [the landlord] to take over that project. I had worked on it...had it all planned out -- contractor, funding and everything. He wanted to take it over so he could get it done his way -- using his friends (1400).

The Director resisted the landlord's efforts to take over the project, but due to pressure from the landlord and the desire to get the project done, the Director had little choice but to let the landlord complete the project. This barrier could have been avoided if designation of who is responsible for what facility issues had been defined early in the landlord-tenant relationship.

All of the Somewhat Systematic organizations which planned for future projects encountered barriers which might have been addressed in the planning phase. Two of the organizations could not proceed with a needed project because the project cost was larger than expected or they had no funding source at all. One Director said:

I can't do the project because I don't have the money - and I can't



get the money. The banks wouldn't give us a loan and the parents here, well, they certainly don't have the money (1400).

The third organization in this category cannot proceed due to internal political negotiations with the landlord. In this third case, the landlord wanted to control the project including the hiring of contractors and design of the project. The Director, who believed in getting multiple bids, did not want to give up control of the process. Thus, they were at a standstill. The other two organizations might have been able to proceed with the needed project if they had developed a facility reserve. These barriers could have been addressed through prior planning efforts.

In summary, the "Somewhat Systematic" organizations had some planning elements in past and future projects, but not nearly to the extent of the "Systematic" organizations. However, it is clear that they consider facility issues important and try to do some planning concerning facilities. They get no assistance from their Board (or other levels of the organization) on facility planning. There was really no single person in charge of identifying facility projects, but the Director was responsible for planning and execution, with little help from other members of the organization. In addition, these organizations encountered barriers which could have been eliminated through more extensive planning efforts.

## NON-SYSTEMATIC ORGANIZATIONS

Three of the organizations in this sample of nonprofit child care organizations had a "Non-Systematic" process to addressing facility projects.

These organizations generally were not concerned about their facility, or it was simply less important than other organizational needs, and Directors did not attempt to do facility projects. When projects were taken on, the Directors encountered significant prohibitive barriers to project completion.

Type of Project: Only one of the "Non-Systematic" organizations took on a facility project in the past couple of years. Due to changes in DCFS regulations, the organization needed to update its fire alarm system. The other organizations simply had no past projects. However, two of the three organizations in this category have projects they would like to do in the near future. One of the organizations would like to put in a playground. The other would like to move the center to a new facility.

Identification: A DCFS representative identified that the fire alarm project needed to be done. The future projects were identified by the Directors of the organizations. These identifications were merely a statement of a "wish-list" as opposed to a determination of a serious need.

Planning: The fire alarm project went through several phases, none of which were "planned" to any extent. For example, after the project was identified, the Director contacted a contractor that was suggested to her by the Fire Marshall. The contractor was told something needed to be done, and he came out and did the work. The Fire Marshall visited the center, and found other fire code violations that were not identified during the first inspection. The center called the contractor in again to address the new violations. This process

of inspection, work on the facility and re-inspection went on for two years.

The organizations in this "Non-Systematic" category that did not have a project indicated there were no problems with their facility in the last couple of years that needed addressing. They indicated that unless there was an emergency, facility projects in general were not considered. In addition, these organizations indicated that "other issues were simply more important" (3067). The Directors simply were not concerned with facility issues.

For the future projects, these organizations had no plans beyond the desire to do a project. One Director said:

There isn't much within our power we can do. We can't do large structural projects because we rent....We are at operating level --can't really plan for the future (1346).

The Directors had ideas for projects, but did not have the internal capacity to develop a facility plan.

Barriers: The main barrier to planning a project for these organizations was their lack of internal capacity.<sup>6</sup> They did not have administrative structures which lend themselves to financial or administrative planning for projects. The lack of planning and informed technical assistance was a significant barrier to the timely completion of the fire alarm project. Further, the organizations had little support from the Board to do projects that are outside of essential maintenance.

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<sup>6</sup>The lack of financial resources as a barrier to completion of a project was not mentioned as a barrier by these "non-systematic" organizations.

Their lack of interest and ability prohibits them from planning projects.

"Non-Systematic" organizations had virtually no planning process at all. Some recognize that projects may need to be done, but could not address them. Their Board of Directors did not assist them in planning efforts. Where projects were taken on, they encountered prohibitive barriers, primarily due to no planning and a lack of internal capacity. Facility problems were simply not salient issues for these organizations.

In summary, the patterns that emerged from these organizations were consistent for past and future projects. The "Systematic" organization's projects were well planned, involved a number of administrative representatives, and encountered few inhibitive barriers. The "Somewhat Systematic" organizations had less planning elements than the Systematic organizations. These organizations encountered inhibitive barriers that could have been avoided by more planning. "Non-Systematic" organizations had no planning efforts, in general did not address facility issues, and encountered prohibitive barriers. In the next chapter, I address why differences in planning and executing facilities projects exist for child care centers.

## CHAPTER 4

### FORMAL STRUCTURE IN CHILD CARE ORGANIZATIONS

Why are there differences in planning and execution of facility projects? I attribute differences in the facility planning process to barriers that these organizations encountered during the project planning and execution process. More specifically, the organizations which encountered significant barriers to planning efforts were those with internal capacity problems. Therefore, I attribute differences in planning and execution to differences in internal structural characteristics (See Table 3). In this chapter, I examine the presence of formal structure characteristics among the child care centers and the relationship between formal structure and the "Systematic" "Somewhat Systematic" and "Non-systematic" planning of facility projects.

#### CHARACTERISTICS OF STRUCTURE IN CHILD CARE CENTERS

In order to measure differences in formal structure I created an index of formal structure. This index is comprised of seven elements: three concerning Board leadership and four concerning organizational operations.

The child care center Directors I interviewed indicated that their organizations

ranged from having all of the characteristics to having none of the characteristics. I found the of characteristics of organizational operation to be the most common characteristics of formal organizational.

**TABLE 3.-- CHARACTERISTICS OF FORMAL STRUCTURE AMONG CHILD CARE ORGANIZATIONS (N=13)**

	# of Child Care Centers with Characteristic
<b>Organization Operation</b>	
Staff Differentiation	10
Record Keeping	10
Formal Budget Process	10
Facilities Planning as Part of Budget Structure	10
<b>Board Leadership</b>	
Board has Formal Committee Structure	7
Board is Active	7
Formal Long-Term Planning	7

In order to facilitate analysis of formal structure, I divided the child care organizations into two groups based on their number of characteristics of formal structure: "Formal Structure", the organizations which had at least half of the characteristics (n=10), and "Non-Formal Structure", the organizations which had less than half of the characteristics of formal structure (n=3).

## FORMAL STRUCTURE

For this analysis I categorized an organization as having formal structure when they had at least four of the characteristics on the formal structure index. There is some variation within this category. All of the organizations I categorized as having a "Formal Structure" had all of the elements of formal operations, while seven of the ten had elements of Board leadership.

Operations: In this index of formal structure I used four characteristics which represented formal operations: staff differentiation, record-keeping, budget elements, and budget creation process. I categorized organizations which had these characteristics as having formal operations as part of their formal structure. All of the organizations with "Formal Structure" had characteristics of formal operations.

*Staff Differentiation:* All of the "Formal Structure" organizations appear to have fairly well differentiated staff positions. In these "Formal Structure" organizations, the Directors do only the work associated with that position. However, some of these Directors take on the work of another position in an emergency situation.<sup>1</sup> For example, the Director would substitute-teach if one of the teachers was unexpectedly absent. Several of the Directors noted that on days when they substituted for an absent teacher it seriously inhibited the amount of "Director's" work they could get done. The "Formal Structure" child care

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<sup>1</sup>In one case the Director had started to do some classroom work because of a temporary reduction in staff.

organizations in general have differentiated administrative staff positions.

*Record Keeping:* The "Formal Structure" organizations kept records on children and families involved in the center and the social trends of the community beyond what is required by regulation. These records included, daily attendance, payment records, health records, redetermination of awards<sup>2</sup> charts, yearly evaluation forms, unemployment trends, community resources, etc. A system of collection was institutionalized, done on a daily basis (where appropriate) and utilized by several members of the organization. These organizations saw this as a "necessary evil" and part of operation of a well managed center. This is an indication of well developed and institutionalized record-keeping practices.

*Budget:* The "Formal Structure" organizations, using last year's budget and projections for staff and program, developed the budget for the following year. In some cases this was done with the assistance of a financial adviser--either the accountant or the Treasurer of the Board of Directors. The Director then presented the budget to the Board, entertained questions, and the Budget was voted upon.

The facilities portion of the budget can be essential to the planning and completion of a project and the proper maintenance of a facility. Seven of the "Formal Structure" organizations separated capital from operating funds. A

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<sup>2</sup>In some government funded programs (e.g. Title XX) participants who receive the service must go through an annual re-assessment of their program eligibility.



separation of operating and capital funds is a primary level of sophistication where facilities are concerned. The separation of these elements in the annual budget allows monies that would go towards building related costs to be separated (theoretically) from monies that are for operation and program expenses.

Although not all of the "Formal Structure" organizations separated capital from operating funds, all of them had a facilities or emergency funds directly designated for facility issues in their annual Budget. This is an indication that facility planning is institutionalized through the annual budget.

Board Leadership: Using the index of characteristics of formal structure I reviewed three characteristics which represent Board leadership: presence of a Board committee structure, level and type of activity, and evidence of long-term planning. I categorized organizations which had these characteristics as having Board leadership as part of their organizational structure. Seven of the 10 organizations with Formal Structure had characteristics of Board leadership.

*Committee Structure:* Seven of the "Formal Structure" organizations had Boards of Directors which operated under a committee structure. If they had a committee structure it might include finance, policy, expansion, outreach committee, etc. A committee structure allowed Board attention to specific areas of the organization. The "Formal Structure" organizations without a Board committee structure indicated that they developed committees on a need basis. That is, if a facility crises came up they would develop a facilities committee.

*Board Activities:* Seven of these organizations had fairly active Boards

which entailed participation in fundraising, as well as organization planning and monitoring. The other three had less active boards and seemed to focus their attention on monitoring the organization and some participation in administration with little attention to fundraising.

*Long Term Planning:* Six of the ten Formal Structure organizations constructed a formal plan and three indicated that they were interested in doing one (or had at one time) but they were unable to project into the future. For the organizations which had long-term planning established as a regular practice, I found both verbal and written examples of this long-term plan. For example, one of the organizations was attempting to develop a better, more detailed long-term plan because they had a very high turnover rate of families and staff, and felt that a long-term plan would help them to identify and plan their "vision" for the program.

In some organizations the Director viewed the institutional environment as so determinative that planning was not an issue. One Director said:

[w]hy do long term planning? I go from year to year, ya know. If there's no [government] contract, if I get canceled, there is no program (1400).

For these four "Formal Structure" organizations with no plan, long-term planning simply was not structurally possible. However, even the Directors who indicated that the organization was unable to do a written long-term plan, did have some notion of projects (program and facility) they wanted to accomplish in the future.

In summary, I found the ten "Formally Structured" organizations to have all

of the elements of formal operation and some of the elements of Board Leadership. These characteristics occur in groups. I rarely found organizations which had one element of Board Leadership without the other elements as well.

## NON-FORMAL STRUCTURE

Contrary to "Formal Structure" organizations, "Non-Formal Structure" organizations had no aspects of formal operations or Board leadership. The three "Non-Formal Structure" organizations did not have staff differentiation, formal budget procedures nor a stable Board structure. In general, I characterize these organizations as loosely structured.

Operations: As is the previous analysis, I analyzed the four characteristics which represent formal structure: staff differentiation, record-keeping, budget elements, and budget creation process.

*Staff Differentiation:* All of the Directors from "Non-Formal Structure" organizations were simultaneously classroom teachers and indicated that they did their "Director duties" around their teacher responsibilities. For example, one Director ordered office and kitchen supplies during morning "quiet time" as opposed to having designated time to work on administrative tasks. In another organization, the lead teacher was also the accountant (not certified). For this analysis, it appears that the Non-Formal Structure organizations did not have staff differentiation.

*Record Keeping:* The "Non-Formal Structure" organizations indicated that

they keep attendance, medical and payment records. That is the minimum required by DCFS regulations. They were not actively involved in keeping parent or community records. In addition, the record-keeping structure and person collecting the information varied daily. This is an indication that record-keeping was neither advanced nor well entrenched into the organizational process.

*Budget:* The "Non-Formal Structure" organizations had a less stringent or formulated process. Two of the organizations had NO annual budget at all. They simply had an account that they withdrew from. The third organization in this category of centers simply developed a budget that only three people (two directors and one Board member) reviewed before adopting. In addition, the one organization with a budget did not include a facility section as part of the structure. That is, capital and operating expenses were not separated out in their budget nor were funds set aside for facility related issues particular to the child care center. The Non-Formal Structure organizations had an erratic and imperceptible budget process.

Board Leadership: Using the index of characteristics of formal structure I reviewed three characteristics which represent Board Leadership: presence of a committee structure, level and types of activity, and evidence of long-term planning. None of these organizations had Board Leadership.

*Committee Structure:* The Non-Formal Structure organizations had a very unstructured Board of Directors. One of these organizations had three people serving on the Board (two people internal to the organization and one parent).

The other two "Non-Formal Structure" organizations' Boards lacked independence from their landlord by having a Board which was highly mixed with their landlord's Board of Directors. None of these organizations had Boards with a committee structure.

*Board Activities:* None of these organizations had a regular Board meetings. The "Non-Formal Structure" organization's Board of Directors was generally inactive and mainly signed checks and dealt with small problems. They did not engage in fundraising nor planning.

*Long Term Planning:* The Non-Formal Structure organizations, similar to their previously mentioned traits, did not have long-term planning efforts. Two of these organizations indicated that a long-term plan was a more formal operation than the organization usually engaged in. The third organization in this category noted that at some point they would like to have a long-term plan, but currently were simply trying to "keep their heads above water".

In summary, the Non-Formal Structure organizations had a low level of formal structure. They displayed none of the traits of organization operation and Board leadership and in general did not have formal practices.

## FORMAL STRUCTURE AND SYSTEMATIC PLANNING

How is formal structure linked to the level of systematic facility project planning and execution process? The literature on formal organization indicates that differences in the level of formal organization will impact organizational

processes (Blau, 1070). This is certainly the case among these child care centers (See Table 4).

TABLE 4.-- CHARACTERISTICS OF FORMAL STRUCTURE AMONG SYSTEMATIC, SOMEWHAT SYSTEMATIC AND NON-SYSTEMATIC ORGANIZATIONS (N=13)

	Systematic (n=7)	Somewhat Systematic (n=3)	Non- Systematic (n=3)
<b>Organization Operation</b>			
Staff Differentiation	Yes	Yes	No
Record Keeping	Yes	Yes	No
Formal Budget Process	Yes	Yes	No
Facilities Planning as Part of Budget Structure	Yes	Yes	No
<b>Board Leadership</b>			
Board has Formal Committee Structure	Yes	No	No
Board is Active	Yes	No	No
Formal Long-Term Planning	Yes	No	No

The organizations with Formal Structures were the ones that had a Systematic or Somewhat Systematic facility planning and execution process. The organizations with No-Formal Structures also had a Non-Systematic facility planning and execution process. The level of formal structure is clearly associated

with the process by which organizations plan and execute facility projects

In the above analysis, I examined differences in the planning and execution of facility projects among nonprofit child care organizations and found the differences to be linked to the organization's level of formal structure. Several questions arise: Why does this pattern occur? What accounts for differences in formal structure in child care organizations? The literature on resource dependency and institutionalization indicates that organizations which rely on a more institutionalized form of resources will adhere and conform to its principals (Aldrich and Pfeffer, 1976). Similarly the literature on internal organization characteristics indicate that size will also influence the level of formal structures (Blau, 1970). I hypothesize that the level of formal structure will be influenced by both the size and resource dependency of the organization.

## CHAPTER 5

### SIZE, RESOURCE DEPENDENCY AND FORMAL STRUCTURE

In this part of the analysis I examine the relationship between funding reliance, size and level of formal structure using the qualitative material. There are two primary sources of revenues among these child care centers: government contracts and parent fees. The government funds represent an institutional relationship because in order to receive government funds an organization must adhere to certain requirements. Those organizations which are reliant on government funds will be particularly sensitive to its demands. Size, which I determined by annual revenues, represents different levels of resources available to the organization. I hypothesize that funding reliance and size will have an interaction effect on formal structure. More specifically, organizations which are reliant on government funds as well as larger organizations will have more elements of formal structure than other types of child care organizations.

I examined this hypothesis using a crosstabular analysis. The first relationship I looked at was funding dependency and elements of formal structure (see Table 5). I found that both the government and the parent fee-reliant



TABLE 5.--PERCENT OF ORGANIZATIONS WITH NO FORMAL AND FORMAL STRUCTURE, BY TYPE OF FUNDING RELIANCE

Structure	Parent Fee-Reliant	Government-Reliant
No Formal Structure	50%	44%
Formal Structure	50%	56%
Total (n)	100% (6)	100% (7)

organizations had elements of formal structure. In fact, 50 percent of the parent fee-reliant and 56 percent of the government-reliant organizations were categorized as having a Formal Structure.

I next reviewed the relationship between size of the organization and the elements of formal structure (see Table 6). There was a clear pattern between

TABLE 6.--PERCENT OF ORGANIZATIONS WITH NO FORMAL AND FORMAL STRUCTURE, BY SIZE

Structure	Small	Large
No Formal Structure	43%	-
Formal Structure	57%	100%
Total (n)	100% (6)	100% (7)

large and small organizations. I found that all of large organizations have elements of formal structure whereas only 57 percent of small organization have

them.

In order to determine if there is an interaction between the funding dependency variable and the size variable I looked at both of them with elements of formal structure. If an interaction is present one of these relationship will change (see Table 7).

**TABLE 7.--PERCENT OF PARENT FEE-RELIANT AND GOVERNMENT-RELIANT ORGANIZATIONS WITH NO FORMAL AND FORMAL STRUCTURE, BY SIZE**

Structure	Parent Fee-Reliant		Government-Reliant	
	Small	Large	Small	Large
No Formal Structure	100%	-	-	-
Formal Structure	-	100%	100%	100%
Total (n)	100% (3)	100% (3)	100% (3)	100% (4)

By examining this relationship as an interaction I found that size of the organization only affected the relationship between the fee-reliant organizations and formal structure. That is, none of the small fee-reliant had elements of formal structure and all of the large fee-reliant had elements of formal structure. Conversely, all government reliant organizations, regardless of size, had elements of formal structure. This suggests that size appears to be more of a factor with

fee-reliant organizations than with government-reliant organizations when reviewing elements of formal structure.

In order to further explore the results of the qualitative analysis, I examined the relationship between size, funding dependency and formal structure in the data base of child care agencies and with a crosstabular analysis. This allowed me to explore the interaction effect I found among the 13 organizations from the qualitative analysis among the child care centers in the database. While the measures of size and resource dependence were identical to the ones used in the qualitative analysis, the measure of formal structure was different, and much more simple. In this analysis, I measure formal structure by the presence of facility characteristics in the budget.<sup>1</sup> This was just one of the elements from the more complex index of formal structure used in the qualitative analysis.

Similar to the qualitative analysis, I hypothesized that funding reliance and size will have an interaction effect on formal structure. More specifically, organizations which are reliant on government funds as well as larger organizations will have more elements of formal structure than other types of child care organizations.

The first relationship I looked at was funding dependency and the measure of formal structure (see Table 8). I found that both the government and the

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<sup>1</sup>In the survey of non-profit organizations we asked the respondent to indicate if they distinguished between capital and operating funds in their annual budget and if their organization had a maintenance reserve. The presence of these characteristics represents formal structure.

TABLE 8.--PERCENT OF ORGANIZATIONS WITH NO FORMAL AND FORMAL STRUCTURE, BY FUNDING RELIANCE  
(from the database of nonprofit organizations)

Structure	Parent Fee-Reliant	Government-Reliant
No Formal Structure	48%	44%
Formal Structure	52%	56%
Total (n)	100% (37)	100% (15)

parent fee-reliant organizations had elements of formal structure. In fact, 52 percent of the parent fee-reliant and 56 percent of the government-reliant organizations were categorized as having a formal structure. These are almost identical results to the analysis of this relationship using the data from the interviews.

I next reviewed the relationship between size of the organization and the elements of formal structure (see Table 9). In this comparison I found a clear

TABLE 9.--PERCENT OF ORGANIZATIONS WITH NO FORMAL AND FORMAL ORGANIZATION, BY SIZE  
(from the database of nonprofit organizations)

Structure	Small	Large
No Formal Structure	54%	25%
Formal Structure	46%	75%
Total (n)	100% (31)	100% (13)

relationship between size and formal structure. That is, large organizations primarily have characteristics of formal structure. In fact, 75 percent of the large organizations had elements of formal structure, whereas only 46 percent of the small organizations had elements of formal structure.

The presence of formal structure among large and small organizations is slightly lower than what I found in the analysis of interview material (see Table 6). In that analysis, 100 percent of the large organizations and 54 percent of the small organizations had characteristics of formal structure.

In order to determine if there is an interaction between the funding dependency variable and the size variable I looked at both of them with elements of formal structure. If an interaction is present one of these relationships will change (see Table 10). I found that, similar to the analysis among the interview

TABLE 10.--PERCENT OF PARENT FEE AND GOVERNMENT-RELIANT ORGANIZATIONS WITH NO FORMAL AND FORMAL STRUCTURE, BY SIZE  
(from the database of nonprofit organizations)

Structure	Parent Fee-Reliant		Government-Reliant	
	Small	Large	Small	Large
No Formal Structure	57%	-	38%	44%
Formal Structure	43%	100%	62%	56%
Total (n)	100% (26)	100% (5)	100% (5)	100% (7)

sample, that size only affected the relationship between fee-reliant organizations and formal structure. That is, all of the large fee-reliant organizations had elements of formal structure while only 43 percent of the small fee-reliant organizations had elements of formal structure. Conversely, a majority of the small and large government reliant organizations had elements of formal structure. This confirms that size appears to be more of a factor for fee-reliant organizations than for government reliant organizations when reviewing elements of formal structure.

However, the results of this analysis of the organizations from the database are not as clear as the results from the interview material shown in Table 7. I attribute this to the narrower definition of formal structure that I used in the

analysis of the database. This narrower definition of formal structure only highlighted budgetary action, and thus was not able to provide as comprehensive a picture of formal structure in child care organizations.

The question remains as to why this pattern occurs. What is it about funding reliance and size which impacts the level of formal organization? The literature on organizations indicates that institutional linkages (via funding reliance) makes the organization sensitive to institutional demands while the literature on organizational size indicates that increased size gives an organization increased capacity and levels of infrastructure (Blau, 1970; Meyer and Scott, 1989). In this analysis, the government funding source is a type of institutional source which places demands on organizations that rely on its funds, while the parent fee source is not an institutional force to which organizations have to respond with formal structures.

The interview material enabled me to analyze and understand why this pattern has emerged among these child care organizations. Organizations which were reliant on government funds indicated that the funding gave them a strategy or structure within which to operate. For example, of the record-keeping function one Director said:

If there is no documentation [of administration] it causes problems - in terms of being accountable for public funds. Government also involves paperwork and time, but it's necessary. This enables us to carry out our program (1082).

Resource dependency impacts the organization's administrative practices by

requiring these organization to keep extensive records on the children and center.

In another example, a child care center Director was discussing her budgeting practices and said:

The government helped with [the] budget. We have to submit forms for reimbursement. [Receiving] Government funds makes us more organized. The later you are, the later you will be in getting your check (1311).

Reliance on this institutional form of resources gives the organization structures within which they operate their organization.

This structure, imposed from the institutional environment, is present regardless of size of organization. That is, even government-reliant organizations which were small in terms of annual revenues were required to have these administrative structures in place. Reliance on government funds gave them the structure that a small size organization might not otherwise develop.

Organizations which rely on parent fees do not have an institutional environment linked to their funding source to place structural demands on their operations. Parents do not act as an institutional environment which make demands on child care organizations as a unit. In terms of parent involvement in planning one Director said:

The level of involvement varies from year to year with parents....They are interested in facility planning issues that are in the near future. It's hard to get them to commit to a fundraiser that might come to fruition after their child leaves [the center] (1615).

Although some organizations asked parents to review the annual budget, or had



parents as Board members, the parents (en masse) who support the organization through fees did not give guidelines or significant input on administrative processes.

The influence of size is much greater for these organizations because the institutional environment did not place enough administrative requirement on them to increase the capacity. These small organizations neither had the size (in terms of annual revenues), which is an indication of infrastructure, or the structures placed on them from institutional relationship to enable formal structures to exist.

## CHAPTER 6

### CONCLUSION

In this analysis, I found several factors which affect the planning and execution of facility projects. The size and funding reliance impact the level of formal structure which in turn impact the process by which a facility project is done. The size of the organization, an internal factor, impacts the organizational structure and capacity. The reliance on a source of revenue, an external factor, structures organizational choice or allows freedom of choice. That is, the institutional environment created by reliance on a source of revenues structures decision making. These two factors interact to create the level of formal structure and the process of facility management in nonprofit child care centers.

#### LIMITATIONS OF THE STUDY

Although I discovered several important factors involved in the planning and execution of a facility project in child care centers, there are limitations to this analysis. First, the number of child care centers in the database of Illinois nonprofit organizations and interview sample was small. Having only 60 child care organizations in the database made it difficult to look at multiple attributes

of child care centers. The thirteen interviews yielded rich information, but were only a small sample of child care organizations. Of particular concern was the small number of organizations reliant on government funding. Having a larger sample would have been more amenable to extrapolation. Second, all of the interviews were done in the Chicago metropolitan area. The processes among rural centers may be different than those of urban centers. For example, given population dynamics there may be fewer centers which rely heavily on government funding and more centers which mix funding streams. Third, this study reviewed child care centers at one point in time. Analyzing their patterns over several years would have given the interpretative materials an additional basis for the conclusions about size, resource dependency and formal structure. Fourth, because the interviews required the Director to reflect on past events there may have been error in their reconstruction of events. A study which follows the length of a project, and does not rely on hearsay or reflection would reduce the amount of distortion that reconstruction or events produces.

## THEORETICAL IMPLICATIONS

Although this study has limitations, I believe it contributes to the substantive and theoretical literature on organizations. I have demonstrated that although size is quite important, it is not an all pervasive factor as some theorist indicate. Similarly, I have added to the literature on Resource Dependency and Institutionalization by 1) demonstrating that these forces act together to influence

organizations; 2) demonstrating that environmental factors do interact with internal factors (size) to shape organizational behavior; and 3) conducting this study using relatively small organizations as my unit of analysis whereas large organizations had been the primary unit of analysis. Finally, I have added a relatively unused dimension in organizational analysis, the process of planning and executing a facility project, which proved to be a useful and informative in exploring organizational behavior.

## POLICY IMPLICATIONS

There are several policy implications which emerge from this analysis of nonprofit child care organizations. First, child care organizations are facility intensive and if they want to contain costs, enable timely growth, or change in other ways they need to carefully monitor the condition of their facility. Organizational structures, such as formal operations and Board leadership, which enable organizations to address facility concerns should be encouraged. Second, well-developed processes are important to the successful completion of a facility project by helping to avoid prohibitive barriers to completion. Technical assistance and experience sharing should be encouraged among child care centers and experts in facilities management. Third, the organizations which need the most technical assistance with planning and executing a facility project appear to be small, fee-reliant organizations. These organizations do not have the internal capacity or institutional relationships to enable them to plan if they have a facility

project need. Finally, government reliant organizations, because many of the formal structures are already in place, are more likely to require funding assistance than detailed technical assistance or the technical assistance they require would include pre-project planning to protect against encountering barriers.

## APPENDIX A

### TECHNICAL DOCUMENTATION

## TECHNICAL APPENDIX

In this technical appendix I describe the procedures that were followed in sampling and weighing of the survey. I also describe procedures used in selecting and collecting the qualitative sample and interviews.

### Data Base of Nonprofit Organizations in Illinois

The database of nonprofit organizations in Illinois contains comprehensive information on the mission and activities, past and future facility-related projects, and financial status of the organization.

#### *Sample*

Our initial sample was drawn from the Independent Sector's listing of the IRS 501(c)(3) organizations in Illinois<sup>1</sup>. The Independent Sector arranges these organizations according to their primary activity, using the National Taxonomy of Exempt Entities (NTEE). We used the NTEE categories to determine which organizations meet our criteria and belonged in our pool of organizations from which we drew the sample. Because the IRS listing is incomplete<sup>2</sup>, we supplemented it with a sample from the Human Care Service Directory of Metropolitan Chicago (HCSD). We verified the HCSD sample to make sure they

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<sup>1</sup>Once designated a 501(c)(3) by the IRS, an organization can receive tax-deductible donations as well as be exempt from paying federal income taxes.

<sup>2</sup>Not all organizations file with the IRS. Some organizations (churches and small organizations) are exempt from filing tax returns and others may file as part of umbrella organizations located in other states. (Gronbjerg, 1989)

were not duplicates of the IS/IRS sample. After extensive cleaning of these samples we ended with 1,452 organizations from the IS/IRS listing and 266 organizations from the HCSD.

#### Data Collections and Analysis

We conducted a pretest of the survey instrument on 60 organizations. The pretest sample was constructed by a random selection of organizations from the HCSD and a group of organizations recommended by the Illinois Facilities Fund. The results of the pretest, including 50 interviews, were analyzed to highlight the survey's format, complexity and comprehensiveness. As a result of the pretest findings, we adjusted the survey by reducing the questions by a third and clarifying the objectives of the research project.<sup>3</sup>

The final survey instrument was sent to the 1,718 organization sample in several waves. In order to increase the response rates we did comprehensive follow up work. The follow-up work included multiple mailings of surveys and reminder cards and phone contact with non-respondents. We also did extensive cleaning of the returned surveys to ensure valid responses. We ended with a valid sample based response rate of 48 percent, or 484 organizations.<sup>4</sup>

#### *Sample Weights*

In order to adjust for non respondents, we weighted the sample using

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<sup>3</sup>See attached survey instrument in Appendix B.

<sup>4</sup>We eventually dropped nine of these because they did not meet our original criteria.



information about the entire nonprofit human sector in Illinois. Using 1987 IRS data on size of the organization, we developed stand-in values for the non-respondents. From the estimated response rates, we created a number of organizations likely to be in a given size category. We obtained the response rate by dividing the number of actual respondents in each of the size categories by the response rate for that category. We then compared the distribution of actual respondents to the estimated distribution of respondents to develop a ratio. This ratio represents the weight factor.

#### Interviews with Nonprofit Child Care Directors

I used a dimensional sampling technique to identify particular organizations in the database. Child care organizations in the metropolitan Chicago area (n=31) were first cross classified by two independent variables that I expected to be important in the analysis: degree of formalization and funding reliance. Then, I randomly selected three centers from within each cross-classification.<sup>5</sup>

Using the selection criteria, I had the computer randomly generate three organizations per type (see Table 11). After I identified the organizations, I

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<sup>5</sup>I initially selected 12 organizations to be interviewed. In the first category I conducted an additional interview in order to examine the effects of size more closely.

Table 11.-- DIMENSIONAL SAMPLING OF CHILD CARE ORGANIZATIONS

Budget Planning	Institutional <sup>a</sup> (%)	Non Institutional <sup>b</sup> (%)
Yes	4 <sup>c</sup> (40%)	3 (30%)
No	3 (30%)	3 (30%)
Total	7 (100%)	6 (100%)

a. Organizations with 60 percent or more of their annual revenues from government sources.

b. Organizations with 60 percent or more of their annual revenues from parent fees.

c. Number of interviews conducted

contacted the Directors of these organizations by telephone to set up an interview time which was most convenient to them. After setting the appointment, I sent a confirmation letter explaining the project, the types of issues I wanted to get at, and I consent form for them to sign and give to me on the day of the interview. All of the Directors that I contacted agreed to be interviewed. The interviews<sup>6</sup> to took place in the child care center (or office area) and lasted one to two hours. All of the interviews took place during the business day (8 a.m.-6 p.m.). I had little problem with access with these directors. Most of the Directors remembered filling out the initial survey, and were interested in further discussion on the topic.

I had initially decided to do three interviews per type. However after I began to work on the analysis of the interview materials, I decided to do another

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<sup>6</sup>See attached interview schedule in Appendix B.

interview in the government category because all of them had been large organizations. I decided to do a smaller one in order to check the results of my analysis. I had the computer select another organization according to these criteria.

All efforts have been made to ensure confidentiality of these organizations. At the start of the interview, I had the interviewee sign a consent form . I asked the interviewees permission to tape recorded the interview. This allowed me to pay close attention to what is being said without having to be distracted by note taking. I was able to tape 11 of the 13 interviews (1 organization asked not to be taped, one time the recorder malfunctioned). These tapes (and any notes) were kept in a locked cabinet. At no time will names of organizations or directors be used in notes or written materials. In return for their time, I offer them a copy of the analysis and information on where to find technical assistance for facility management. The managers will be sent a copy of the analysis upon completion.

## **APPENDIX B**

### **SURVEY AND INTERVIEW INSTRUMENTS**

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## The Illinois Facilities Fund

222 North LaSalle Street  
Chicago, Illinois 60601  
312 372 3356

Trinita Logue  
Executive Director

Dear Executive Director:

The Illinois Facilities Fund (IFF) is a new statewide nonprofit agency which makes below-market loans for capital projects and provides related planning and technical assistance to nonprofit human service organizations in Illinois. The IFF was created and is primarily funded by the Chicago Community Trust.

The IFF is eager to learn more about the buildings needs of nonprofit human service organizations. Your organization was randomly selected from more than 7,000 similar organizations in Illinois and we ask your help in completing this survey and returning it as soon as possible in the envelope we have provided.

Real estate issues are critical to nonprofit management, whether you use donated space, own or lease a single building, or have multiple sites. With your assistance in completing this survey, the IFF will be able to develop a more responsive program and public policy agenda.

To our knowledge, such information has never before been collected by a central, impartial group with the goal of assisting nonprofit organizations with capital projects. We hope it might also assist you in thinking about and identifying your own needs and priorities for property you own, lease, or borrow in carrying out your human service mandate.

Most organizations will be able to skip sections of the survey and **complete it in less than 20 minutes**. The financial information is readily available in your most recent audit or 990 form, but please respond carefully to the questions about current space and occupancy costs - they are central to the entire survey. Your thoroughness and your comments are critical to the compilation of sound data on a major issue in nonprofit management -- real estate, and how it is obtained, financed and maintained.

All information will be treated confidentially -- in no case will any survey respondent be identified by name. Thank you for participating in this survey.

Sincerely,

The Illinois Facilities Fund Board of Directors and Research Advisory Committee  
(see membership list on back page)

For further information about this survey, please contact:

Kirsten Gronbjerg  
Dana Cole, Lauree Garvin, Ami Nagle, or Lori Wingate  
Department of Sociology-Anthropology  
Loyola University of Chicago  
6525 North Sheridan  
Chicago, Illinois 60626  
(312) 508-3456

## NONPROFIT BUILDING/SPACE PROJECT

NOTE; This survey is directed at **nonprofit, human service organizations** (broadly defined, see Q45), excluding hospitals, schools, or funding organizations. If your organization is a for profit or similar organization; is a government agency; does not provide human services; or is a hospital, regular school, or funding organization, please check here \_\_\_\_\_. In this case, you do not need to complete the survey, but please return it to us in the enclosed envelope.

Please circle the number(s) associated with the best answers for each question or give the requested information.

Q1 Is the general physical condition of your buildings or space (circle best response):

1. Excellent
2. Good
3. Acceptable
4. Barely acceptable
5. Unacceptable

Q2 Is the general physical condition of your buildings or space better or worse than three years ago, or is it about the same? (circle best response)

1. Better condition
2. About the same
3. Worse condition

Q3 How useful would it be for your organizations to obtain any of the following services currently provided by the IFF (circle best response for each statement):

<u>Building/space related services</u>	Very Useful	Somewhat Useful	Not Useful	Don't Know
Low cost loans/credit	1	2	3	4
Tech. assist. with new construction/rehabbing space	1	2	3	4
Tech. assist. with building codes/license requirements	1	2	3	4
Advocacy for government reimbursement rates	1	2	3	4
Advocacy for zoning/building code reform	1	2	3	4
Guidance on environmental issues	1	2	3	4
Workshops on owning/managing space/buildings	1	2	3	4
Other (specify) _____	1	2	3	4

BUILDING/SPACE INVENTORY -- to document the number, types, and ownership structure of nonprofit facilities

Q4 What is the estimated total square footage of the buildings/spaces you own, lease, and/or borrow (at nominal or no rent)? (write -0- if no such buildings/facilities)

<u>Ownership Relation</u>	Total square feet
Buildings we own	_____ sq.ft.
Buildings or space we lease	_____ sq.ft.
Buildings or space we borrow (at nominal or no rent)	_____ sq.ft.

Q5 For each type of facilities listed below, please indicate how many such facilities your organization currently own (specify #), how many you lease (specify #), and/or how many you borrow at nominal or no rent (specify #)

Facility type	# of facilities of this type that		
	We own	We lease	We borrow
Office/meeting facility (incl. client contacts)	# _____	# _____	# _____
Day care center or classroom facility	# _____	# _____	# _____
Health facility or clinic	# _____	# _____	# _____
Recreational facility	# _____	# _____	# _____
Group home or residential facility	# _____	# _____	# _____
Individual or family apartments/homes	# _____	# _____	# _____
Full-service kitchen/restaurant facility	# _____	# _____	# _____
Retail outlet/store	# _____	# _____	# _____
Manufacturing/industrial facility	# _____	# _____	# _____
Warehouse/storage facility	# _____	# _____	# _____
Other (Specify) _____	# _____	# _____	# _____

Q6 Does your organization lease space from (circle yes or no) and/or borrow space from (circle yes or no) any of the following:

Renter/donee	Lease from		Borrow from	
	Yes	No	Yes	No
A nonprofit organization/school	1	2	1	2
A church, synagogue, or mosque	1	2	1	2
A business/for-profit corporation	1	2	1	2
A public agency or public school	1	2	1	2
Individuals or families (renters)	1	2	1	2
Other (specify) _____	1	2	1	2

RECENT BUILDING-RELATED PROJECT -- to learn why and how nonprofits have undertaken building projects (future projects are covered later)

Q7 Has your organization undertaken, begun, and/or completed any building-related projects within the last 12 months? (circle best response.)

1. Yes
2. No, we had a need, but did not undertake any (skip to Q14)
3. No, we had no need for a building-related project (skip to Q14)

Q8 For each type of project listed below, please indicate how many you have undertaken in the last 12 months (list # of projects) and which type is the most recent project (circle one item):

Projects in last year	Total # of projects	Most recent project (circle one item)
Sold our own property	# _____	1
Purchased existing property	# _____	2
Constructed new property	# _____	3
Demolished/abandoned existing property	# _____	4
Terminated existing lease	# _____	5
Signed lease for new/different/additional space	# _____	6
Terminated use of donated space	# _____	7
Moved to new/different/additional donated space	# _____	8
Expanded/renovated existing space	# _____	9
Other (specify) _____	# _____	10

Q9 Did the reasons for the most recent project include any of the following (circle yes or no) and which reason was the most important one (circle one reason):

<u>Project Reason</u>	A reason for project		Most important reason (circle <u>one</u> item)
	Yes	No	
Necessary expansion/growth	1	2	1
Change in service area	1	2	2
Landlord problems/building conditions unacceptable	1	2	4
Rent or operating cost escalation/can't afford rent	1	2	5
Lost lease/use of donated space	1	2	6
Ordinance/zoning changes	1	2	7
Community protest/opposition	1	2	8
Crime or neighborhood deterioration	1	2	9
Other (specify) _____	1	2	10

Q10 Please estimate the direct costs and value of donated goods and services for the most recent project: (write -0- if no direct costs or donated goods/services)

\$ \_\_\_\_\_ (direct project costs)  
 \$ \_\_\_\_\_ (value of donated goods and services)

Q11 Was the total amount that your organization spent on the most recent project (circle best response):

1. Less than planned or budgeted (at least 15 percent less than planned costs)
2. About what we had planned or budgeted (within 15 percent of planned costs)
3. Somewhat more than planned or budgeted (15-35 percent more than planned costs)
4. Much more than planned or budgeted (at least 36 percent more than planned costs)
5. Don't know yet (project not yet sufficiently completed to make estimate)

Q12 How much of the revenue used to meet the cost were in hand before you made final commitments to undertake the most recent project (circle best response):

1. All
2. Most
3. Some
4. None

Q13 Will/did you use any of the following revenue sources to meet the total costs of the most recent project (circle yes or no), and which source will/did cover the largest proportion of the costs? (circle one source):

<u>Revenue Source</u>	A source for project		Most important source (circle <u>one</u> item)
	Yes	No	
Fund-raising - regular	1	2	1
Fund-raising - special	1	2	2
Operating funds	1	2	3
Financing or loans	1	2	4
Endowment	1	2	5
Other (specify) _____	1	2	6
Does not apply (no cost)			7



**CURRENT/FUTURE BUILDING MAINTENANCE OR IMPROVEMENT NEEDS** -  
 - to document the extent and nature of such needs

- Q14 Does your organization have current maintenance or building-improvement needs for which your organization is responsible? (circle best response)
1. Yes
  2. No, we have a need, but our landlord is responsible (if No, skip to Q17)
  3. No, we have no such needs (if No, skip to Q17)

- Q15 If yes, what are your estimated costs to meet current maintenance and/or building improvement needs for each of the following types of problems:

<u>Type of maintenance/improvement needs</u>	Total Costs
Comply with official ordinances/codes/regulations (e.g., health and safety, physically disabled, licensing)	\$ _____
Improve building operations/efficiency (e.g heating, ventilation, plumbing, electrical systems, roof, facades, windows)	\$ _____

- Q16 What is the basis for these cost estimates (circle best response for each type of problem):

<u>Cost estimates based on</u>	Comply with codes (circle <u>one</u> item)	Improve operations (circle <u>one</u> item)
Professional estimate (architect, engineer, contractor)	1	1
Our own estimate	2	2
Does not apply, no such need	3	3

**OTHER FUTURE BUILDING PROJECTS** -- to learn about future needs and planning efforts

- Q17 Does your organization have plans or needs for any future building project, other than maintenance? (circle best response)

1. Yes, we have definite plans (skip to Q19)
2. Yes, we have needs, but no definite plans (continue with Q18)
3. No, we have no plans and no interest (skip to Q25)

- Q18 Do the reasons you have not been able to develop definite plans include any of the following (circle yes or no):

<u>Reason no plan</u>	A reason	
	Yes	No
We don't have the funds to do building project(s)	1	2
We don't know where to start	1	2
We need to find expert advice first	1	2
We have not had any need until very recently	1	2
We have had too much turnover in staff to manage building project(s)	1	2
We have had too much turnover in board to manage building project(s)	1	2
Building projects are less pressing than other needs	1	2
Other (specify) _____	1	2

- Q19 How many of your future planned or needed building-related projects will: (write -0- if no such plans)

	# bldg projects
Result in <u>an increase</u> in space	# _____
Result in <u>no change</u> in space	# _____
Result in <u>a decrease</u> in space	# _____

Q20 For each type of project listed below, please indicate how many you plan/would like to undertake (list # of projects) and which type you expect to be your next project (circle one item only):

<u>Future Planned/Needed Projects</u>	Total No. of Such Projects	Next Project (circle <u>one</u> item)
Sell our own property	# _____	1
Purchase existing property	# _____	2
Construct new property	# _____	3
Demolish/abandon existing property	# _____	4
Terminate existing lease	# _____	5
Sign lease for new/different/additional space	# _____	6
Terminate use of donated space	# _____	7
Move to new/different/additional donated space	# _____	8
Expand/renovate existing space	# _____	9
Other (specify) _____	# _____	10

Q21 Do the reasons for your next future building project include any of the following reasons (circle yes or no) and which reason is the most important one for the project? (circle one reason only):

<u>Project Reason</u>	A reason		Most important reason (circle <u>one</u> item)
	Yes	No	
Necessary expansion/growth	1	2	1
Change in service area	1	2	2
Landlord problems/building conditions unacceptable	1	2	4
Rent or operating cost escalation/can't afford rent	1	2	5
Lost lease/use of donated space	1	2	6
Ordinance/zoning changes	1	2	7
Community protest/opposition	1	2	8
Crime or neighborhood deterioration	1	2	9
Other (specify) _____	1	2	10

Q22 Please estimate how much this next future building project will cost in direct costs and in value of donated goods & services (write -0- if no actual costs or donated goods/services)

\$ \_\_\_\_\_ (direct project costs)  
 \$ \_\_\_\_\_ (value of donated goods and services)

Q23 What is the basis for the cost estimates in Q22 (circle best response):

1. Professional estimate (architect, engineer, contractor)
2. Our own estimate

Q24 Will you use any of the following revenue sources to meet the total costs of the next future project (circle yes or no), and which source will cover the largest proportion of the costs? (circle one source):

<u>Revenue Source</u>	A source		Largest source (circle <u>one</u> item)
	Yes	No	
Fund-raising - regular	1	2	1
Fund-raising - special	1	2	2
Operating funds	1	2	3
Financing or loans	1	2	4
Endowment	1	2	5
Other (specify) _____	1	2	6
Don't know/does not apply (no costs)			7

**BANKING/LENDING RELATIONS** -- to learn about the extent of existing lending relations

**Q25 Do you currently have any outstanding building-related loans or mortgages from a bank or commercial lending institutions?**

1. Yes
2. No (if No, skip to Q27)

**Q26 If yes, please indicate (if more than one loan/mortgage, report on largest loan amount):**

The original loan amount \$ \_\_\_\_\_  
 The interest rate % \_\_\_\_\_  
 Year the loan was obtained 19 \_\_\_\_\_

**Q27 Has your organization borrowed funds from any of the following sources during the last twelve months? (circle yes or no)**

<u>Lending Source</u>	Yes	No
A Bank or commercial lending organization	1	2
A Community Development Corporation	1	2
HUD	1	2
A Government program other than HUD	1	2
A Foundation	1	2
An organization with which we are affiliated (specify) _____	1	2
Endowment/other special funds in our organization	1	2
Other (specify) _____	1	2

**Q28 Has your organization borrowed funds in last twelve months for any of the following reasons (circle yes or no):**

<u>Reason for borrowing</u>	Yes	No
To cover temporary cash shortfall due to timing of government grants and/or contracts	1	2
To cover other emergency cash-flow needs	1	2
For an emergency building-related project	1	2
For a building-related project part of planned growth	1	2
Other (specify) _____	1	2

**Q29 If you did not borrow, why not? (circle best response):**

1. Board has policy against borrowing
2. Tried to borrow, but couldn't get approved
3. Wanted to borrow, but didn't think would get approval
4. Other reason for not borrowing (specify) \_\_\_\_\_
5. Does not apply (we had no need to borrow or we did borrow)

**Q30 If you wanted to borrow, but couldn't (or didn't think you could) get the loan approved, what was the reason? (circle best response.)**

1. Poor credit rating
2. No collateral
3. Other reason (specify) \_\_\_\_\_
4. Does not apply (we had no need to borrow or we did borrow)

**FINANCIAL INFORMATION** -- to understand financial constraints that might affect building-related projects. (Do not include information on affiliate organizations)

**Q31 Does your organization distinguish between capital and operating funds in your annual budget?**

1. Yes
2. No

**Q32 Does your organization have a maintenance reserve in the annual operating budget?**

1. Yes
2. No

**Q33 Please provide the following information for the most recently-completed fiscal year:**  
(write -0- if no such items)

Total expenditures during fiscal period	\$ _____
Total revenues during fiscal period	\$ _____
Total outstanding loans at end of fiscal period	\$ _____
Total fund balance at end of fiscal period	\$ _____
Total endowment at end of fiscal period	\$ _____
Total assets at end of fiscal period	\$ _____

**Q34 About how much did your organization spend on capital outlays for your buildings during the most recently completed fiscal year?** (write -0- if no such costs)

\$ \_\_\_\_\_

**Q35 Approximately what percentages of your organization's revenues during the most recently completed fiscal year came from the following sources:** (write -0- if no such revenue)

<u>Types of revenues</u>	% of revenue
Government or public agencies (e.g., grants, fees, appropriations)	_____ %
All donations and gifts (e.g., United Way, foundations, individuals, churches)	_____ %
Special events	_____ %
Dues, fees, charges for service (non-government)	_____ %
Investment, interest, and other income	_____ %
<b>TOTAL</b>	<b>100%</b>

**Q36 Approximately how many separate grants and/or contracts from government funding sources did your organization have during the most recently completed fiscal year**  
(include grants/contracts administered by non-government organizations)

# \_\_\_\_\_ (total number of grants/contracts)

**Q37 During the most recently completed fiscal year, roughly what percent of your organization's total revenues came from state government sources** (grants, contracts, fees, or appropriations -- including pass-through funding)? (circle best response.)

1. 90 - 100 percent
2. 50 - 89 percent
3. 10 - 49 percent
4. 1 - 9 percent
5. None

Q38 What were the gross annual occupancy costs and rental income during the most recently completed fiscal year for your organization? Please estimate your costs in the following categories to the extent possible: (write -0- if no such costs or income)

- Rent or similar payments for space we lease and/or borrow \$ \_\_\_\_\_
- Mortgage payments for property we own \$ \_\_\_\_\_
- Real estate taxes for property we own \$ \_\_\_\_\_
- Utilities \$ \_\_\_\_\_
- Salary/benefits of maintenance workers \$ \_\_\_\_\_
- Other occupancy costs (e.g., repairs, insurance) \$ \_\_\_\_\_
  
- Gross rental income \$ \_\_\_\_\_

Q39 Please estimate the proportion of the occupancy costs specified in Q38 that were reimbursed by your organization's government grants and/or contracts: (write -0- if no reimbursements)

\_\_\_\_\_ % reimbursed

Q40 Do you pay occupancy costs for space that other nonprofit organizations use on a regular basis for nominal or no rent?

1. Yes
2. No

GENERAL INFORMATION -- to examine other important parameters that might influence building/space needs

Q41 How many full-time and part-time staff members did your organization have as of 1/1/91? (do not include positions that are vacant)

- # \_\_\_\_\_ Full-time staff members on 1/1/91
- # \_\_\_\_\_ Part-time staff members on 1/1/91

Q42 In what year was your organization established?

\_\_\_\_\_ Year established

Q43 Are your services/programs targeted to any of the following groups?

Target population	No	Yes	If Yes, <u>specify group</u>
To people of a given gender	2	1	_____
To people of a certain age	2	1	_____
To particular racial, ethnic or cultural groups	2	1	_____
To a given geographic area	2	1	_____
To a particular economic group	2	1	_____

Q44 Are your services/programs generally limited to any specific group? (e.g., migrant workers, homeless, physically disabled/impaired, mentally/emotionally disabled, gays/lesbians, immigrants/new-comers/refugees, military/veterans, offenders/ex-offenders, substance abusers, people w/aids, single parents, victims of crime/abuse, members/individuals, members/organizations)

1. Yes, generally limited to \_\_\_\_\_ (specify most important criteria)
2. No, generally not limited to any defined group, available to the general public/-society

Q45 Is your organization engaged in any of the following types of activities (circle yes or no)

<u>Type of Activity</u>	Yes	No
<b>Youth development</b> (incl. youth centers, adult/child matching, scouting)	1	2
<b>Human services/multi-purpose</b> (incl. daycare, child/youth, family, personal, emergency, residential, independ living)	1	2
<b>Mental health/crisis intervention</b> (incl. MH center/treatment, MH assoc, hotline, substance abuse, addictive disorders)	1	2
<b>Crime &amp; delinquency prev/legal admin &amp; serv</b> (incl. offender rehabil. protection/prevention abuse & neglect)	1	2
<b>Community improvement/capacity building</b> (incl. management/TA, volunteer bureaus, organizing/development, business services)	1	2
<b>Housing/shelter</b> (incl. development/management, search/support, shelter/temporary housing, owners/renters assoc)	1	2
<b>Food/nutrition</b> (incl. food service/distribution, agriculture)	1	2
<b>Employment/jobs</b> (incl. vocational rehabilitation)	1	2
<b>Civil rights/social action/advocacy</b>	1	2
<b>Disaster preparedness/relief</b> (incl. preparedness/relief, public safety)	1	2
<b>Diseases/disorders/med. discipline: support &amp; service</b>	1	2
<b>Health: general/rehabilitative</b> (incl. hospitals, nursing care outpatient, rehabil., health support, public health)	1	2
<b>Education</b> (incl. preschool, adult/continuing, drop-out, library primary/secondary/tech schools, student services)	1	2
<b>Other</b> (incl. environment; recreation/sports; arts/culture/humanities animals; philan/ voluntarism; int'l affairs; public/society; research mutual/membership; religion/spiritual devel) (specify) _____	1	2

Note: Activities in bold are included in our definition of human services. The grouping of activities is based on the National Taxonomy of Exempt Entities developed by the National Center for Charitable Statistics, the Council on Foundations, the Independent Sector, and the United Way of America Strategic Institute.

Q46 Please describe your organization's major or most important activities or services

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Q47 Which of the following best describes your organization's location? (circle best response.)

1. Chicago
2. Chicago suburbs
3. Other large city (city larger than 50,000)
4. Other suburban
5. Other smaller town or city (city/town of less than 50,000, not a suburb)
6. Rural

Q48 Is your organization a member of a United Way, Community Chest, or other federated funding organization? (circle yes or no)

<u>Type of funding federation</u>	Yes	No
United Way or Community Chest	1	2
Religious funding federation (e.g., Jewish Federation, Catholic Charities)	1	2
Other funding federation (specify) _____	1	2

- Q49 Is your organization affiliated with or governed by a religious body? (circle best response)
1. Yes, our organization is operated or governed by a religious body, order, or denomination
  2. Yes, our organization is affiliated with a religious body, order, or denomination, but we have an independent board
  3. No, we have no religious affiliation

- Q50 With which religious denomination are you associated? (circle best response.)
1. Roman Catholic
  2. Protestant
  3. Other/general Christian
  4. Jewish
  5. Other religious denomination (specify) \_\_\_\_\_
  6. Does not apply, we have no religious affiliation

- Q51 Approximately how many clients do you serve annually?  
# \_\_\_\_\_ clients

- Q52 Is your organization's name and address correct on the mailing label?
1. Yes
  2. No (if No, please note correct information here or change on mailing label)  
Organization Name \_\_\_\_\_  
Address \_\_\_\_\_  
\_\_\_\_\_

Q53 Contact Person:

Name \_\_\_\_\_  
Position \_\_\_\_\_  
Phone Number \_\_\_\_\_ (include area code)

- Q54 Would you like to receive a summary of the findings from this survey?
1. Yes
  2. No

- Q55 Would you like to receive information about how to obtain building/facilities-related loans, technical assistance, or other services listed in Q3?
1. Yes (see Note below)
  2. No

**Note:** If Yes, you agree to let the researchers add the name and address of your organization to a mailing list that will be used by the Illinois Facilities Fund to distribute information about its services and activities. However, your answers to the survey are confidential and no organization will be identified by name in the data set or in any reports or publications.

- Q56 Do you have any comments on this survey or suggestions for other building-related issues we should examine?

THANK YOU FOR YOUR COOPERATION. Please return the completed questionnaire in the enclosed, postage-paid envelope, or mail to the return address below.

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**INTERVIEW SCHEDULE  
FOR DIRECTORS OF NONPROFIT CHILD CARE  
ORGANIZATIONS**

I am here to talk to you today about the management of your organization and future and recent facility related projects. We will be covering several topics today. First, I would like to focus specifically on facility related issues. After that, I would like to talk to you about your organization and its management.

When I say facility projects I am referring to any building expansion or renovation projects, as well as larger maintenance projects - that is, out of the ordinary maintenance projects.

I am going to ask you about projects you have taken on or are planning to take on. With these questions it would be helpful for me if we could go step by step through the project, this way I have an idea of the history of the project.

If you have any questions, please feel free to jump in at anytime.

**I. Facility Issues:**

1. Tell me about this building. How old is it? How long has the program been here? Was it built as a child care or for another purpose? What do you like about this building? What do you dislike about it?

**A. Recent Project:**

1. Please identify facility problems you have had with your building in the last couple of years. What efforts were made to address these problems? Why were efforts made on some and not others (if applicable). Did you do any facility related projects in the last year?

**IF NO RECENT PROJECT:**

2. If they haven't done a facility related project in the last year:

-What do you see as the cause for not doing this needed project?

-were any plans made. If yes, what were they. If no, why not?

-Where did you stop in the process? Why this spot?

-What specifically is not doing this project related to?(Lack of funds, didn't know where to begin, need expert advice...)

3. I would like to talk about (The first one mentioned). Tell me about this project.

**\*\*do you have any written materials on this problem/project? \*\***

including memos, letters, estimates, reports, etc.

**WHAT WAS THE FIRST STEP, SECOND STEP, THIRD STEP....**

**-How was the problem first identified? (who? when? how?)**

**-Tell me the history of this project/problem.**

**-What did you expect when you started this project.**

**-Was there a budget on the project? Who developed it?**

**-Were there any barriers to getting this project done? What were the barriers to getting this project done? Were there any facilitators to completing this project(people,events, things).**

**-did you have any technical assistance (architects, engineers, contractors) on this project/problem? Why or why not?**

**-What was the role of the board in this project? Were they actively involved? In what specific capacity?**

**-Who played the most important role on this project in the organization? What was the role of others in the organization? Who oversaw the activity? Why this person?**

**-Is there anything you would do differently next time? Is there anything that worked well which you would do again?**

**4. Before starting the project, did you estimate on how much this project would cost? Own or professional? If yes, how much was estimated? At the end of the**

project how much did it cost? What accounts for the difference?

5. How was this project funded? Regular or special funds?

a. If special, how were these funds secured?

-What were the benefits to using these funds? What were the drawbacks? Did this funding stream influence the way the project was done? In what way?

-what was the process for your organization?

b. If regular, how did this impact the other line items on the budget?

-What were the benefits to using these funds? What were the drawbacks? Did this funding stream influence the way the project was done? In what way?

-How was this handled in your organization?

c. why was this stream used?

6. Your organization's major source of funding is \*\*\*\*\*. Do you see this as having an impact on any aspect of this project? Positive or negative? Explain?

7. You (Own, Lease, Borrow) a majority of your building. Do you see this as having an impact on planning for or executing a project? In what way? Hindered

or helpful?

8. Is there anything you'd like to add concerning this project?

**B. Future project:**

1. Please identify current facility problems you have with your building. Have any efforts been made to address these projects/problems?

IF NO EFFORTS:

2. Why have no efforts been made on these projects? Did any planning happen? At what point did you stop? Why? What is your course of action now?

IF, have some plans

3. I would like you to talk about (the #1 problem/project the interviewee listed)

**\*\*do you have any written materials on this problem/project? \*\***

including memos, letters, estimates, reports, etc.

-how was the problem first identified? (who? when? how?)

-tell me the history of this project/problem.

-what do you expect to happen in this project? Is this

influenced by previous experiences with building projects?

-Are there barriers to getting this project done? What are the barriers to getting this project done? Are there any facilitators (events, people, things) to getting this project done.

-Have you had any technical assistance so far (architects, engineers, contractors) on this project/problem? Will you? Why or why not?

-What would be the role of the board in this project? Would they be actively involved in this project? In what specific capacity?

-Who will play the most important role on this project in the organization? What would be the role of others in the organization? Who will oversee the activity? Why this person?

4. Do you have an estimate on how much this project would cost? Own or professional? If yes, how much? If no, will you go through an estimate process? Why or why not?

5. How would this project be funded? Regular or special funds?

a. If special, how will these funds be secured?

-What are the benefits to using these funds? What are the drawbacks? Will this funding stream influence the way the project was done? In what way?-what will be the funding process for your organization?

Why is this the process? Positives? Negatives?

b. If regular, how will this impact the other line items on the budget?

-What are the benefits to using these funds? What are the drawbacks?

Will this funding stream influence the way the project was done? In what way?

-How will this be handled in your organization? Why?

c. Why one type of funding over another?

6. Your organization's major source of funding is \*\*\*\*\* do you see this as having an impact on this future project? Why? Why not? Explain?

7. You (Own, Lease, Borrow) a majority of your building. Do you see this as having an impact on planning for, or executing, a future project? In what way? Hindered or helpful?

8. If lease, could you explain what the relationship is between you and you landlord. Who is responsible for what? Probe for negotiation process - and how things get done.

## **II. Organization issues:**

1. detail the organizational structure

-do you have an organizational chart?

-tell me about the positions in this organization

-who is responsible for what?

-is there specifically someone who deals with facility issues?

-Do they have another job?

## 2. Training

-does any one on staff have a business, organization, finance or administrative training. Do you? Please detail.

3. do you rely on a particular funding stream? How do you see this reliance as impacting the organization management? Explain. Does it affect the way the agency is organized or certain management processes? Have you had problems with your funding sources? Why? What was this like? How was it handled? have you had a positive experience with certain funding streams? In what way? Explain.

4. IF Parent fees are largest: How are the parents opinions or concerns made known to you? Is there a parent board? Is it on an individuals basis? What do their concerns usually entail (PROBE). Are they concerned about facility projects or upkeep? Why or why not?

5. Tell me about your budgeting procedure. Who works on the budget? In what way is the board involved? Are you audited?



6. How much time do you spend (est.) per week on administrative tasks? What do these tasks include? How much per item? Where do facility concerns fall in relation to other management activities? Why does facility planning fall here?

7. Does your organization do long term planning? If yes, what does this entail? If yes, how do facility issues fit into the long term plan? Do you have long term planning documents?

8. Is there a formal system by which facility issues are handled? If yes, what is this system? If no, why not? Has it always been like this? If no, why and when did the process change? Does the board of directors see facilities as an important issue? How do you know this (how does it manifest itself)?

9. Does your organization have emergency funds or a maintenance reserve set aside to deal with facility problems? When was that fund established? Why was it established? How much is in the fund?

### **III. General:**

1. Have you had any facility related emergencies (eg. heater broken) in the last three years?

How were these emergencies handled? Why was it handled this way? How were they funded? Why was this funding source(s) used? How did this emergency impact service provision? Other projects? Financial stability?

2. Do you feel the way your organization handles facility issues is adequate?

What do you see as the strengths and weaknesses of the way your organization handles facility related issues? What changes would you make, if any?

3. Do you see a relationship between your primary funding source and the way facility issues are handled? Why? Why not? Explain.

4. Is there anything you would like to add that wasn't covered?

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## VITA

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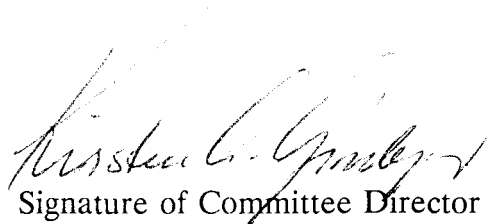
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The final copies have been examined by the director of the masters thesis committee and the signature which appears below verifies the fact that any necessary changes have been incorporated and that the masters thesis is now given final approval by the Committee with reference to content and form.

The masters thesis is, therefore, accepted in partial fulfillment of the requirements for the degree of master of arts.

11/19/93  
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Signature of Committee Director