

## Understanding Center Growth and Development

# The Life Cycle of the Child Care Center

by Gary Bess and Cindy Ratekin

**D**oes your child care center fall short of your ideals? While you may wholeheartedly embrace a developmental approach for children in your care, expecting and even looking forward to the mistakes they will make as they learn along the way, you are less than patient with yourself, your co-workers, and your administration. Yet, your child care center must for the first time balance its budget, manage its staff, and begin providing high quality child care to families in your community.

Consider your center, for a moment, as an organization with its own cycle of birth, growth, and development — its own life cycle — just as one of the children in your center. This perspective of viewing the organization as having a life cycle offers insight into your center's development, solace concerning common experiences, and helps to identify needs your center may have and possible interventions at certain points in time.

What we know about the growth and development of child care centers

comes from the same knowledge base as all other new business startups and ventures. The model follows a metaphorical life cycle sequence of developmental stages that is similar to the biological process in child development. Organizations, like people, are born — and they die.

There are more than ten different theories about how organizations grow (Cameron & Whetten, 1983). However, at this point in our understanding of organizational development, though the agency's purpose may vary, theorists

have suggested that the same developmental dynamics occur in the same order in all types of organizations.

Among the common attributes in all of the theories are themes of growth, development, and change through an organization's life cycle. Organizations generally evolve from small to large, from centralized to decentralized, and often from risk taking to conservative management. Where is your child care center in its life cycle?

### Life Cycle Stages of Child Care Centers

Following is a brief summary of organization life cycle stages from the perspective of the child care center. Within each stage, information is organized around four elements identified as critical contributors to an organization's ability to

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progress or not progress across stages (Quinn & Cameron, 1983; Hasenfeld & Schmid, 1989; Bailey & Grochau, 1993; & Adizes, 1979). These elements are: (a) the child care center's management structure, (b) the child care center's leadership, (c) the child care center's relationship to its community, and (d) the child care center's service technologies, or how it services the children and families that are enrolled in their program.

**Stage One.** The first stage is generally referred to as the entrepreneurial stage (Bailey & Grochau, 1993; Adizes, 1979; Quinn & Cameron, 1983). Here the child care center's management structure is informal. There is little formal planning, as the director/founder tends to make the decisions quickly and without consultation with others. Acquiring of resources necessary to fully launch the child care center is the primary concern. As a small start-up organization, with little to lose and much to gain, risk taking is common. The child care center's leadership is informal, perhaps amateur, in the sense that often the director is new to management having moved up from the child care provider ranks. If a founder is involved, she or he has all of the power.

In terms of the child care center's relationship with the community in which it is situated, efforts are devoted to finding its niche — its unique identity — among competing agencies. The environment is often considered unstable and unfriendly since the child care center is not as yet an established part of the community.

The child care services that are rendered are not complex in that there are no specialized services (e.g., sick child care). Emphasis is placed on building enrollment in order to meet the agency's financial (and survival) requirements.

**Stage Two.** This is often called the development stage. Some level of stability has been achieved at this point. Though little planning or coordination occurs, there is some, and informal lines of communication are now established since new staff have been added.

The leadership style is personalized at this stage. The director is often an intuitive decision-maker. There is high commitment and long hours spent by the director in building the organization.

By stage two, some ties have been formed with important groups (e.g., resource and referral organizations or employers). The child care center is beginning to be known due to its rapid expansion.

Services continue to evolve. There remains the spark of innovation and a shared belief that the program's success is due to the quality of care that it provides.

**Stage Three.** Stage three is sometimes called the formalization stage. The child care center is in its prime.

It has a formal structure with rules that have by now been institutionalized through policies and procedures. Components are now separated (e.g., services and finance), and activities are well organized.

The director can be characterized as a professional manager and devotes a larger portion of time to coordinating activities. There is strong emphasis on efficiency and maintenance of what has been achieved. There is not the same drive to grow or change as to remain stable.

At this stage, the child care center is considered an integral part of the community. Services are coordinated across

agencies through networking agreements. There is, however, the risk of losing touch with the community due to the organizational walls that have been built around the child care center.

Emphasis shifts from effectiveness to efficiency. Administrative activities increase to the detriment of entrepreneurial activities. There may be a clearly stated population of children that is being served and others that are not.

**Stage Four.** This stage is called the elaboration of structure or the maturity stage.

The child care center that evolves to this point has a diversified structure. This means that there are distinct departments and possibly separate programs (e.g., preschool program, toddler program, infant program). The center's atmosphere is generally comfortable resulting from the success that the child care center has achieved.

Leadership is strong, proactive, and decentralized. The director is committed to the intellectual stimulation and development of staff, while reassessing her or his high personal investment in the agency. Is it worth the time and energy?

The child care center is constantly scanning the community for opportunities to expand its programs and services. There is also interest in new ways of doing things. The balance between the program's effectiveness and efficiency is finally achieved.

**Stage Five.** Theorists have referred to stage five as the decline or stagnation stage. The child care center has reached its pinnacle (at stage four) and is now declining. What was once a viable multifaceted operation has become bureaucratic with fuzzy accountability requirements for its staff members.

There can be several reasons why a child care center moves to stage five. It can be due to bad press that threatens legitimacy, loss of a primary service contract, or a drop in enrollment due to a competitor's new program.

As it becomes apparent that the center is declining, leaders often separate themselves from staff and are focused on preserving their positions. Directors become lethargic, indecisive and disengaged. They are not receptive to suggestions or offers of assistance from staff, and revert to making all decisions on their own.

These negative changes are due, in part, to the loss of community resources and legitimacy. Though efforts are made to sustain the appearance of well-being, it is difficult to disguise the losses that are occurring.

In order to survive, the child care center reverts to its initial central calling — doing again what it does best — leaving behind what it perceives to be extraneous activities.

Stage Six. Called the death stage, the child care center's downward spiral continues. It is characterized by lack of attention to organizational issues. Power is again centralized, though paralysis has taken hold and inaction is the norm.

The director experiences a loss of confidence from among staff. She or he is noticeably absent from the workplace. Morale is low, conflict emerges among groups within the organization, and staff begin to resign.

Resources continue to dwindle. The child care center's fate is sealed. The community on which it has depended for support is no longer trusting of it. The decision is made to close. Efforts are made to refer families to other community agencies.

Stage Seven. Unlike the human biological experience, death of an organization is not always final. In some instances, renewal is possible. There emerges from the ashes new leadership, possibly composed of former employees who move to the front. New ideas emerge — the organization life cycle begins once again.

Emphasis is on attracting new resources and constituencies. Leadership is sensitive to the needs of clients and the community. The mission and purpose is reassessed in light of the community's needs. There is renewed commitment to involve families as consumers, and empowerment through involvement is emphasized.

## Understanding the Life Cycle Process

Moving from stage to stage is an inexact and unpredictable process. The time frame that it takes to transition from one life cycle stage to the next is as varied as are the child care centers that experience it. However, there apparently are transition or choice points at each stage that will determine whether the center will move to the next stage, remain stuck in the current stage, or even lapse to a previous stage (Bailey & Grochau, 1993; Hasenfeld & Schmid, 1989).

These critical points are reached when the center faces specific critical issues and turns them into opportunities for growth. Responding affirmatively to these key issues will lead the center to the next stage in its growth and development, or possibly ward off the threat of decline.

Organization life cycle literature is still at an early stage of theoretical development. Exploration of the dynamics that

occur at each life cycle stage have not been subjected to rigorous research. It primarily relies on retrospective experiences or observations from those involved in organizations.

Even so, by understanding the dynamics that are occurring within child care centers at each stage of development, administrators will be better able to thoughtfully intervene based on an understanding of common experiences. If administrators are aware of these issues, they may be able to intercede, helping the child care center to continue to provide high quality child care for the community.

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