Study on Factors of Private Kindergarten Principals’ Layoff Decision: Effects of Individual and Situational Characteristics

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ABSTRACT

Due to the reduced number of children, there is an oversupply of teachers, and layoffs become the measure of survival for kindergartens. Previous research has explored the differences of layoff decisions in kindergartens, while this study further probes into the factors of layoff decisions. This study applies the ethical decision model of Husted and Allen as the analytical base. After interviews and a national sampling questionnaire survey, we obtain the following conclusions: kindergarten principals’ locus of control, teachers’ instructional performance, and kindergartens’ operational crisis perception are the key factors of layoff decision orientation. Kindergarten principals’ with external control belief tend to have in-group favoritism decisions, while those with internal control belief tend to make capacity orientation decisions. When the sense of operational crisis in kindergartens is more significant, kindergarten principals tend to have in-group favoritism and care orientation decisions; nevertheless, teachers’ instructional performance constrains kindergarten principals’ in-group favoritism. When teachers’ instructional performance is better, kindergarten principals tend to have care orientation, capacity orientation, and public welfare orientation decisions. According to the findings of this study, we indicate the suggestions for teachers: regarding kindergartens operational crisis, although kindergarten principals might adopt in-group favoritism decisions, the enhancement of instructional performance will influence kindergarten principals’ layoff decision.

Keywords: Private kindergartens, Layoff decision, Operational crisis, Teachers’ instructional performance

INTRODUCTION

Low birth rate is a problem encountered in many countries in recent years (Kotkin & Ozuna, 2012), and it is particularly serious in Taiwan. Due to the reduced numbers of students, there is an oversupply of teachers, which is currently a significant challenge for education in Taiwan (Cheng & Chen, 2013), and teacher layoff in private kindergartens is becoming the trend. Regarding research on teacher layoff, Chen and Cheng (2013) adopted the ethical decision classification of Husted and Allen (2008); layoff decisions are divided into ethical decisions (including public welfare orientation decisions, capacity orientation decisions, and care orientation decisions) and non-ethical decisions (in-group favoritism decisions) in order to probe into the effects of different kinds of layoff decisions on the competitiveness and operational efficacy of kindergartens. They analyzed the different layoff decisions of different types of kindergartens (private operation, charity group operation, large-scaled chain operation, school affiliation). However, such research lacks study on the factors of layoff decisions.

According to Chen and Cheng (2013) and the ethical decision model of Husted and Allen (2008), this study includes the most important two factors of ethical decisions: individual characteristics and situational characteristics. By interviews and data analysis of national sampling survey on kindergarten
principals, this study determines the factors of layoff decision orientation of kindergartens in order to construct the findings of this study. This study also aims to determine if the ethical decision model of Husted and Allen (2008) is suitable for layoff decisions of preschool education workplaces in Taiwan. The findings of this study can serve as a reference for countries in the same situation.

**LITERATURE REVIEW**

**Ethical decision model of Husted and Allen and the study on layoff decisions of kindergartens**

The ethical decision model (see Figure 1) of Husted and Allen (2008) aimed to explain the process in which individuals deal with ethical dilemma. In such situations, individuals first have ethical judgment. “Rational” judgment refers to justice ethics, which emphasize justice, public welfare, principles, and fairness (Brabeck, 1993; You, 2008); while “relation” judgment refers to care ethics, and emphasizes care, do not hurt others, respect everyone’s dignity and value, and development of sympathy (Brabeck, 1993); the behavior determined by these two kinds of ethical judgment is called ethical behavior. In-group favoritism without ethical judgment, such as special favors and care to relatives or friends (Chou, Lee, & Tsai, 2006; Chu, 2000; Li & Hsu, 1995; Mullen, Brown, & Smith, 1992; Sidanius, Pratto, & Rabinowitz, 1994), is called non-ethical behavior (Chen & Cheng, 2013).

![Figure 1: Ethical decision model of Husted and Allen](Source: Husted and Allen, 2008, p.294)

According to the ethical decision classification of Husted and Allen (2008), Chen and Cheng (2013) divided the layoff decisions of kindergartens in Taiwan into ethical decisions and non-ethical decisions; ethical layoff decisions include justice ethics based on public welfare orientation decisions (for the concern of total benefits, they lay off teachers who do not assist with school development or group operation), capacity orientation decisions (they lay off teachers with inferior capacity), and ethics based on care orientation decisions (upon sympathy for teachers in difficult situations, they avoid laying off these teachers). Non-ethical layoff decisions probe into in-group favoritism (favorable to teachers with good relationships and laying off other teachers). The findings demonstrate that kindergarten principals support public welfare orientation decisions and capacity orientation decisions the most, but do not support in-group favoritism. Moreover, different types of kindergartens (private operation, charity group operation, large-scaled chain operation, school affiliation) also show difference: in-group favoritism are supported by kindergartens of private operation; care orientation decisions are supported by kindergartens founded by charity groups; capacity orientation decisions are supported by school affiliated kindergartens; public welfare orientation decisions are not significantly different in different types of kindergartens. In addition, different layoff decisions significantly influence competitiveness and efficacy of kindergartens.
Chen and Cheng (2013) first disclosed kindergarten principals’ intentions of layoff decisions; however, they did not explore the factors of kindergarten principals’ layoff decisions. According to Figure 1, when individuals make ethical or non-ethical decisions, there are two major factors: individual characteristics and situational characteristics. According to Husted and Allen (2008), individuals’ personality and situational characteristics are the key factors of judgment of ethical dilemma. Hence, based on the model of Husted and Allen (2008), this study probes into the effects of individual characteristics and situational characteristics on layoff decisions.

**Study on correlation between individual characteristics and ethical/non-ethical layoff decision**

Regarding the relationship between ethical decisions and individual characteristics, Ferrell and Gresham (1985) suggested that individuals’ education, values, beliefs, and attitude will influence ethical decisions; Trerino (1986) indicated that personality attributes, such as ego strength, field dependence, and locus of control will influence ethical decisions. According to Rest (1986), people with stronger ego strength rarely cheat, and tend to have ethical behavior. Smith and Oakley (1994) realized that when firm managers’ educational level is higher, they will consider ethical values and make ethical decisions. Su (2007) demonstrated that, in comparison to male principals, females tend to make ethical decisions. Based on the above, gender, educational level, and personality traits of decision makers are the factors of ethical decisions. Therefore, this study will explore the effects of these individual characteristics on layoff decisions.

**Study on correlation between situational characteristics and ethical/non-ethical layoff decisions**

Situational characteristics include organization culture, job characteristics, and work context (Husted & Allen, 2008; Trevino, 1986). Sisco and Yu (2010) suggested that different types of institutions will influence ethical decisions; according to Chen and Cheng (2013), in different types of kindergartens, layoff decision orientation will be different (see p.2). Smith and Oakley (1994) demonstrated that urbanization is associated with ethical decisions. In firms with non-urbanized areas, decision makers show more significant ethical decisions. Organizational atmosphere and organizational values influence ethical decisions (Bonczek, 1992). Organizations with cooperative values usually do not make non-ethical decisions (Dean, 1992; Fritzche, 1987). When organizations expect or encourage certain ethical decisions, employees and managers tend to make the same decisions (Liedtka, 1991; Sims & Keon, 2000); otherwise, there can be conflict and result in non-ethical behavior (Blake & Carroll, 1989; Guy, 1990; Liedtka, 1991). Teachers’ instructional performances and perceptions of competitiveness are important organizational atmospheres of kindergartens. Teachers’ instructional performance and high competitiveness perception demonstrate positive and active organizational atmosphere and values. In such atmosphere and values, will kindergarten principals not be favorable and tend to make ethical decisions? In addition, private kindergartens in Taiwan are encountering significant operational challenges; therefore, operational crisis is an important situational factor. When kindergarten principals perceive that operational crisis is serious, and they might be out of business, will they lay off teachers with inferior capacity and low contribution in order to enhance their operational level? Will they be favorable to teachers with good relationships? This study will attempt to respond to these questions.

**Research framework and hypotheses**

According to the previous literature review, this study develops the research framework, as shown in Figure 2, and proposes the following hypotheses:

**H1:** Kindergarten principals’ individual characteristics (gender, educational level, locus of control) are associated with layoff decision orientation.
**H2:** Situational characteristics of kindergartens (type of kindergartens, location of kindergartens, operational crisis, teachers’ instructional performance, and teachers’ competitiveness perception) are associated with layoff decision orientation.

**H3:** Individual characteristics and situational characteristics have net influence on layoff decision orientation.

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**Figure 2: Research framework**

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**RESEARCH METHOD**

**Interview: interviews with five private kindergarten principals**

Interview aims to recognize kindergarten principals’ views regarding operational difficulty and layoff, their layoff orientation and target teachers of layoff. The researcher selected 5 private kindergarten principals (three males and two females) in three cities and counties for interviews. Data were collected by semi-structural interviews, which were recorded by sound and notes, and the transcriptions were verified by the subjects for data coding and classification. Triangle Testing is based on the perspective of kindergarten principals. Colleagues of teachers and kindergarten principals conduct cross-comparison upon the perspective of kindergarten principals in order to increase the reliability and validity of the research findings (Chang, Ting, & Chien, 2005).

**Questionnaire survey: national sampling questionnaire survey of private kindergarten principals**

Data analyzed by this study are from Chen and Cheng (2013). By stratified random sampling, the said research divided Taiwan into northern/central/southern/eastern areas. Sampling and testing are based on the percentages of different areas. Finally, this study obtains the questionnaires of 205 private kindergarten principals in 23 counties and cities.
The research tool is the “private kindergartens layoff decision questionnaire”, as developed by Chen and Cheng (2013). There are 4 kinds of layoff decisions: public welfare orientation, capacity orientation, care orientation, and in-group favoritism decision. Questionnaire reliability coefficient \(\alpha\) is .76 and construct validity is .53~.95. Other variables include cognition of operational crisis, and there are 7 items, including “regarding recruitment, we have difficulty competing with other kindergartens in the neighborhood” and “we are running out of business”. Reliability is .92 and construct validity is .70~.89; teachers’ competitiveness perception includes 4 items, such as “our teachers completely understand the current severe competition of the preschool market” and “our teachers work hard to enhance or maintain competitiveness of the kindergarten”, and reliability is .83 and construct validity is .62~.90; teachers’ instructional performance includes 6 items, such as “our teachers are concentrated on the instruction for children in every class” and “our teachers have effective instruction”. Reliability is .89 and construct validity is .72~.88; kindergarten principals’ individual characteristics include internal control belief and external control belief. There are 8 items, such as “as long as we make efforts, we can manage the work well” and “with more powerful relatives and friends, we can have better career development”. Reliability is .61 and construct validity is .63~.84. The previous items are measured by a Likert 5-point scale. Through principal component factor analysis, we extract common factors, and select factors with eigenvalues of \((\lambda) >1\) (Joseph, Rolph, & Ronald, 1987).

Data analysis of this study is based on SPSS21.0. Regarding previous factor analysis and reliability analysis, statistical methods also include F testing of mean difference, Scheffe posteriori comparison, and OLS (the ordinary least squares approach) regression analysis.

**RESEARCH RESULTS**

**Results of interviews**

When kindergarten principals encounter operational difficulties, some decide to lay off teachers, while some decide not to recruit new members, reduce welfare, or have collective salary reduction:

*When the operation is difficult, teachers are usually not laid off. Many kindergartens decide to fold up the business.* *(A100101904)*

*At present, in my three kindergartens, I did not lay off teachers...; I know that in some kindergartens, with fewer children, teachers are laid off.* *(B100101429)*

*We did not lay off teachers..., when recruitment is not satisfying, we have a discussion and try to find the measures to attract students, ... when the situation is bad, we will reduce the salary instead of laying off the teachers. We might not hire new teachers.* *(E100110403)*

*The boss told me, since we had very few students in one class, why didn’t we combine the classes? By laying off some teachers, we could balance incomes and revenues..., finally, we decided to modify the welfare. It was not a big change for original teachers; however, it was significantly different for new teachers.* *(A100101901-02)*

When laying off teachers, who will be the subjects for kindergarten principals? Some kindergarten principals suggest that those with bad work attitude are the priority, while some suggest that inexperienced teachers are the priority. Kindergarten principals’ main concerns are teachers’ attitude and performance. Serious teachers who cooperate, have positive work performance, and excellent capacity will stay. Kindergarten principal C even suggested that when teachers’ capacity is outdated, they should be eliminated:

*Those who cause the problems are first laid off, ... I will first lay off the teachers who do not cooperate with us, then those with high turnover rate of students and low capacity. The third are those in...*
bad situations, who do not listen and who do not change... (B100101494-102)  
I will first lay off the inexperienced teachers since the parents do not know them and they are not familiar with the children. We are not sure if they will leave soon. Experienced teachers are more familiar with the kindergartens, ... We first lay off the inexperienced teachers and then those with bad work performance. (A100101905)  

Our teachers are old and have worked for long time. They are outdated... They should be all laid off; they usually had the problem of competence, .......we should hire young teachers. (C100102101-06)  
We will not wait until layoff. When I find that the teachers have bad attitude, I will pay attention. If they are not competent, they should leave..... it is too late to wait until layoff. (D100102905-07)  

Will kindergarten principals be concerned about teachers’ situations? Kindergarten principals A and D suggested that they did not consider the teachers’ privacy. They tended to deal with it fairly:  

I will not be concerned about their personal situations since it is not fair to other teachers. The standard should be the same. (A100101908)  
I treat all teachers equally. Everyone is the same. They do their job and their privacy is personal affairs. It will be difficult to manage them when we are concerned about all. (D100102907)  

However, kindergarten principal B suggested giving more opportunities to teachers in difficult situations:  

I will give them more opportunities when they are in difficulty, ......I will be sympathetic. (B100101497-104)  

Regarding teachers with good relationships, kindergarten principals B and D suggested that they avoid hiring relatives and friends in order to demonstrate their authority. Thus, it will not influence layoff decisions:  

I usually refuse friends or relatives, ......it is not easy to guide the teachers of relatives. ......I will introduce them to other kindergartens. .......I will not give them privileges. (B100101470-80)  

All teachers are hired without relationship. I select them all. .......I treat them equally, ......I will ask them to leave when they do not work seriously. (D100102906-07)  

Some kindergarten principals suggest that they will not lay off related teachers. However, it is not because of the good relationship, but because of teachers’ excellent capacity:  

... I have good relationship with her, I call her godmother and I ask her questions...., I will never lay her off since she is too excellent. (E100110401-04)  

According to interview results, kindergarten principals tend to make layoff decisions according to ability, work performance, and cooperation. They will not be concerned about their relationship or those in difficult situations, which generally matches the results of previous research. In other words, kindergarten principals’ layoff decisions tend to be capacity oriented or public welfare oriented, and they do not refer to in-group favoritism (Chen & Cheng, 2013); regarding care orientation, in the interview, only one kindergarten principal supports it. However, according to the questionnaire survey on kindergarten principals, such orientation is supported with a medium degree (Chen & Cheng, 2013). Hence, some kindergarten principals will consider care oriented layoff decisions.

National sampling questionnaire survey result  
The research of Chen and Cheng (2013) demonstrated significant differences of layoff decisions in different types of kindergartens. Thus, this study will not analyze it. Table 1 shows the difference of different background variables in layoff decisions. According to F test results, the mean difference is insignificant. Therefore, layoff decisions are not significantly different due to kindergarten principals’ gender, educational level, or locations of kindergartens.
Table 1: F test of mean difference of different background variables on layoff decisions

<table>
<thead>
<tr>
<th>Layoff orientation</th>
<th>Background variables</th>
<th>Group</th>
<th>Mean</th>
<th>Number</th>
<th>Standard deviation</th>
<th>F test</th>
<th>Eta</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-group favoritism decisions</td>
<td>Principals’ gender</td>
<td>1. Male</td>
<td>7.0909</td>
<td>11</td>
<td>2.62505</td>
<td>1.156</td>
<td>.078</td>
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<tr>
<td></td>
<td>2. Female</td>
<td></td>
<td>6.2652</td>
<td>181</td>
<td>2.46449</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Principals’ educational level</td>
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<td>45</td>
<td>2.25854</td>
<td>.973</td>
<td>.101</td>
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<td></td>
<td>2. University</td>
<td></td>
<td>6.4065</td>
<td>123</td>
<td>2.59520</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. Master and doctor</td>
<td></td>
<td>6.6522</td>
<td>23</td>
<td>2.08040</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Location of kindergarten</td>
<td>1. County-administered city</td>
<td>6.4706</td>
<td>102</td>
<td>2.40752</td>
<td>.917</td>
<td>.069</td>
</tr>
<tr>
<td></td>
<td>2. Municipality</td>
<td></td>
<td>6.1304</td>
<td>92</td>
<td>2.53857</td>
<td></td>
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</tr>
<tr>
<td>Care orientation decisions</td>
<td>Principals’ gender</td>
<td>1. Male</td>
<td>13.1818</td>
<td>11</td>
<td>2.35874</td>
<td>.161</td>
<td>.029</td>
</tr>
<tr>
<td></td>
<td>2. Female</td>
<td></td>
<td>13.5082</td>
<td>183</td>
<td>2.63507</td>
<td></td>
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</tr>
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<td>Principals’ educational level</td>
<td>1. Below college</td>
<td>13.9111</td>
<td>45</td>
<td>3.02882</td>
<td>.856</td>
<td>.094</td>
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<td></td>
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<td></td>
<td>13.4194</td>
<td>124</td>
<td>2.47950</td>
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</tr>
<tr>
<td></td>
<td>3. Master and doctor</td>
<td></td>
<td>13.1250</td>
<td>24</td>
<td>2.54204</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Location of kindergarten</td>
<td>1. County-administered city</td>
<td>13.6190</td>
<td>105</td>
<td>2.79209</td>
<td>.354</td>
<td>.043</td>
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<tr>
<td></td>
<td>2. Municipality</td>
<td></td>
<td>13.3956</td>
<td>91</td>
<td>2.40776</td>
<td></td>
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<tr>
<td>Capacity orientation decisions</td>
<td>Principals’ gender</td>
<td>1. Male</td>
<td>12.6364</td>
<td>11</td>
<td>1.80404</td>
<td>.149</td>
<td>.027</td>
</tr>
<tr>
<td></td>
<td>2. Female</td>
<td></td>
<td>12.4202</td>
<td>188</td>
<td>1.80582</td>
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<td>Principals’ educational level</td>
<td>1. Below college</td>
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<td>1.985</td>
<td>.141</td>
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<td></td>
<td>2. University</td>
<td></td>
<td>12.6378</td>
<td>127</td>
<td>1.73511</td>
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</tr>
<tr>
<td></td>
<td>3. Master and doctor</td>
<td></td>
<td>12.0833</td>
<td>24</td>
<td>1.58572</td>
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<tr>
<td></td>
<td>Location of kindergarten</td>
<td>1. County-administered city</td>
<td>12.3148</td>
<td>108</td>
<td>1.77020</td>
<td>1.178</td>
<td>.077</td>
</tr>
<tr>
<td></td>
<td>2. Municipality</td>
<td></td>
<td>12.5914</td>
<td>93</td>
<td>1.83704</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public welfare orientation decisions</td>
<td>Principals’ gender</td>
<td>1. Male</td>
<td>8.2727</td>
<td>11</td>
<td>1.34840</td>
<td>.394</td>
<td>.045</td>
</tr>
<tr>
<td></td>
<td>2. Female</td>
<td></td>
<td>8.5213</td>
<td>188</td>
<td>1.27274</td>
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</tr>
<tr>
<td></td>
<td>Principals’ educational level</td>
<td>1. Below college</td>
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<td>47</td>
<td>.99676</td>
<td>.328</td>
<td>.058</td>
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<td></td>
<td>2. University</td>
<td></td>
<td>8.4803</td>
<td>127</td>
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<tr>
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<td>3. Master and doctor</td>
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<td>1.08264</td>
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<td>Location of kindergarten</td>
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<td>108</td>
<td>1.20343</td>
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<td>.005</td>
</tr>
<tr>
<td></td>
<td>2. Municipality</td>
<td></td>
<td>8.5054</td>
<td>93</td>
<td>1.35634</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In order to determine if layoff orientation is influenced by kindergarten principals’ personal cognition (locus of control and operational crisis intensity), and teachers’ work traits (competitiveness perception and instructional performance), the researcher explores the net influence of the variables on the layoff decisions of different orientations by regression analysis\(^1\). The results are as shown in Table 2.

According to Model 2, the factors of in-group favoritism decisions include the types of kindergartens, operational crisis, kindergarten principals’ external control belief, and teachers’ instructional performance. Large-scaled chain kindergartens and charity kindergartens do not support the decision; in kindergartens with teachers’ better instructional performance, kindergarten principals will not support the decision; however, when kindergarten principals have external control belief, they tend to support the decision; when operational crisis is more serious in kindergartens, kindergarten principals tend to support the decision. However, teachers’ instructional performance will constrain kindergarten principals’ in-group favoritism decision.

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\(^1\) Since kindergarten principals’ gender, educational level and location of kindergarten do not show significant difference on layoff decision orientation, they will not be included in regression equation in order to avoid the reduction of explained power of total model by too many unrelated variables.
Factors of care orientation include teachers’ instructional performance and operational crisis intensity; in Model 1, charity kindergartens with significant influence are not as influential in Model 2. It shows that the previous two are the main factors; when teachers’ instructional performance is better, kindergarten principals will tend to support the decision; in addition, in kindergartens with stronger operational crisis, kindergarten principals tend to support the decision.

Factors of capacity orientation decisions include types of kindergartens, kindergarten principals’ belief of internal control, and teachers’ instructional performance. Based on the influence coefficient, when kindergarten principals have internal control belief, they tend to support capacity orientation decisions; secondly, when teachers’ instructional performance is more significant, kindergarten principals tend to support the decision; thirdly, school affiliated kindergartens tend to support the decision.

Factors of public welfare orientation include kindergarten principals’ internal control belief and teachers’ instructional performance. It shows that, when kindergarten principals have internal control belief, they tend to make public welfare orientation decisions; when teachers’ instructional performance is better, kindergarten principals will support the decision.

### Table 2: Regression analysis of factors of layoff decisions

<table>
<thead>
<tr>
<th>Relative favorable decisions</th>
<th>Care orientation decisions</th>
<th>Capacity orientation decisions</th>
<th>Public welfare orientation decisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model 1</td>
<td>Model 2</td>
<td>Model 1</td>
<td>Model 2</td>
</tr>
<tr>
<td>B</td>
<td>β</td>
<td>B</td>
<td>β</td>
</tr>
<tr>
<td>----</td>
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<td>----</td>
<td>-----</td>
</tr>
<tr>
<td>2. Large-scaled chain kindergartens</td>
<td>-1.38</td>
<td>-.17*</td>
<td>-1.32</td>
</tr>
<tr>
<td>3. Charity kindergartens</td>
<td>-1.44</td>
<td>-.20*</td>
<td>-1.25</td>
</tr>
<tr>
<td>4. School affiliation</td>
<td>-1.08</td>
<td>-.10</td>
<td>-.82</td>
</tr>
<tr>
<td>Operational crisis intensity</td>
<td>.08</td>
<td>.17*</td>
<td>.09</td>
</tr>
<tr>
<td>Kindergarten principals’ internal control belief</td>
<td>-.17</td>
<td>-.13</td>
<td>.06</td>
</tr>
<tr>
<td>Kindergarten principals’ external control belief</td>
<td>.23</td>
<td>.25*</td>
<td>.06</td>
</tr>
<tr>
<td>Teachers’ competitiveness perception</td>
<td>.14</td>
<td>.12</td>
<td>.07</td>
</tr>
<tr>
<td>Teachers’ instructional performance</td>
<td>-.23</td>
<td>-.24*</td>
<td>.35</td>
</tr>
<tr>
<td>Constant</td>
<td>6.71</td>
<td>10.38</td>
<td>13.46</td>
</tr>
<tr>
<td>Number of samples</td>
<td>194</td>
<td>172</td>
<td>196</td>
</tr>
<tr>
<td>R²</td>
<td>.06</td>
<td>.28</td>
<td>.04</td>
</tr>
</tbody>
</table>

Note: 1. Type of kindergarten is dummy variable and private kindergarten is control group.
2. *p<.05

### CONCLUSIONS AND SUGGESTIONS

Based on the results, this study proposes conclusions and suggestions as follows:

The measures of private kindergartens to respond to operational crisis include layoff, collective reduction of salary, avoidance of recruitment, and reduction of welfare.

The previous study and interview results demonstrate that kindergarten principals tend to support layoff decisions of justice ethics (public welfare orientation and capacity orientation). Care and ethical
decisions are partially supported, while in-group favoritism decision is generally not supported. However, after considering many factors, this study realizes that when operational crisis is more powerful, kindergarten principals tend to have in-group favoritism and care orientation decisions. Hence, although kindergarten principals agree with justice ethics, they might struggle to decide which teacher would be laid off because they do not intend to hurt teachers with good relationships or in a poor financial condition. Thus, they tend to have in-group favoritism or care orientation decisions.

The results might be associated with the characteristics of Chinese society. According to the theory of Hierarchical Structure, Chinese society emphasizes human relationships. Interpersonal interaction is based on “degree of relationship”. When people are at a distance, the relationship will be weak (Chu, Hsieh, & Chi, 1999). According to the experiment of Li and Hsu (1995), when university students distribute resources, they will be favorable to “relationships”, meaning they first take care of the ones they are familiar with. Therefore, when kindergarten principals have serious operational crisis, they favor their teachers with good relationships, which reflects the Hierarchical Structure and traditional concept of society with human relationships. Likewise, they take care of teachers in difficulties in order to avoid the criticism of being cruel, which places emphasis on human relationships.

When teachers have better instructional performance, kindergarten principals will not adopt in-group favoritism decisions, but tend to make capacity orientation, public welfare orientation, and care orientation decisions. Blau’s “exchange theory” might explain these results. The theory suggests that operations of interpersonal interactions are based on an agreement with “mutual returns” (Lin, Hsiao, & Ho, 2005). Kindergarten principals expect teachers to have excellent instructional performance. Once teachers accomplish this, kindergarten principals will have related return. Their layoff decision making is based on justice ethics and care ethics, rather than being favorable to teachers with good relationships.

Previous studies show different layoff orientations in different types of kindergartens; after controlling many factors, this study finds the same situation. School affiliated kindergartens tend to support capacity orientation decisions, while charity kindergartens and large-scaled chain kindergartens do not support in-group favoritism decisions. Hence, organizational structure and organizational culture will influence the leaders’ decision: school affiliated kindergartens tend to have experimental instruction with academic units or receive interns. Hence, they consider teachers’ capacity. Unlike private kindergartens, personnel affair systems in charity kindergartens and large-scaled chain kindergartens are not so dictatorial. Hence, kindergarten principals usually do not favor teachers with good relationships.

Locus of control will influence layoff decisions. Kindergarten principals with internal control belief tend to have capacity orientation and public welfare orientation decisions. Kindergarten principals with external control belief tend to have in-group favoritism, rather than public welfare orientation decisions. The reason might be that, principals with internal control belief consider job performance (Wu, 1986), and they believe that efforts will result in returns (Kren, 1992). Hence, they actively deal with problems. Principals with external control belief suggest that success relies on luck or other people’s assistance (Marks, 1998), and thus, they tend to depend on others (Lee, 2004). Since they have different views, principals with internal control belief might lay off teachers with low capacity and contribution in order to enhance competitiveness. Principals with external control belief tend to rely on teachers with good relationships (such as relatives, or friends).

This study probes into layoff decisions according to the ethical decision model of Husted and Allen (2008), and demonstrates that, internal and external control belief (individual characteristics), types of kindergartens, teachers’ instructional performance, and intensity of operational crisis (situational characteristics), significantly influence layoff decisions. Hence, the model can explain the layoff
decisions of workplaces of preschool education in Taiwan. However, gender and educational level of individual characteristics and locations of kindergartens of situational characteristics are not influential, which suggests that individual characteristics and situational characteristics of the model should be further studied.

According to results of this study, the researcher suggested that preschool teachers should make efforts to enhance capacity, have prominent instructional performance, and contribute to the schools in order not to be laid off. We suggest that future researchers can probe into layoff decisions from the perspectives of teachers and parents in order to obtain different opinions. Since it lacks research related to layoffs in kindergartens, the finding of this study can serve as a reference for academia to recognize the factors of layoff decisions, and for preschool teachers to be prepared. It can also be criterion for other countries. We wish that in the future, regarding this issue, there can be findings from more countries.

REFERENCES


