

The Effect of Internal Market Orientation on Employee Job Satisfaction: A Study of Malaysian Childcare Centre

Dr. Yaty Sulaiman¹, Abdul Rahim Othman¹, Selvan Perumal¹ and Noor Azmi Hashim¹

Abstract

The number of childcare centres in Malaysia has been steadily increasing and is expected to continue to increase in the future. This is largely due to the active campaign of the Malaysian Government for early childhood education, which is based on the important role played by formal early childhood education. This paper examines the effect of the internal market orientation and employee job satisfaction. To examine the model of the study, 692 questionnaires were distributed. Out of that 360 responses were received from a population comprising the Malaysian childcare center. Employing SPSS approach, the hypotheses of the study were tested. The findings imply the need for childcare centres. This could enhance its sustainability, competitiveness and innovation following market trends.

Keywords: Internalmarket orientation, employee jobsatisfaction, childcare employee and Malaysian childcare centre

1. Introduction

Lately, many Malaysian childcare centres have been plagued with problems of well-being of children under their care. There have been occasions of children's death that may have been caused by negligence of the childcare centres' employees. This has led to the Ministry of Women, Family and Community Development intervening in order to solve the problems as reported by Hashim (2012); Isa (2007); Zulkifli (2012). These incidents and negligences could be due to poor commitment from the childcare centres' employees. In addition, Cleveland, Gunderson and Hyatt (2003) stated that appropriate salary, working conditions and benefits are necessary to attract and retain committed employees.

¹ School of Business Management (SBM), College of Business (COB),Universiti Utara Malaysia, 06010 Sintok, Kedah, Malaysia.

However, many of childcare centres have not provided adequate salary, better benefits and good working conditions for their employees. As a result, the childcare centres were difficult to retain the employees due to high employee turnover which is believed to have a connection with uncommitted employees (Huntsman, 2008).

Similarly, Malaysian childcare centres also experience a high job turnover rate among their employees which resulted from lower organisational commitment (Persatuan Taska Negeri Selangor, 2011; Persatuan Pengasuh Berdaftar Malaysia, 2012). According to the Director of the Department of Social Welfare Advocacy and Legitimacy, Mr Zaitol Salleh, there are many factors that contribute to dissatisfied and uncommitted employees, which, in turn, lead to a high job turnover rate in the childcare industry in Malaysia; for instance, the low salary offered by the childcare centres compared to other service sectors, long service hour, started from 6.30 am to 6.30 pm (work conditions) and the temporary nature of the job (work itself) (Persatuan Pengasuh Berdaftar Malaysia, 2012).

2. Literature Review

2.1 Childcare Centres in Malaysia

Childcare is a phrase used to depict the care of children during day by a person other than their parents or legal guardians who is someone outside the family members with the certain fees (Omar, Nazri, Abu and Omar, 2009). Basically, there are four types of childcare centres in Malaysia, that is, home-based, institution-based, workplace-based and community-based centres. Home-based childcare centres cater for less than 10 children. Institution-based childcare centres cater for 10 children or more at a building outside the home. Childcare centres that are workplace-based cater for 10 children or more at the workplace, which are provided by the employer, while those that are community-based cater for 10 children or more in certain places that are sponsored by the state or federal government (Department of Social Welfare, 2011).

Normally, early childcare education in Malaysia is placed under two ministries, namely, the Ministry of Women, Family and Community Development which focus on childcare education for children of four years of age and below and the Ministry of Education, which concentrates on kindergarten or preschool education for children of five to six years of age.

The Department of Social Welfare which is structured under the Ministry of Women, Family and Community Development, controls the development of early childhood care in Malaysia. The department commenced with the enactment of the Childcare Centre Act 1984 which was introduced in 1984. The Act was formulated in order to guarantee the quality of childcare centres (Department of Social Welfare, 2011).

All childcare centres in Malaysia are bound by regulations under the Childcare Centre Act (Act 308). The Regulation requires that all those who want to work or operate in institution-based childcare centres must take the Basic Childcare Course totaling 103 hours of courses comprising 31 modules. All modules must be conducted within 17-19 days. Furthermore, under the Childcare Centre Act 1984, all childcare centres that take ten and more children under care with a specific fee are required to register their childcare centres with the Department of Social Welfare (Chiam, 2008).

2.2 Internal Market Orientation and Employee Job Satisfaction

Kaur, Sharma and Seli (2009) conducted an empirical research among 611 employees within private sector banks in India. The results show that internal market orientation (IMO) has a positive and significant relationship with employee job satisfaction (EJS). Furthermore, employees are likely to regard the customers in the similar way that they themselves are regarded by their organisation. In other words, the more satisfied the employees are with their job in the organisation, the better the probability that they will provide outstanding service to the customers. Lings (2004) and Gounaris (2008) pointed out that IMO has a direct influence and positive relationship with EJS. They argued that employees are the valued assets that deliver excellent services to the customer. Guilbaut (2010) also found out that IMO has a significant relationship with EJS.

Zhou, Sen, Chao and Huang (2011) disclosed that IMO has a positive and significant relationship with EJS among employees of charity organisations in China. Prior to the above studies, Jaworski and Kohli (1993); Jones *et al.* (2003); Piercy *et al.* (2002); Ruekert (1992); and Siguaw, Brown and Widing (1994) did stress that IMO has positive outcome for EJS. They argued that IMO attaches the employees to the organisation, which is believed to direct to a higher level EJS.

IMO is proven to have a positive and significant relationship with EJS since its notion is to encourage job satisfaction among employees. In other words, if employers provided the different aspects of IMO namely, internal market intelligence generation (IMIG), internal communication (IC) and response to intelligence (RTI) in order to fulfill the wants and needs of their employees, therefore, it would lead to a higher level of EJS. Therefore, to investigate the relationship between the different aspects of IMO and EJS, three hypotheses were developed:

H1. There is a positive relationship between IMIG and EJS

H2. There is a positive relationship between IC and EJS

H3. There is a positive relationship between RTI and EJS

3. Research Methodology

3.1 Sample and Data Collection

The data for this study were collected from the full time front-line employees within registered and licensed childcare centre in 12 states in Peninsular of Malaysia, namely, Kedah, Perlis, Penang, Perak, Selangor, Kuala Lumpur, Negeri Sembilan, Johore, Malacca, Kelantan, Terengganu and Pahang. In this study, the researcher collected the primary data through the survey method using questionnaires. The researcher conducted the survey through personally administered questionnaires to obtain a quick response from the respondents, especially in terms of the questions that they did not understand, and, at the same time, the researcher could motivate the respondents to take part in the survey and encourage them to give their honest opinions regarding the topic matter (Sekaran, 2003). The researcher distributed the questionnaires to the respondents based on the systematic sampling technique which selects every fifth employee for example, 5, 10, 15, 20 and so on until all desired sample size were selected. Initially, the original version of the questionnaire was in English language.

However, since the potential respondents of the study were front-line employees within childcare centre in Malaysia, therefore, the questionnaire was translated into Bahasa Malaysia. This was done accordingly to the suggestion of Brislin (1986). He stated that the questionnaire should be back to back translated in order to compute the reliability and validity of the questionnaire. Moreover, it was expected that it would be easier for the respondent to understand if the questionnaire was set in Bahasa Malaysia and this would encourage them to react to the survey.

Firstly, the questionnaire was translated into Bahasa Malaysia by secondary school teacher whom teach English language at Sekolah Menengah Kebangsaan Keroh, Kelantan and posed a TESL degree. She is a native Malaysian who is fluent in both languages (English language and Bahasa Malaysia) without telling her the objective of the study. Secondly, the Bahasa Malaysia questionnaire version was translated back into English language again without having retrieved to the original version by another English language teacher at the same school with the same qualification. Lastly, the researcher compared and scrutinized the translation version with the original version in order to check the insignificant changes and the amendments were made consequently. According to Sekaran (2000) it was important to make sure that the translation of the questionnaire was developed consequently in order to get the better feedback from the respondents. For the purpose of the study, self-administered survey questionnaire will be distributed to the 692 employees in mentioned states.

3.2 Measurements of Variables

All of the items in the constructs of IMO in this study were measured by using a five points Likert Scale according to Gounaris (2008); Gounaris, Vassilikopoulou and Chatzipanagiotou (2010), which was ranging from 1 = Strongly Disagree to 5 = Strongly Agree. The researcher adapted the work of Spector (1987) to measure the EJS in the current study. All of the items were measured by using a five points Likert Scale ranging from 1 = Strongly Disagree to 5 = Strongly Agree. According to Goldberg and Velicer (2006), using a rating scale of five points increased a probability because the respondents would precisely assess the ranking scales and would be less likely to hustle through the items.

4. Results

To test the hypotheses of the study, the Multiple Regression Analysis was employed. The adequacy of the model was confirmed by checking the regression assumptions such as linearity, normality, homoscedasticity and error independence. The data showed that no issue of the multicollinearity observed in this study. As shown in Table 1, two out of three aspects of internal market orientation (IC and RTI) were positive and significantly contribute to the prediction of EJS at the 0.001 significant level ($\beta=0.341$, $t=6.423$, $p<0.001$; $\beta=0.447$, $t=10.179$, $p<0.001$) $\beta=0.476$, $t=4.511$, $p<0.001$) respectively.

However, IMIG had a negative relationship and not contributed to EJS ($\beta=0.092$, $t=1.768$). In other words, Hypotheses 2 and 3 are supported, and in contrast, Hypothesis 1 is not supported.

Table 1. Regression Results of the Different Aspects of IMO on EJS

Hypo	IV	DV	P-value
H1	IMIG	EJS	
H2	IC	EJS	***
H3	RTI	EJS	***

***: $p < 0.001$; **: $p < 0.01$; *: $p < 0.05$

5. Discussion and Limitations

The finding shows that in the childcare setting, if the supervisors/managers/owners of the childcare centres have a good awareness of employment, current labour market conditions, another jobs offered in other business, competition within childcare industries and human resources policy, they will try to fulfill their employees' wants and needs in order to make sure the employees will satisfied and remain in that childcare centre. In other words, the childcare employees have a high level of job satisfaction towards their childcare centre since the supervisors/managers/owners of the childcare centres are aware about the important aspects related to the employees' needs and wants.

The findings of this study also reveal that internal communication had a positive effect on employee job satisfaction. This finding can be explained by the fact that the managers should tried their best in providing a meeting with the employees in order to hear what they want and need in their work, and as a result, the communication system become effective because the employees have a chance in telling the truth about their feelings regarding their work. Therefore, the employees are satisfied enough with their job.

In other words, the employees are encouraged to satisfy with the childcare centre if they have a good communication system with their supervisors/managers/owners of the childcare centres. This is because the employees could translate what they want and need in their jobs.

The supervisors/managers/owners of the childcare centres in turn, understand what the needs and wants of their employees are, and then, try to fulfill them in order to make sure the employees remain satisfied to the childcare centre.

This result reliable with the finding of the previous studies in related fields. For example, the research conducted by Lin and Lin (2011) found that internal communication (co-workers' relationships) has a positive and significant relationship with employee job satisfaction among the front-line employees at 60 international hotels. In addition, Pepe (2010) found that internal communication (co-workers and superior relationships) has a positive and significant relationship with employee job satisfaction among the employees at the corporate headquarters of a supermarket chain.

The result also indicated that supervisors/managers/owners of the childcare centres who respond to intelligence (which in the current study refers to providing good and adequate training and other wants and needs of employees) will make the employees remain satisfied with the childcare centre. In other words, the supervisors/managers/owners of the childcare centres respond to what employees want and need in their work, and try to fulfill those requirements by providing adequate in-service training for their employees.

This shows that in the childcare setting, if the managers of childcare centres respond to information by fulfilling the employees' needs and wants regarding the benefits, good salary system, developing individual reward systems, performance reviews, changing hours of work, providing training and flexible physical setting, in return, it will lead to the higher level of job satisfaction among their employees. For example, the Department of Social Welfare has mandated that any childcare provider or childcare employee needs to go through the Basic Childcare Course, which is a 103-hours course with 31 modules that should be completed within 17-19 days.

This finding is constant with the earlier research on the relationship between response to intelligence and employee job satisfaction, as proven by Chuang, Yin and Jenkins (2009) who found that response to intelligence (company policy) has a direct influence and positive relationship with employee job satisfaction among the employees of 25 major casino hotels in Las Vegas.

Limpanitgul and Jirotmontree (2011) pointed out that response to intelligence (training and authority) has a direct influence and positive relationship with employee job satisfaction among airline cabin crew of a major flag carrier in Thailand.

6. Conclusion

The main objective of the study is to examine the relationship between IMO and EJS. The findings of the study validated the significant effects of IMO on EJS. Therefore, it could be concluded that the managers or owners of the childcare centers should provide a workplace that contribute to IMO in order to make sure that their employees satisfied and have a strong connection with the childcare and as a result, they will continue remain in that childcare. The results of the study could increase the understanding among the managers or owners of the childcare centres concerning the significance of implementing internal market orientation in their childcare centres in order to minimise the turnover rate among the full-time front-line employees. Therefore, the managers or owners of the childcare centres should pursue effective plans to develop the internal market orientation, especially in improving the internal communication with employees and also internal communication between supervisors or managers, and increasing the response to intelligence by providing internal segmentation, benefits, incentives, promotions, training, rewards and job description, because it is greatly needed for the employees, as shown in the results of the current study.

In addition, the results of this study suggest that the childcare supervisors or managers or owners should take the necessary action to build a supportive employee job satisfaction environment prior to implementing any strategy, in order to improve the level of employee job satisfaction among their employees. For example, the managers or owners of the childcare centres should encourage good internal communication with the employees by providing regular meetings in order to make sure they know what the employees need and want in their work, and then try to fulfill them. In addition, the managers or owners of the childcare centres should provide good and continuous response to intelligence (for instance, by providing benefits, incentives, promotions, training, rewards and job descriptions) for their employees in order to enhance the level of employee job satisfaction among their employees.

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