The Relationship between the Different Aspects of Internal Market Orientation and Affective Commitment within Malaysia Childcare Sector

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Abstract

The childcare sector has grown tremendously over the years in Malaysia due to the growing number of women joining the work force. In fact, 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. However, childcare providers have facing a high job turnover rate among the employees. This happen because the employees uncommitt to their job, which, in turn, contribute to a high job turnover rate. One of the factors that contribute to employee organisational commitment is through internal market orientation (IMO). Hence, the present paper aims to discuss the effect of the difeerent aspects of IMO on the affective commitment (AC) within childcare centre. The findings showed that response to intelligence (RTI) had a positive relationship with AC. Finally, the study presents some suggestions for further studies that can be conducted in the future.

Keywords: Internal market orientation, affective commitment, childcare employees, childcare providers and Malaysia childcare centres

1. Introduction

The childcare sector has grown tremendously over the years in Malaysia, due to the growing number of women who are joining the work force (Omar, Abu, Sapuan, Aziz & Nazri, 2010). The participation rate of woman in the work force in Malaysia is showing an increasing trend.

For example, in 2000, there was a 44.7%; an increase of 45.7% in 2005 (Chiam, 2008); 46.1% in 2006 (Human Resource Statistical Report "Kementerian Pembangunan Wanita, Keluarga dan Masyarakat", 2006; Omar & Ahmad, 2009); in 2011, there was a 46.3% increase (Human Resource Statistical Report "Kementerian Pembangunan Wanita, Keluarga dan Masyarakat", 2011) and in 2013 it was increase to 47% (Mustapha, 2013). This is a contributing factor to the rising demand for childcare centres.

It has been reported that the number of registered and licensed childcare centres in 2012 is 853. This number does not account for the number of childcare centres that are unlicensed, which presently numbers 2,077 centres (Childcare Centre Statistical Report "Kementerian Pembangunan Wanita, Keluarga dan Masyarakat", 2012). Figure 1 is a comparison between the registered and licensed centres and unregistered and unlicensed childcare centres in Malaysia for 2012.

The population of children requiring care in Malaysia also grew from 3.05 million out of a population of 26.75 million in 2005 (National Family and Population Board Report "Kementerian Pembangunan Wanita, Keluarga dan Masyarakat", 2008) to 10.5 million out of 27.7 million in 2008 (National Family and Population Board Report "Kementerian Pembangunan Wanita, Keluarga dan Masyarakat", 2011). However, in spite of the increasing requirement for childcare services due to their significant function for the children development, the childcare centres have stayed far away compared to most other service organisations in employing internal market orientation (IMO) to improve the quality of employees (Chiam, 2008).

In line with this, it is crucial for organisations to implement the IMO in order to achieve highly committed and qualified employees within childcare centres. Therefore, the owners of childcare centres should be more concerned with the importance of implementing IMO in order to increase their affective commitment (AC). As a result, the childcare centres could attract more potential employees into the industry and retain them due to the increasing need for caring and professional childcare centres. This is because IMO has been proven to have a direct effect on long-term AC (Kaur, Sharma & Seli, 2009). Furthermore, Lings and Greenley (2010) pointed out that IMO has a positive correlation with AC.

This paper aims to examine the influential role of the IMO on AC level among the childcare employees in the Malaysian context. In order to achieve the aforementioned objective, the data were collected from childcare centres in Malaysia through a self-administered questionnaire. Our findings provide insights into how far IMO can be the catalyst of any successful AC. However, the limitations of this research provide some future research directions that can be deeply investigated to get the valid and reliable results.

2. Literature Review

2.1 Affective Commitment

According to Meyer, Irving and Allen (1998), AC shows an individual's emotional commitment, connection and association with a certain organisation. In other words, an employee with a high AC is believed to have a high commitment to his or her organisation. This means, the employee remains in the organisation because he or she likes to remain there (Meyer & Allen, 1991). Grigg (2009) and McKay, Avery, Tonidandel, Morris, Hernandez and Hebl (2007) stated that organisational commitment correlates with the level to which the employee is psychologically involved in the organisation. In other words, employee who believed to have a high AC would result to retain as a member of his/her organisation because he/she liked to be there.

2.2 Internal Market Orientation

Tortosa, Moliner and Sanchez (2009) defined IMO as a multidimensional concept, which is developed by four elements; unofficial production of internal information, official production of internal information, distribution of internal information and reaction to the internal information produced. Gray (2010) defined IMO as an enabler in the quest of business success because it provides a landscape for employees and customers of the organisation to operate.

On the other hand, IMO concentrates much on the internal operational systems of the organisation, in which the employees in distinct sections and in different positions   see the other employees and sections as their customers (Fisher & Maitz, 1997).

Lings and Greenley (2005) argued that IMO is an inside perspective comparable to market orientation in the outside perspective. IMO contains the internal generation of intelligence, the dissemination of intelligence and the completion of correct reactions to encounter the requirements of employees. McGrath (2009) argued that the employee's attachment in the IMO (internal market intelligence generation, internal communication and response to intelligence) is crucial in order to increase the satisfaction of employees, which, in turn, will lead to the improvement of business performance of the organisation. According to Lings and Greenley (2010), IMO can be defined as a continuing marketing focus inside an organisation that is intended for employees. Gounaris (2008) argued that IMO can be divided into three dimensions, namely, internal market intelligence generation (IMIG), internal communication (IC) and response to intelligence (RTI).

2.3 Internal Market Orientation and Affective Commitment

Kaur, Sharma and Seli (2009) conducted an empirical research among 611 employees within private sector banks in India. The results show that IMO has a direct effect on long-term AC. Naude, Desai and Murphy (2003) found out that IMO is significantly linked to AC. Prior to the above studies, Jaworski and Kohli (1993) did stress that organisational commitment is a consequence of IMO. They argued that IMO attaches the employees to the organisation, which is believed to direct to a higher level of AC. Lings (2004) and Lings and Greenley (2010) pointed out that IMO has a positive correlation with AC.

They argued that employees are the valued assets that deliver excellent services to the customer. Based on the previous arguments and other supporting ones, the following hypotheses are to be empirically tested:

H1: IMIG is positively impact the AC within childcare centre.
H2: IC is positively impact the AC within childcare centre.
H3: RTI is positively impact the AC within childcare centre.

Figure 2 illustrates the theoretical framework for the present study.

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 select the every fifth employees 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 been distribute 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-point Likert type scale, which, was ranging from 1 = Strongly Disagree to 5 = Strongly Agree.

The researcher adapted the work of Gounaris, Vassilikopoulou and Chatzipanagiotou (2010) to measure IMO. At the same time, the researcher adapted the work of Meyer and Allen (1991) to measure AC in the current study. All of the items were measured by using a five-point Likert type scale ranging from 1 = Strongly Disagree to 5 = Strongly Agree. According to Goldberg and Velicer (2006), using a rating scale of five-point increased a probability because the respondents would precisely assess the ranking scales and would be minus 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 normality, linearity, homoscedasticity and error independence. The normality assumption was inspected through the normal probability plots of the residuals. The histogram and the normal probability plot (P-P Plots) of the regressed standardised residual were the means by which the normality was verified. As shown in Figures 3 and 4, the data disclosed that the behaviour of the data distribution did not differ significantly from the normal curve included. As a result, it can be assumed that the data roughly pursues a normal distribution. The current study scrutinised the linearity, homoscedasticity and the independence of the error terms by checking the scatterplot of the residuals.

Figure 5 indicates that there was no clear relationship between the residuals and the predicted values. Based on the recommendations by Hair *et al.* (2010), since the scatterplots showed no clear relationships between the residuals and the predicted values, it confirmed the linearity, homoscedasticity and the independence of the residuals.

Table 1 indicated that only RTI had a significant and positive impact on AC at the 0.01 significant level (β= 0.198, t= 2.878, p<0.01). In other words, the findings revealed that Hypothesis 3 is supported. However, IMIG and IC are not significant in predicting affective commitment level among the childcare employees. Therefore, Hypotheses 1 and 2 are not supported.

5. *Discussion, Limitations and Recommendations*

The findings indicate that of all IMO aspects, only RTI contribute to AC. This show that in childcare setting if the managers of childcare centre response to generating information about the employees wants and needs regarding the benefits, 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 AC among their employees. In other words, if childcare providers provide benefits, reward systems, training and flexible physical setting, it will leads to higher level of AC among the childcare employees because they like to retain in the childcare centre since their wants and needs are fulfill by their employers.

This finding consistent with the previous research on the relationship between RTI and organisational commitment as proven by Ogba (2008) who pointed out that RTI (salary) has a positive relationship with organisational commitment among customer service officers (banks) in Nigeria. Abzari (2011) revealed that RTI (rewards, salary, promotions, and incentives) has a positive relationship with organisational commitment among the hotel managers in Isfahan, Iran. Farzad, Nahavandi and Caruana (2008) found that RTI (training and motivation) has a positive relationship with organisational commitment among the managers in state-owned banks in Isfahan, Iran.

The findings of the study also reveal that IMIG and IC do not have any impact on AC. This could be explained by the inadequate efforts shown by managers in generating the information about what the employees' needs and wants from their work in childcare centres. In addition, the managers seem to ignore communicating with their employees. For instance, they do not provide a regular meeting with their employees to hear what the employees' needs and wants are. As a result, the lack of information generation and communication between the managers and employees leads to a lower level of affective commitment among the employees. Ultimately, the employees will leave the childcare centres and move to other childcare centres which offer adequate efforts to generate the information about what the employees need and want, and at the same time, provide regular meeting with them to hear what the employees' needs and wants are.

Another factor that can explain why internal market intelligence generation and internal communication do not have a positive relationship with employee affective commitment might be due to a lack of sense of belonging among the childcare employees. This is because the managers are not alert about the importance of internal market intelligence generation, especially in the labour awareness. Thus, the managers have no idea about the competition from other childcare centres or other industries. They do not bother to make an effort to fulfill their employees' needs and wants. Furthermore, the managers do not express or communicate how they feel about their employees and do not know how to treat them well. Therefore, the employees will not like to remain in the childcare centres.

The researcher executed a survey questionnaire research design, which used cross-sectional data collection at a specific point of time in order to test the hypotheses. Therefore, the information gained only demonstrates the degree of association between variables. As a result, the causal relationships which were basically assumed based on the results attained cannot be accurately determined.

Additionally, the findings of the study were based on the data collected from the childcare centres representatives at one point in time. Consequently, the study does not reflect the continuous changes in the psychological human aspects that could have taken place in the organisations due to the continuous experience. This is because the data were based on the cross-sectional approach and no follow up data were gathered.

Therefore, a case study approach might be a better potential choice in order to be able to examine the relationships between the different aspects of IMO and ac level among the childcare employees. Also, a longitudinal research is highly recommended since it would help the researchers to validate the findings attained from the cross-sectional method regarding the change in human views, behaviour and attitudes. This is because a longitudinal approach could explain the complex relationships between the different aspects of IMO and AC level over a long period of time.

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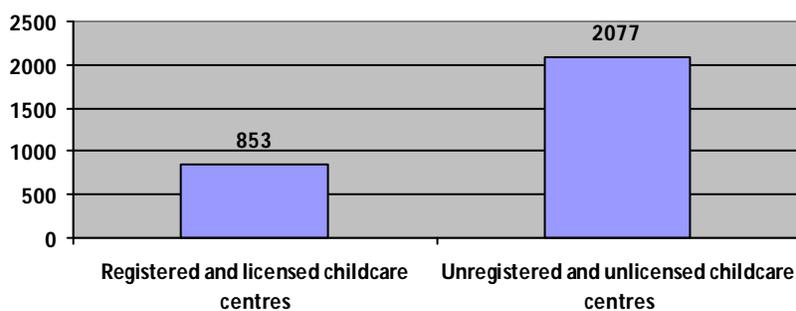
Figure 1: Comparion between the Number of Registered and Licensed and Unregistered and Unlicensed Childcare Centres in Malaysia

Source: Childcare Statistical Report "Kementerian Pembangunan Wanita, Keluarga dan Masyarakat", 2012
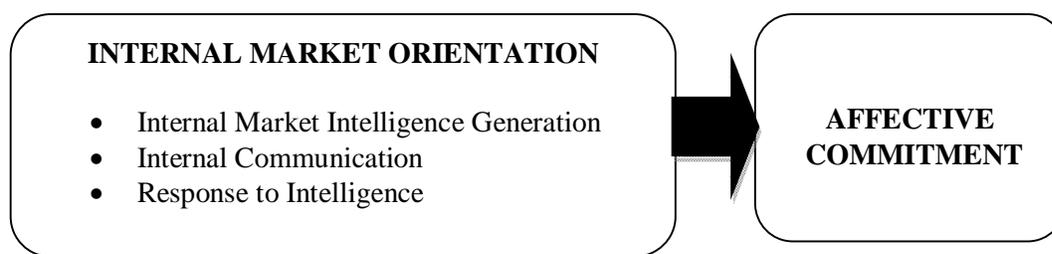
Figure 2: The Theoretical Framework

Table 1: Regression Results of IMO (IMIG, IC and RTI) on AC

Independent Variable	Standardized Beta	T- Value
IMIG	-0.044	-0.638
IC	0.079	1.098
RTI	0.198**	2.878
R Square	0.050	
Adjusted R square	0.044	
F value	6.563	
Significance of F value	0.000	
Durbin-Watson Statistics	1.626	

Note: ***: $p < 0.001$; **: $p < 0.01$; *: $p < 0.05$
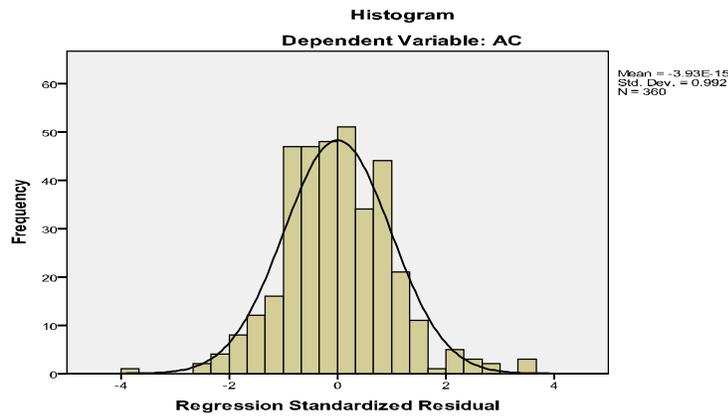
Figure 3: Histogram of the Regression Residuals of AC
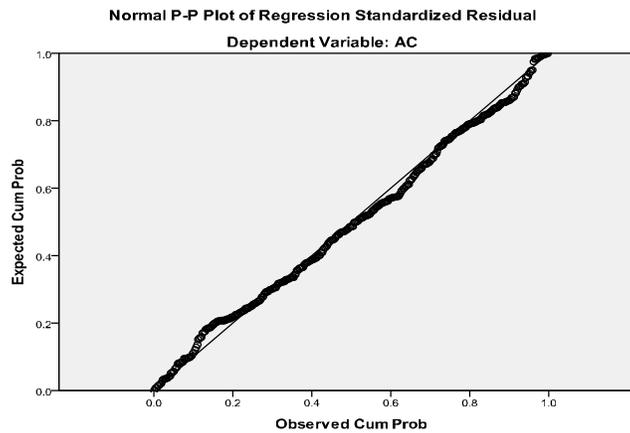

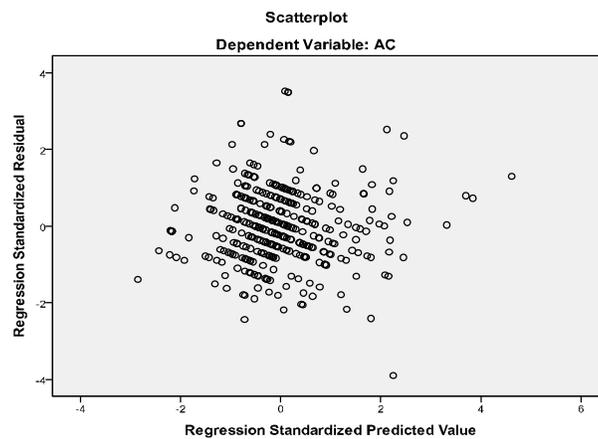**Figure 4: Testing Normality Using Normal Probability Plot of AC**

Figure 5: Scatterplot of the Residuals of AC