

Escalating the Employee Organisational Commitment through Internal Market Orientation: Childcare Centre's Perspective

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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 paid labour force. In spite of the growing demand for childcare services, childcare providers have facing a high job turnover rate among the employees and difficulty in retaining the employees for a long period. 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 (EOC) is through internal market orientation (IMO). Hence, the present paper aims to discuss the effect of IMO on the EOC within childcare centre. The findings showed that some dimensions of IMO (response to intelligence and internal market intelligence generation) had a positive relationship with the EOC. Finally, the study presents some suggestions for further studies that can be conducted in the future.

Keywords: Internal market orientation, employee organisational commitment and Malaysian childcare centres

1. Introduction

The participation rate of woman in the labour 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); and in 2011, there was a 46.3% increase (Human Resource Statistical Report "Kementerian Pembangunan Wanita, Keluarga dan Masyarakat", 2011). 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 (Childcare Centre Statistical Report "Kementerian Pembangunan Wanita, Keluarga dan Masyarakat", 2012). Table 1 shows the number of registered and licensed childcare centres in every state in Malaysia. 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 employee organisational commitment (EOC).

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 EOC (Kaur, Sharma & Seli, 2009). Furthermore, Lings and Greenley (2010) pointed out that IMO has a positive correlation with EOC. This paper aims to examine the influential role of the IMO on the organisational commitment 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 EOC. 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 Employee Organisational Commitment

Bentein, Vandenberg, Vandenberghe and Stinglhamber (2005) and Grigg (2009) pointed out that EOC is the progress of employees' trust in their organisation, which is shown by their willingness to engage in the organisation's vision, mission and values. Grigg (2009) and McKay, Avery, Tonidandel, Morris, Hernandez and Hebl (2007) stated that EOC correlates with the level to which the employee is psychologically involved in the organisation. Furthermore, Lee and Olshfski (2002) determined that EOC was a four-facet construct, comprising commitment to their superior, commitment to their teamwork, commitment to their organisation and commitment to an identity that was set up in a job. According to Meyer and Allen (1991), EOC can be classified into three elements: affective commitment (AC), continuance commitment (CC) and normative commitment (NC). AC shows an individual's emotional commitment, connection and association with a certain organisation. CC relays to the cost that occurs if the employee leaves the organisation, for example, the distance and location costs. NC highlights the commitment of the employee to remain with his or her organisation because he or she feels that he or she should remain 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 improved 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 Employee Organisational 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 EOC. Naude et al. (2003) also found out that IMO is significantly linked to EOC. Prior to the above studies, Jaworski and Kohli (1993) did stress that EOC 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 EOC. Lings (2004) and Lings and Greenley (2010) pointed out that IMO has a positive correlation with EOC. 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: IMO is positively impact the AC within childcare centre.
H1a: IMIG is positively impact the AC within childcare centre.
H1b: IC is positively impact the AC within childcare centre.
H1c: RTI is positively impact the AC within childcare centre.
- H2: IMO is positively impact the CC within childcare centre.
H2a: IMIG is positively impact the CC within childcare centre.
H2b: IC is positively impact the CC within childcare centre.
H2c: RTI is positively impact the CC within childcare centre.
- H3: IMO is positively impact the NC within childcare centre.
H3a: IMIG is positively impact the NC within childcare centre.
H3b: IC is positively impact the NC within childcare centre.
H3c: RTI is positively impact the NC within childcare centre.

Figure 1 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. 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 500 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 instead of seven points Likert Scale as used in the main source, Gounaris, Vassilikopoulou and Chatzipanagiotou (2010), which was ranging from 1 = Strongly Disagree to 5 = Strongly Agree. The researcher adapted the work of Allen and Meyer (1990) to measure the EOC 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 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 linearity, normality, and homoscedasticity and error independence. The data showed that no issue of the multicollinearity observed in this study.

As shown in Table 2, IMIG had a significant and positive impact on CC at the 0.001 significant level ($\beta=0.249$, $t=3.664$ $p<0.001$) and had a significant and positive impact on NC at the 0.001 significant level ($\beta=0.267$, $t=4.182$ $p<0.001$). RTI had a significant and positive impact on AC the 0.01 significant level ($\beta=0.198$, $t=2.878$, $p<0.01$), had a significant and positive impact on CC at the 0.05 significant level ($\beta=0.151$, $t=2.220$ $p<0.05$) and had a significant and positive impact on NC at the 0.001 significant level ($\beta=0.264$, $t=4.141$ $p<0.001$). In other words, the findings revealed that Hypotheses 1c, 2a, 2c, 3a and 3c are supported. Therefore, IC is not significant in predicting organisational commitment level among the childcare employees. So, Hypotheses 1a, 1b, 2b and 3b are not supported.

5. Discussion and Limitations

The findings indicate that of all IMO components, only RTI contribute to all dimensions of EOC. This shows 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 organisational commitment among their employees. This finding consistent with the previous research on the relationship between RTI and EOC as proven by Ukaegbu (2000) who revealed that intrinsic RTI (feeling of challenge and freedom) is stronger predictor of EOC compared to extrinsic response to intelligence (wages, salary, promotion, job security, fringe benefits and training). The study was conducted among the employees at medium and large native private manufacturing organisations founded and owned by Nigerians in the former Anambra and Imo States. Ogba (2008) pointed out that RTI (salary) has a positive relationship with EOC among customer service officers (banks) in Nigeria. Abzari, Ghorbani and Madani (2011) revealed that RTI (rewards, salary, promotions, incentives and job descriptions) has a positive relationship with EOC among the hotel managers in Isfahan, Iran. Farzad, Nahavandi and Caruana (2008) found that RTI (training and motivation) has a positive relationship with EOC among the managers in state-owned banks in Isfahan, Iran.

The findings of the study also show that IMIG has contributed to CC and NC. This shows that identifying the needs and wants of the childcare employees is very important to make them stay in the childcare centres. Perhaps, the employees believed that the earlier sessions with their managers who discussed what is important and what is not, were enough to make them continue working in the childcare centres. They might also believe that the managers are doing their best to fulfill the promises they made during the IMIG session. The result of this relationship could also suggest that during the process of IMIG, the employees also realise and know that the hidden costs of leaving the childcare centres could be very costly. These hidden costs include difficulty in adjusting to the new job at the new organisation, transport and distance costs, same basic salary and different working environment.

This finding consistent with the previous research on the relationship between IMIG and EOC as proven by Farzad et al. (2008) who argued that IMIG has a significant relationship with EOC, as a whole. The findings of the study also reveal that IC does not have any impact on EOC. These striking findings can be explained by the fact that the employees have a communication break down and misunderstanding with the managers due to a different level between both parties. Therefore, these factors contribute to a lower level of EOC. 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 organizations 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 IMO and EOC 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 IMO and EOC level over a long period of time.

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Table 1: Number of Registered and Licensed Childcare Centres in Malaysia, 2012 by State

Number	States	Number of Registered and Licensed Childcare Centres
1	Selangor	111
2	Kelantan	28
3	Terengganu	78
4	Pahang	46
5	Johor	80
6	Perak	117
7	Kedah	50
8	Pulau Pinang	48
9	Perlis	28
10	Negeri Sembilan	35
11	Melaka	24
12	Sabah	78
13	Sarawak	54
14	Kuala Lumpur	68
15	Labuan	8
	TOTAL	853

Source: Childcare Centre Statistical Report “Kementerian Pembangunan Wanita, Keluarga dan Masyarakat”, 2012

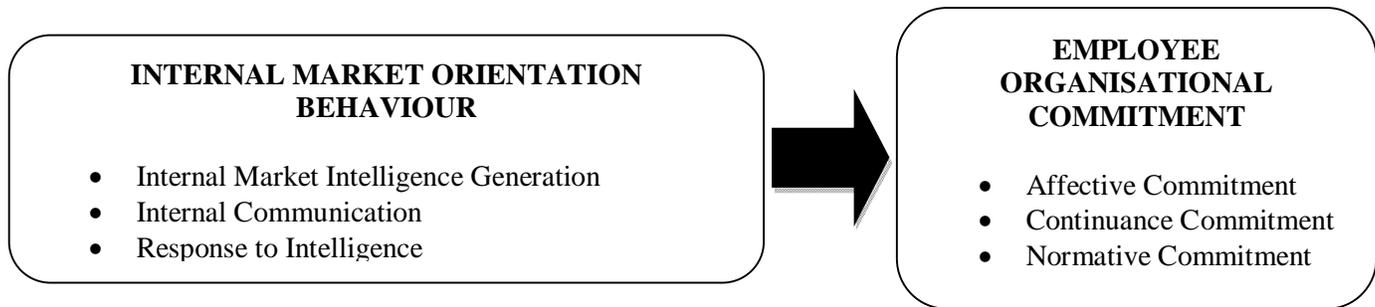


Figure 1: The Theoretical Framework

Table 2: Regression Results of IMO Behaviour (IMIG, IC and RTI) on EOC (AC, CC and NC)

Independent Variable	Dependent Variable					
	AC		CC		NC	
	Standardized Beta	T- Value	Standardized Beta	T- Value	Standardized Beta	T- Value
IMIG	-0.044	-0.638	0.249***	3.664	0.267***	4.182
IC	0.079	1.098	-0.126	-1.784	-0.057	-.858
RTI	0.198**	2.878	0.151*	2.220	0.264***	4.141
R Square		0.050		0.082		0.188
Adjusted R square		0.044		0.074		0.181
F value		6.563		10.536		27.506
Significance of F value		0.000		0.000		0.000
Durbin-Watson Statistics		1.626		1.759		1.824

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