**THE IMPACT OF INTERNAL MARKET ORIENTATION AND JOB SATISFACTION ON EMPLOYEE ORGANIZATIONAL COMMITMENT AMONG MALAYSIAN CHILDCARE EMPLOYEES**

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**Abstract**
The childcare sector has grown tremendously over the years in Malaysia, due to the growing number of women who are joining the paid labour force. In fact, the number of childcare centres in Malaysia has been steadily increasing and is expected to continue to increase in the future. A good formal early childhood education is importance in contributing to the human capital building and to the nation’s growth, especially in achieving Vision 2020 which is to see Malaysia as a developed country. Therefore, this study aims to investigate the impact of internal market orientation and job satisfaction on Malaysian child care employees. A total of 360 front-line employees from registered childcare centres in 12 states from Peninsular Malaysia, representing a response rate of 72%, participated in this study. The researcher collected the data through self-administered survey questionnaires. The study employed exploratory factor analysis to conclude the construct validity. The hypotheses were tested using Multiple Regression Analysis with SPSS version 19.0. The findings suggested that if the childcare centers want to increase job satisfaction level and organizational commitment level among their employees, they should make efforts to execute internal market orientation which was viewed by the employees as the important element in influencing their job satisfaction and then their organizational commitment toward the organization.

**Keywords:** Internal Market Orientation, Job Satisfaction, Employee Organizational Commitment, Childcare Centres

**INTRODUCTION**

The childcare sector has grown tremendously over the years in Malaysia, due to the growing number of women who are joining the paid labour force (Omar, Abu, Sauna, Aziz & Nazi, 2010). In fact; the number of childcare centres in Malaysia has been steadily increasing and is expected to continue to increase in the future. A good formal early childhood education is importance in contributing to the human capital building and to the nation’s growth (Cheam, 2008), especially in achieving Vision 2020 which is to see Malaysia as a developed country. Furthermore, good quality childcare centres could give overwhelming effects on children development, survival and growth because children’s development is influenced by their childcare experiences (Omar, Abu, Sauna, Aziz and Nazi, 2010). Therefore, the requirement of childcare service is increasing which leads to the increasing number of 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, Nazi, Abu and Omar, 2009; Suleiman et al, 2017). Normally, early childcare education in Malaysia is placed under two ministries, namely, the Ministry of Women, Family and Community Development and The Department of Social Welfare which controls the development of early childhood care in Malaysia. There are several empirical studies were conducted on childcare centres. For example, Gregg (2009) conducted a study on employee job satisfaction, employees’ organisational commitment and intent to leave or employee retention within childcare centres in West Carolina. Meanwhile, Omar, Nazi, Abu and Omar (2009) studied the relationships among parents’ perceived service quality, satisfaction, trust and loyalty within childcare centres in Kuala Lumpur and Selangor. While Cleveland, Gunderson and Hyatt (2003) studied the low wage services among the employees in childcare centres in Canada. The reviews clearly show that the research on employees’ organisational commitment and the factors that contribute to employees’ organisational commitment in the childcare sector is still lacking. It is assumed that employees who have high organisational commitment will contribute towards improving quality of service in the childcare centres.

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 Has him (2012); Isa (2007); Sulkily (2012). These incidents and negligence’s 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. 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 Task Nigeria Selangor, 2011; Persatuan Pegasus Berdaftar Malaysia, 2012). Furthermore, the research of the effects of internal market orientation on job satisfaction and employee organisational commitment within childcare centres in Malaysia is believed to be crucial since the studies that relate job satisfaction and employee organisational commitment with internal market orientation are still lacking, especially in the childcare setting. To date, there is a lack of studies that investigates the effects of internal market orientation on job satisfaction and employee organisational commitment within childcare centres. Based on the above justifications, this research could be well justified. Specifically, the current study aims to investigate the effect of internal market orientation on employee organisational commitment within childcare centres’ employees in Malaysia as mediated by job satisfaction.

LITERATURE REVIEW

Employee Organisational Commitment
Past research disclosed that employee organisational commitment has become the most essential item to the organisation; perhaps this finding would lead to an increase in studies on employee’ organisational commitment (Jamal din, 2009). Porter (2006) pointed out that employee organisational commitment is a vital link in identifying the success or failure of the organisation. In other words, an employee who has a higher organisational commitment will be a dynamic employee and boost the organisation, with which he or she is connected. Employee’ organisational commitment indicates a level of employee job satisfaction at their workplace (Allen & Meyer, 1990; Gregg, 2009; Mesmer, 2006; Meyer & Allen, 1988; Oliver, 1990).

The view of organisational commitment has been identified in various modes in the literature. Employee organisational commitment is viewed as an approach because it is linked to an employee’s attitude about his or her organisation (Allen & Meyer, 1990; Lumley, Coetzee, Tladinyane & Ferreira, 2011). Employee organisational commitment is the connection with a certain organisation and recognition of its values and objectives (Padilla, 2011; Porter, Steers, Monday & Boolean, 2004). However, some authors have determined employee organisational commitment to be a sense of loyalty and psychological attachment; for example, Buchanan (1974); Etzioni (1975); Hall, Schneider and Negron (1970); Romzek and Hendricks (1982); and Romzek (1989).

Herman (2005); Mesmer (2006); and Porter (2006) conducted research that focused on three elements of employee organisational commitment: affective commitment, continuance commitment and normative commitment. This is further supported by Jamal din (2009) conducted a research on organisational justice (distributive, procedural and interactional justice) and its relationship with employee organisational commitment (affective commitment, continuance commitment and normative commitment). Gregg (2009) also mentioned that if the employees have a higher level of involvement, then their level of commitment is higher to remain with the organisation.

Internal Market Orientation

The root of internal market orientation can be traced to market orientation and also internal marketing concepts (McGrath, 2009). Generally, internal market orientation seeks to provide stability between employees’ views of what they have given to their works and the views of what they will get from their works (Lings & Greenly, 2005). In addition, there are a few empirical researches for small-sized organisations that provide the same results as the large organisations, which show the importance of implementing the internal market orientation in order to ensure their growth and long-term survival (Inoguchi, 2011). Inouch (2011) argued that market orientation or internal market orientation is also an important notion for small-sized organisations since they have less competitive advantage and fewer resources compared to the large organisations. This trend can be supported by several researches, such as by Blank son, Motswana and Ladenburg (2006); Kidskin (2006); and Mahmud (2011) who found out that internal market orientation does affect small and medium entrepreneurship business performance.
Based on an extensive review of the pertinent literature, there are many parallels among market orientation, internal marketing and internal market orientation, especially in their meanings (Berry, 1981; Gounares, 2006; Jaworski & Kohli, 1993; Lings & Greenly, 2005). The internal customers (employees) are the main focus of internal market orientation, in contrast to the market orientation, which concentrates on the external customers (Gounares, 2006; Lings, 2004; Lings & Greenly, 2005). McGrath (2009) argued that the employee’s attachment in the internal market orientation (internal market intelligence generation, internal communication and response to intelligence) is crucial in order to increase the satisfaction and commitment of employees, which, in turn, will lead to the improved business performance of the organisation. While Gray (2010) defined internal market orientation 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, according to Lings and Greenly (2010), internal market orientation can be defined as a continuing marketing focus inside an organisation that is intended for employees. Thus, internal market orientation encourages employees to support the organisation’s market goals and motivates them to perform better, and provide excellent service that eventually can increase customer preservation and boost the organisation’s success.

Job Satisfaction

Safi, Nawaz, Jan and Khan (2012) pointed out that job satisfaction is a persistent attitude and that it needs constant management. However, until now, there is no general explanation of job satisfaction that represents all these elements at the same time (Bernal, Castel, Navarro & Torres, 2005). Feinstein and Vondrasek (2001) and Locke (1969) highlighted that job satisfaction is a condition of delight gained by the employees due to their work. Limbic (2006) defined job satisfaction as a different thing to different people. Research conducted by several authors, such as Allen (2006); Bose lie and Wiele (2002); Cuing and Swierczek (2008); Gregg (2009); Lambert, Hogan and Barton (2001); and Sector (1997) revealed that the higher degree of job satisfaction, the higher the degree of the decision to remain in the organisation. Therefore, employees with a higher degree of job satisfaction will contribute to the organisational commitment, which will lead to them remaining in the organization. Lumley, Coetzee, Tladinyane and Ferreira (2011) and Rothmans and Coetzee (2002) pointed out that job satisfaction can be defined as a reflection of a job resulting from what the employees want and the real result they achieve. Furthermore, Hong and Waheed (2011) added that job satisfaction is basically related to the achievement, pay, empowerment, personal growth, occupational stress, company and administrative policy, the overall working conditions and the relationship with others.

Sector developed a Job Satisfaction Survey in 1985, which contains nine dimensions namely, communication, contingent rewards, co-workers, fringe’ benefits, nature of work, operating procedures, pay, promotion and supervision (Sector, 1985, 1994, 1997). Abuja, Blanch and Garcia (2005) and Bytyqi, Retain and Hisami (2010) introduced three dimensions of job satisfaction, that is, reaction to the work conditions, the strength between the expected and the real and the employees’ mindsets which replicate their relationships. Padilla (2011) used five dimensions of job satisfaction, that is, job-concrete, job-abstract, psycho-social, economic
aspects and community growth. Meanwhile Sarandakos, Torres and Tracey (2009) used seven dimensions of job satisfaction in their study, that is, the work itself, the sense of achievement, training, salary, security, autonomy and the scope of job.

Much research has been done to clarify the mediating effects of job satisfaction. For example, a research was conducted by Liang, Chan, Lin and Huang (2011) investigated the relationship between transformational, transactional leaderships and task performance and to clarify the mediating effects of job satisfaction. Furthermore, according to Ding, Lu, Song and Lu (2012), job satisfaction played a mediating role on the relationship between servant leadership and employee loyalty among 186 MBA students of the Chinese University of Science and Technology and part of employees at the same university.

RESEARCH FRAMEWORK

![Research Framework Diagram](image)

Research framework has been developed from literature review and research problem of study which is illustrated in the Figure 1 above. The current theoretical framework or research model investigates the relationships among employees’ organisational commitment, internal market orientation and employee job satisfaction. The main constructs to be examined are employees’ organisational commitment as a dependent variable, the different aspects of internal market orientation as independent variables and employee job satisfaction as a mediator variable.

METHODOLOGY

Sampling Design
In this study, the general population comprised all the employees of registered and licensed childcare centres that are operating in Malaysia, including Sabah and Sarawak which is 4265. Since the current study is only focusing on registered and licensed childcare centres located in Peninsular Malaysia, therefore, the specific population for the study is should contained the number of all employees of registered and licensed childcare centres that are operating in Peninsular Malaysia which is 3565. The sampling frame for the current study is supposed to be a list of all the full-time front-line employees from registered and licensed childcare centres in Peninsular Malaysia, comprising 12 States of Kedah, Perlis, Penang, Perak, Selangor, Kuala Lumpur, Nigeria Sembilan, Johor, Malacca, Kelantan, Terengganu and Pahang which is 3565. The sample size for the current study was obtained from the sampling table developed by Saharan and Boogie (2010). The sample size for the current study is 346 since the total number of childcare employees is 3565. However, the researcher distributed 692 questionnaires based on suggestion by Saunders, Lewis and Thornhill (2003) who stated that the response rate for delivered and collected questionnaires is normally 50%. The researcher used the first technique which is a disproportionate stratified random sampling technique in order to get the desired sample size for each state.

Data Collection and Administration

The questionnaire for the current study, comprising 103 questions (using a five-point Liker type scale) was distributed to full-time front-line employees in registered and licensed childcare centres to evaluate their views on the variables of the study. Before proceeding with an actual data collection, this study will perform a pilot test using the same sample from the population with the sample size of 30 respondents in order to proof the reliability of the items used in the questionnaire. The researcher collected the data for the pilot study from 30 full-time front-line employees from three childcare centres in Kedah. Total 692 questionnaires that were distributed. Of the 692 questionnaires circulated, a total of 364 questionnaires were returned, representing a response rate of 53%. The researcher divided the questionnaires into four sections. The first section measured the independent variable which consists of internal market orientation were adapted from the work of Gounares (2008) and Gounares et al. (2010). The second section measured the mediator which is employee job satisfaction adapted the work of Sector (1985, 1994, 1997). The third section measured the dependent variable which is employees’ organizational commitment measurement from the work of Allen and Meyer (1990). The last section collected the demographic data concerning the respondents who are the front-line employees within the registered and licensed childcare centres in Malaysia. The information obtained from the respondents included their race, religion, age, tenure of service, education, income per month and job status. All parts in the survey of this study were rated using five-point Liker scale (1 represent “strongly disagree” and 5 represent “strongly agree”.

RESULT AND DISCUSSION

Pearson Correlation Analysis
As shown in Table 1 below, all the 10 Pearson correlations coefficients were found to be statistically significant at the 0.01 levels of significance. In other words, the data of this study supported the existence of significant relationships between internal market orientation aspects and employees’ organisational commitment within childcare centres in Malaysia, ranging from \( r = 0.408 \) (\( p < 0.01 \)) to \( r = 0.476 \) (\( p < 0.01 \)). Similarly, the findings also supported the existence of significant relationships between internal market orientation dimensions and employee job satisfaction within childcare centres in Malaysia, ranging from \( r = 0.323 \) (\( p < 0.01 \)) to \( r = 0.545 \) (\( p < 0.01 \)). Furthermore, the results also supported the existence of significant relationship between employee job satisfaction and employees’ organisational commitment (\( r = 0.264 \), \( p < 0.01 \)) within childcare centres in Malaysia. In addition, correlations among internal market orientation dimensions were statistically significant, ranging from \( r = 0.615 \) (\( p < 0.01 \)) to \( r = 0.670 \) (\( p < 0.01 \)).

### Table 1

**Pearson Correlation Analysis**

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Internal Market Intelligence Generation</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) Internal Communication</td>
<td>.648**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(3) Response To Intelligence</td>
<td>.615**</td>
<td>.670**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(4) Employee Job Satisfaction</td>
<td>.323**</td>
<td>.344**</td>
<td>.545**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>(5) Employees’ Organisational Commitment</td>
<td>.456**</td>
<td>.408**</td>
<td>.476**</td>
<td>.264**</td>
<td>1</td>
</tr>
</tbody>
</table>

Note: ** Correlation is significant at the 0.01 level (2-tailed)

### Regression Analysis

**Table 2 Regression Result of the Different Aspects of Internal Market Orientation and Job Satisfaction on Employee Organisational Commitment**

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Dependent Variable</th>
<th>Organisational Commitment Beta</th>
<th>Organisational Commitment Standardised Beta</th>
<th>T- Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal Market Intelligence Generation</td>
<td>0.456***</td>
<td>3.833</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal Communication</td>
<td>0.408***</td>
<td>0.863</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Response to Intelligence</td>
<td>0.476***</td>
<td>4.511</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
As shown in Table 2, all the three aspects of internal market orientation (internal market intelligence generation, internal communication and response to intelligence) were positive and significantly contribute to the prediction of employee organisational commitment at the 0.001 significant level ($\beta=0.456$, $t=3.833$, $p<0.001$; $\beta=0.408$, $t=0.863$, $p<0.001$; $\beta=0.476$, $t=4.511$, $p<0.001$) respectively. Besides, job satisfaction had a significant and positive impact on employees’ organisational commitment at the 0.001 significant level ($\beta=0.264$, $t=5.176$, $p<0.001$). In other words, Hypotheses 1, 2, 3 and 7 are supported.

The regression result are the same to three aspects of internal market orientation (internal market intelligence generation, internal communication and response to intelligence) had a significant and positive impact on employee job satisfaction at the 0.001 significant level ($\beta=0.323$, $t=23.721$, $p<0.001$; $\beta=0.344$, $t=6.927$, $p<0.001$; $\beta=0.545$, $t=12.292$, $p<0.001$) respectively. In other words, the findings revealed that Hypotheses 4, 5 and 6 are supported.

**Mediating Effect**

Table 3 *Mediating Effect of Job Satisfaction on Internal Market Orientation and Employee Organisational Commitment*

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Variables</th>
<th>Beta</th>
<th>Beta</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Organisational Commitment</td>
<td>Internal Market Intelligence Generation</td>
<td>0.456***</td>
<td>0.414***</td>
<td>Partially Mediate</td>
</tr>
<tr>
<td></td>
<td>Mediating Variable</td>
<td>Job Satisfaction</td>
<td>0.130**</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$R^2$</td>
<td>0.206</td>
<td>0.219</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$\Delta R^2$</td>
<td>0.208</td>
<td>0.015</td>
<td></td>
</tr>
<tr>
<td></td>
<td>F change</td>
<td>93.980</td>
<td>6.965</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Internal Communication</td>
<td>0.408***</td>
<td>0.360***</td>
<td>Partially Mediate</td>
</tr>
<tr>
<td></td>
<td>Mediating Variable</td>
<td>Job Satisfaction</td>
<td>0.130**</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$R^2$</td>
<td>0.164</td>
<td>0.179</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$\Delta R^2$</td>
<td>0.166</td>
<td>0.017</td>
<td></td>
</tr>
<tr>
<td></td>
<td>F change</td>
<td>71.437</td>
<td>7.579</td>
<td></td>
</tr>
</tbody>
</table>
The beta coefficient for the direct path (step 1) between internal market intelligence generation, internal communication and response to intelligence and employees’ organisational commitment are 0.456, 0.408, and 0.476 respectively. When employee job satisfaction was included in step 2, the Beta coefficient dropped to 0.414, 0.360 and 0.473 meaning that mediation did exist in the relationship, but internal market intelligence generation, internal communication and response to intelligence are still significant. Therefore, it could be translated that employee job satisfaction partially mediates the relationship between internal market orientation (internal market intelligence, internal communication and response to intelligence) and employee organisational commitment.

**Hypotheses Testing**

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Hypothesis Description</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>There is a positive relationship between internal market intelligence generation and employee organisational commitment</td>
<td>Supported</td>
</tr>
<tr>
<td>H2</td>
<td>There is a positive relationship between internal communication and employee organisational commitment</td>
<td>Supported</td>
</tr>
<tr>
<td>H3</td>
<td>There is a positive relationship between response to intelligence and employee organisational commitment</td>
<td>Supported</td>
</tr>
<tr>
<td>H4</td>
<td>There is a positive relationship between internal market intelligence generation and job satisfaction</td>
<td>Supported</td>
</tr>
<tr>
<td>H5</td>
<td>There is a positive relationship between internal communication and job satisfaction</td>
<td>Supported</td>
</tr>
<tr>
<td>H6</td>
<td>There is a positive relationship between internal communication and job satisfaction</td>
<td>Supported</td>
</tr>
</tbody>
</table>
There is a positive relationship between response to intelligence and job satisfaction

There is a positive relationship between job satisfaction and employee organisational commitment

Job satisfaction mediates the relationship between internal market intelligence generation and employee organisational commitment

Job satisfaction mediates the relationship between internal communication and employee organisational commitment

Job satisfaction mediates the relationship between response to intelligence and employee organisational commitment

H7
H8
H9
H10

Supported
Supported
Partially Mediated
Partially Mediated
Partially Mediated

CONCLUSION

The main objective of the current study is to examine the relationship between the internal market orientation and employee organisational commitment. The findings of the current study validate the significant effects of internal market orientation on employee organisational commitment. Specifically, this study investigates the relationship among internal market orientation, job satisfaction and employee organisational commitment in childcare centres in Malaysia. It also analyses the mediating effect of job satisfaction on the relationship between internal market orientation and employee organisational commitment. Basically, the current study was inspired by the lack of studies in the recent relevant literature relating to the relationships among internal market orientation, job satisfaction and employee organisational commitment in small organisations, especially within the childcare industry.

From the results acquired, the proposed framework was significantly certified. The study variables were detected to have a substantial analytical on employee organizational commitment. Employee organisational commitment, however, could be a major link in clarifying the success or failure of the organisation (Porter, 2006). Additionally, employee organisational commitment depicts the level of job satisfaction at their workplace, as suggested by Allen and Meyer (1990); Gregg (2009); Mesmer (2006); Meyer and Allen (1988); and Oliver (1990). Consequently, employees with low salary, no adequate in-service training and no other benefits could contribute
to low job satisfaction and also a low organisational commitment level, which result in a high
turnover rate among the childcare employees (Gregg, 2009).

Therefore, it could be concluded that the managers or owners of the childcare centres should
implement internal market orientation in order to improve the intensity of job satisfaction, which
would lead to higher organisational commitment level among their employees since the internal
market orientation notion itself is based on the organisations’ commitment and direction, which
focus on their employees.

ACKNOWLEDGMENTS

Yarty Suleiman is Senior Lecturer of Marketing, School of Business Management, College of
Business, University Utara Malaysia 06010 Sinton, and Kedah, Malaysia. The author would like
to thank The Ministry of Higher Education (MOHE) for granting this research under the
Fundamental Research Grant Scheme (FRGS) and Research Innovation Management Centre
(RIMC) University Utara Malaysia. This article is under FRGS grant research.

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