

EXPLORING THE SUSTAINABILITY OF  
INSTITUTION-BASED PRIVATE  
CHILDCARE CENTRE IN  
KLANG VALLEY

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SULTAN IDRIS EDUCATION UNIVERSITY

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EXPLORING THE SUSTAINABILITY OF INSTITUTION-BASED PRIVATE  
CHILDCARE CENTRE IN KLANG VALLEY

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## APPRECIATION

May all glory be to God!

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## ABSTRACT

With the increased number of women participating in the labour force and the encouragement from the Malaysian government to the private sector in setting up preschool and early childcare centres, there is a high demand for the number of institution-based private childcare centres. However, the literature has shown that the number of childcare centres closing is on the rise and in a worrying state. Hence, the purpose of this study is to explore the possible factors affecting the closing of the institution-based private childcare centres in Klang Valley and to learn the best practices from the sustaining childcare centres. This study utilized multiple case studies methods in researching the success factors of those sustainable childcare centres as well as identifying the factors that lead to the closing of some childcare centres. Two institution-based private childcare centres that have operated for more than ten years and two centres that have recently closed after operating between two to four years in the Klang Valley area were selected in this study. This study used semi-structured interviews to collect qualitative data from the operator, one teacher, and one parent from each centre, together with the field observation and document analysis. Thematic analysis was used to analyse the data deductively. The themes emerged were organised to answer the research questions. Complexity in managing employees, cautiousness in managing finance, empathetic leadership style, supportive and positive working and learning environment, the ineffectiveness of related policies and implementation were among the findings of this study. In conclusion, the operator needs to have early childhood care and education background, related working experiences and coupled with good financial management, strong and empathetic leadership abilities, good in marketing and recruitment, and to have policy literacy to comply with the constant changing of the laws and regulations of the country. The implication of this study highlights the need from the authority to look into the implementation and monitoring of childcare centres and the need to increase the awareness of the community towards ECCE in this country.

## **MENEROKAI KELESTARIAN TASKA INSTITUSI SWASTA DI LEMBAH KLANG**

### **ABSTRAK**

Peningkatan wanita berkerjaya serta dorongan daripada pihak kerajaan untuk penubuhan TASKA oleh pihak swasta telah menghasilkan permintaan yang tinggi kepada perkhidmatan TASKA. Namun, senario penutupan TASKA institusi swasta semakin membimbangkan. Oleh itu, kajian ini bertujuan untuk meneroka faktor-faktor yang mempengaruhi penutupan dan amalan terbaik bagi TASKA institusi swasta yang masih beroperasi di Lembah Klang. Kajian ini menggunakan pendekatan kualitatif dan rekabentuk kajian kes dalam mengenalpasti faktor-faktor yang menyebabkan penutupan dan meneliti faktor kejayaan TASKA institusi swasta. Dua TASKA institusi swasta yang telah ditutup setelah beroperasi antara dua hingga empat tahun dan dua TASKA institusi swasta yang beroperasi lebih dari sepuluh tahun dipilih dalam kajian ini. Kaedah kajian menggunakan temu bual separa berstruktur, pemerhatian dan analisis dokumen. Peserta kajian melibatkan seorang pengusaha, seorang guru dan seorang ibu bapa dari setiap TASKA institusi swasta yang terlibat dalam kajian ini. Pengkaji telah menggunakan kaedah analisis tematik untuk menganalisa dapatan kajian dan beberapa tema telah terhasil bagi menjawab persoalan kajian. Dapatan kajian menghasilkan tema iaitu kerumitan dalam pengurusan staf, berhati-hati dalam pengurusan kewangan, gaya kepimpinan empati, persekitaran kerja and pembelajaran yang menyokong dan positif, ketidakberkesanan dasar dan pelaksanaan polisi. Kesimpulannya, pengusaha TASKA institusi swasta haruslah mempunyai latar belakang dalam Pendidikan awal kanak-kanak, mempunyai pengalaman bekerja yang berkenaan serta mempunyai pengurusan kewangan yang baik, keupayaan yang tinggi dan menunjukkan gaya kepimpinan empati, bagus dalam pemasaran dan pengambilan staf, mempunyai literasi polisi untuk menangani perubahan berterusan pada undang-undang and polisi di negara ini. Implikasi kajian menunjukkan keperluan daripada pihak kerajaan untuk memeriksa pelaksanaan and pemantauan TASKA institusi swasta serta keperluan untuk meningkatkan kesedaran and pengetahuan komuniti terhadap bidang Pendidikan awal kanak-kanak di negara ini.

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## LIST OF ABBREVIATIONS

EPP	Entry Point Project
GNI	Gross National Income
KAP	Kursus Asuhan & Didikan Kanak-kanak Permata
MOE	Ministry of Education
MWFCD	Ministry of Women, Family and Community Development
NAEYC	National Association for the Education of Young Children
NCDC	National Child Data Centre
NGO	Non-Governmental Organisation
NKEA	National Key Economic Areas
OECD	Organisation for Economic Co-operation and Development
TASKA	Taman Asuhan Kanak-kanak
UNESCO	United Nations Educational Scientific and Cultural Organization
UNICEF	United Nations Children's Fund

## APPENDIX LIST

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## CHAPTER 1

### INTRODUCTION

#### 1.0 Preface

The Organisation for Economic Co-operation and Development (OECD, 2010) recognised the importance of early childhood education as a phase of education and services in its contribution to the social, economic, and educational aims. Especially towards the young children from low-income and second-language backgrounds, its significant contribution is being recognised widely (Chiam, 2008; OECD, 2006).

Early childhood was defined as the period from birth to eight years old and it is a prime time for brain development, according to the United Nations Educational Scientific and Cultural Organization (UNESCO, 2016). The early years becomes the foundations for future development, not just preparing young children for formal schooling but rather plays a vital role in their development and growth.

One of the five outcomes in Malaysia Education Blueprint 2013-2025 was to ensure every Malaysian child deserved equal access to an education that would enable that child to achieve his or her potential. In achieving this outcome, the Ministry of Education has set one key outcome which is to achieve 100% enrolment in preschool by 2025. On another hand, the Ministry of Education saw the positive relations of hiring qualified teachers and improving the quality of education in Malaysia and therefore has raised the entry bar for future educators from 2013 in which only the top 30% of graduates would be recruited as educators in both public and private higher education institutions (Ministry of Education, 2013).

The former Deputy Prime Minister who was also the former Minister of the Ministry of Women, Family and Community Development, Wan Azizah Bt Wan Ismail, in her opening speech in conjunction with the National Childcare Centre Day 2018 themed "Equality", on the 12th August 2018, has identified three main issues pertaining the childcare centres in Malaysia: Accessibility, Ability and Quality & Safety. According to her, childcare centres act as a supporting role for the working mothers which was also supported by Chiam (2008). However, due to

the low number of centres being registered with the said ministry as well as the under-qualified caretakers, it brought worries to the community about the accessibility of the childcare centres in Malaysia. It was worrying to hear that there are 80.19% which was equivalent to 13,700 caretakers not meeting the minimum educational qualification as required by the ministry (Ministry of Women, Family and Community Development, 2018). It is believed that the lack of qualified caregivers and the number of registered nurseries will have implications on the quality of care and safety of our children. In addition, she also recognised the challenges faced by the childcare operators, especially on the financial aspect. Besides fulfilling the 2016 Minimum Wage Regulation, operators also need to pay the other fees related to the registration and operations of the childcare centres and the stress going through all the registration procedures which resulted in a lot of unregistered childcare centres operating actively in Malaysia. This might be one of the main reasons as to why many childcare centres closed down and were not able to sustain their business in the long run. Related government ministries, departments, agencies, and officers need to look into the policies and regulations of childcare centres to ensure the quality of early childhood education in Malaysia as well as in ensuring the safety of the young children in this country.

## 1.1 Background of the Study

In the 2016 Annual Report of Malaysia Education Blueprint, it was reported that the overall preschool enrollment increased to 85.6%, in tandem with the increase in private preschools to 51.9%. The number of public preschool classes increased to an overall total of 49,851. The number of public preschools increased by 125, while the number of private preschools rose by 2,240 classes. Private preschool providers were continuously encouraged and supported to open more preschools to meet the high demand, especially in rural areas to increase children's readiness for formal schooling (Ministry of Education, 2017). This report showed that though the enrollment has not reached its target in achieving 92% in Wave 1 (2013-2015), the figure is showing positive signs in achieving the target slowly in Wave 2 (2016-2020) of 100% enrollment in preschool.

One of the twelve National Key Economic Areas (NKEAs) is Education and the Entry Point Project (EPP) One is on scaling up early private childcare and education centres. It was targeted by 2020, the Gross National Income (GNI) from these early childcare and education centres is RM2,400 million and it was able to offer up to 78,000 jobs by then (PEMANDU, 2013). To achieve the targets, the government has encouraged active participation from the private sector in setting up preschool and early childcare centres all over Malaysia. They hope by the year 2020, the enrolment to preschool and early childcare centres will be increased to 97% and 25% respectively.

Early childhood care and education in Malaysia is now a very commercialised industry according to Ong (2010) whereby the government, private sector, religious groups, non-governmental organisations, or interested individuals can set up nurseries and preschools so long as they fulfil the requirements from various governmental agencies. In Malaysia, early childcare and education are divided into two different age groups. Under the jurisdiction of the Ministry of Women, Family and Community Development (MWFCD), the childcare centres, or better known as *Taman Asuhan Kanak-Kanak* (TASKA) is to provide early childcare and services to children from birth up to four years of age; whereas the TADIKA or also known as preschool comes under the jurisdiction of the MOE which provides early childcare and services to children from four to six years of age (Foong, Veloo, Dhamotharan, & Carynne, 2014). The division of auspices between two ministries not only created a split governance system for preschool education services but also a view that "care" and "education" of young children are separate aspects of early childhood development. On one hand, the MOE's responsibility for kindergartens focused on meeting the educational needs of children with the key priority set for enhancing the quality of classroom teaching and learning. On the other hand, the MWFCD's priority for childcare centres focused on meeting social and family needs through improving the affordability and accessibility of custodial care services. These fundamental differences in policy aims for the two ministries resulted in policy initiatives that were developed and run in parallel, which can at times create unevenness in operational and regulatory procedures such as funding and subsidy streams, and staff training and qualification requirements for childcare

centres and kindergartens (Tan, 2017).

The first three years in a child's life are very critical, especially in forming the personality, building sensory-motor skills, and intellectual ability. (National Permata Curriculum, 2013). Therefore, according to Tan (2017), a quality TASKA plays a vital role as it was proved in connecting the early years' experiences to the holistic development of children. In Malaysia, anyone including an individual, Non-Governmental Organisation (NGO), or companies can set up TASKA under the jurisdiction of the Social Welfare Department as long as they fulfil the requirements. The requirements include operation under the licensure, adopting the national curriculum, hiring trained teachers, operating in a suitable building or entity as well as having a clear vision and mission. (National Permata Curriculum, 2013). From January 2013, the requirement for registration as a childcare provider with the Department of Social Welfare was the completion of Kursus Asuhan & Didikan Kanak-kanak Permata (KAP) (Foong et al., 2014).

Looking at the various reasons for the increased demand for childcare centres, the business of childcare centres should be better as the demand is higher than the supply. However, it is not as such in reality. The number of childcare centres closing down is on the rise and it is vital to investigate the factors leading to the closing down of the childcare centres to ensure equality and accessibility of such services to all young children we have in this country.

### 1.1.1 Types of Childcare Centres in Malaysia

In Malaysia, a legislative-approved childcare centre is defined as a premise at which four or more children under the age of four years from more than one household are received to be looked after for reward (Lembaga Penyelidikan Undang-undang, 2016). Childcare centres in Malaysia fall into four categories: Community-based childcare centres (Taska dalam komuniti since 2006), Workplace-based childcare centres, Institution-based childcare centres, and Home-based childcare centres. The table below shows the descriptions of each type of childcare centres in Malaysia.

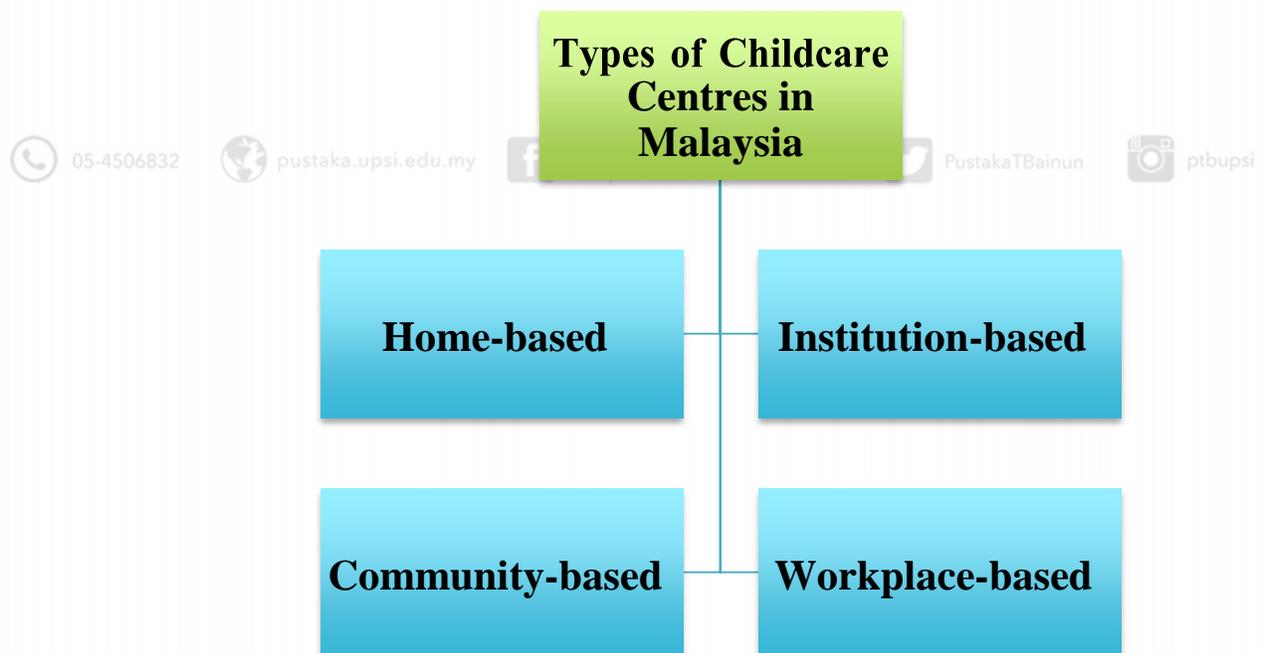


Figure 1.1. Types of childcare centres in Malaysia

Table 1.1

*Types of childcare centres and description of each*

Types of Childcare Centre	Description
Home-based	Receives less than ten children into the house of the person registered under Section 7 of Childcare Centre Act 1984
Workplace-based	A childcare centre at a workplace that receives ten or more children
Community-based	Receives ten or more children in a particular area which receives aid from the Federal Government or a State Government
Institution-based	A childcare centre other than a childcare centre as above three and which receives ten or more children

**Home-based Childcare Centres**

These are the ones that number the most, but they are also the ones that are more likely to not be registered, mentioned Datin P. H. Wong, the past president of Registered Childcare Providers Malaysia (PPBM) (Brigitte, 2017; Liew, 2007). Many parents prefer home-based childcare centres due to the affordability and flexibility, however, it is a great concern that many of this type of Taska is not registered. Chiam (2008) identified this type of operator who offered their services in their homes without making many alterations to accommodate young children's needs.

On the other hand, there was also a need for childcare centres to operate after dark especially catering to parents who are needed to work on a shift basis or throughout the weekends (Sheila, 2018). The need for home-based childcare centres is on the rise because most of the other types of childcare centres only operate in the daytime and could not meet the needs of parents who are working outside the normal working hours. Ended up, these parents mostly have no choice but to rely on unregistered home-based caregivers. However, many abuse cases happened in the home-based childcare centres in Malaysia due to the unqualified caregivers and because these are unregistered centres (Aliza Shah, October 2018), the authority did not have the authority to monitor what was taking place in their centres.

### **Workplace-based Childcare Centres**

MWFCD encouraged setting up childcare centres at the workplace when more and more women are engaged in active employment. To encourage more women to the labour force, the government is giving a subsidy of RM180 per month for the government servants with monthly salaries below RM2000 who send their children to the workplace childcare centres. In addition, the government is also providing an RM80,000 grant for setting up childcare centres within government offices for their renovation and furnishing purposes. As for the private sector, the government is providing a 10% tax exemption on the cost of building a childcare centre for ten years.

The Companies Commission of Malaysia is working with United Nations Children's Fund (UNICEF) on setting up workplace-based childcare centres. "This is really a win-win. A win for the private sector, a win for its employees, and actually, a win for children too," says UNICEF Representative to Malaysia, Wivina Belmonte. The collaboration aims to urge more companies in Malaysia to adopt child-focused corporate social responsibility measures, including offering childcare services. This will better enable working parents to thrive and develop their full potential at work while entrusting their children in good hands, which eventually helps the companies to be more competitive and sustainable (Hema, 2012).

### **Community-based Childcare Centres**

Community-based childcare centres were set up in both urban and rural areas to provide quality childcare services that are more accessible and affordable to the local community. It aims to set up 10 new community childcare centres throughout the country every year. The centres use a curriculum set by the MWFCDC and are based on the active participation of the local community, parents, children, governmental agencies as well as private organisations. MWFCDC has also proposed that every parliamentary area set up a community-based childcare centre. Families who send their children to community-based childcare centres would receive a monthly subsidy of RM180 per child if the family's income is below RM2000 or RM1200 in urban and rural areas respectively. A grant of RM55,000 will also be given to those interested in setting up a community-based childcare centre.

As compared to our neighbouring country, Singapore, Suriana Welfare Society Malaysia chairman, James Nayagam highlighted that the community-based childcare centres were managed by trained individuals. Most of the factory workers who work on a shift basis send their children to community-based childcare centres. It benefits the families from the lower socioeconomic status in the country. As many parents with young children travel long hours to work, especially in the Klang Valley area, such centres are greatly in need (Sheila, 2018).

### **Institution-based Childcare Centres**

Or they are better known as the private childcare centres which are commonly found and seen in the single or double-storey houses in the neighbourhood area. It is a requirement for childcare centres to be registered with the Department of Social Welfare, or more commonly known as Jabatan Kebajikan Masyarakat Malaysia (JKM), under the MWFCDC. MWFCDC is responsible for the approval and establishment of childcare centres in Malaysia whilst JKM serves as the main regulator and coordinator of early childhood care and education (ECCE) programmes. In this research, the researcher will be focusing on this type of childcare centre, to identify the factors and challenges faced by the operators in contributing to the sustainability of the private childcare centre.

## 1.1.2 POLICIES FOR EARLY CHILDHOOD CARE AND EDUCATION

### Childcare Centre Act 1984 (Act 308)

The Childcare Centre Act 1984 and Childcare Centre Act (Amendment) 2007 (Act 308) is an act to provide for the registration, control, and inspection of childcare centres and for purposes connected therewith (Rojanah & Najibah, 2011). It contained information related to the registration of childcare centres, cancellation of registration, the appointment of authorized officers, directions, and others such as offences and penalties, power to enter and inspect premises, etc. The Department of Social Welfare under the MWFC, with the support from Health Department, Fire and Safety Department, and the Local Authority monitor the administration of childcare centres in Malaysia (Rojanah & Najibah, 2011).

The Childcare Centre Act 1984 and Childcare Centre Act (Amendment) 2007 (Act 308) states that: “The Act stipulated that every Childcare Centre must be registered with the Department of Social Welfare, MWFC. All Childcare Providers and Childcare minders must undergo and obtain the basic Childcare Certificate accredited by the Department of Social Welfare”. It established a set of minimum quality standards, referring to cognitive development, nutrition, safe and healthy environments, and regulations about obtaining proper staff for the operation of childcare centres for children younger than four.

The Table below shows the minimum standard set by the Social Welfare

Department for the caregiver to child ratio.

Table 1.2

*Caregiver to Child Ratio*

Age range	Caregiver: Child
Below one year old	1: 3
1 - 3 years old	1: 5
3 - 4 years old	1: 10

Besides, the caregiver must be Malaysian and above 18 years old after attending and passing the Kursus Asuhan Kanak-kanak (KAAK) or Kursus Asuhan dan Didikan Awal Kanak-kanak PERMATA (KAP) recognised by the Social Welfare Department within the 12 months of work. It is also important for the operators of different types of childcare centres to comply with the child per square feet requirement set by the ministry.

Table 1.3

*Child per square feet based on the types of the childcare centre*

Child per square feet	Types of childcare centre
2.5 meters per square feet per child	Home-based
3.5 meters per square feet per child	Institution-based, Workplace-based, and Community-based

Childcare centres are required to prepare and display the balanced diet menu as well as the daily activity schedule according to the age group of children in respective centres. They need to prepare the appropriate, safe, and adequate materials, facilities, and furniture for the children. They are to prepare and maintain records in the centre, to take care of the hygiene and safety in and out of the early childcare centre, to install Closed-Circuit Television (CCTV) in the centre and any other requirements that are appropriate and approved by the Head Director or the Director of Community Welfare of each state.

In Malaysia, if one is interested in registering a childcare centre, he/she needs to undergo the following procedure:

- (1) Get the consultation and application from the Social Welfare Area Office(PKMD) in which the childcare centre is located
- (2) Centre name search through *Suruhan Syarikat Malaysia* (SSM) and get confirmation from Social Welfare Department
- (3) Getting approval from the technical agencies mentioned above
- (4) Online application of TASKA registration or manual registration
- (5) Full application will take 14 working days to process
- (6) Registration fee according to the type of childcare centre: RM50.00 for Home-based Childcare centre whereas RM250.00 for Institution-based, Workplace-based and Community-based Childcare centre.
- (7) The Certificate of TASKA Registration will be issued by the Director of State Social Welfare Department (PKMN). Any changes on the certificate must be done within 14 days and the validity of the certificate is 60 months, which is five years.

## **Childcare Centres Regulation 2012**

The Childcare Centres Regulation 2012 provides the guidelines for the registration of a childcare centre, the duties, and qualifications of an operator, manager, supervisor, childcare provider, employee, parent, and guardian; premises and equipment; safety and prevention of fire; maintenance of records. It also detailed and described the regulations of childcare centre activities; health and food, nutrition, and water.

## **National Early Childcare and Education Policy 2008**

It is a comprehensive policy to ensure holistic development for all children from birth to four years. It becomes the solid foundation in developing children's potential according to Malaysia's mold. This policy serves as complementary to the existing National Education Policy. Its objectives are as followed:

- (i) provides the basis for the development of a balanced and optimum human potential based on individual acuity, taking into account local values and internationally wise practices;
- (ii) encouraging children under the age of four to receive quality care and education to stimulate their early development according to physical, language, cognitive, sociocultural, and spiritual life in a safe, healthy and fun environment;

- (iii) developing a comprehensive curriculum for early childhood development as well as education, care, nutrition, and health;
- (iv) creating infrastructure and learning environments including quality learning tools to enable positive learning outcomes;
- (v) promoting strong involvement and relationships between parents, governments, the private sector as well as non-governmental organizations, and the local community in early childhood care and education;
- (vi) raising public awareness of the need to provide early childhood education from birth to four years as the basis of their holistic development before entering the formal schooling; and
- (vii) ensuring that the availability and implementation of a monitoring system and evaluation of the effectiveness of early childhood care and education programs can be preserved.

PERMATA Curriculum was developed and implemented to all childcare centres, namely KEMAS, JPNIN, Community-based Childcare Centres, Institution-based Childcare Centres, Workplace-based Childcare Centres, Malaysian Armed Forces Childcare Centres, and YPKT Childcare Centres with effective from the year 2009 (Bahagian PERMATA, 2013).

## **Permata Curriculum: Early Childhood Care and Education 0-4 Year**

The term “PERMATA” refers to the children who are precious and are gifts from God. “Setiap Anak PERMATA Negara” simply means every child is like the gems of the country, therefore the country needs to provide quality education to the children which later brings benefits to the country. It is the country’s goal in providing early education opportunities for all children and to help every one of them to develop their potential from a young age.

The goal of the PERMATA Curriculum is to provide an integrated care and education program for children aged 0-4 years. This curriculum also provides children with the opportunity to gain a quality early learning experience to create a human capital that has a noble character, a strong spirituality, high intellectual intelligence, respecting culture, patriotism, and adopting a healthy lifestyle. This PERMATA Curriculum consists of four basic care aspects and six learning aspects for children’s development.

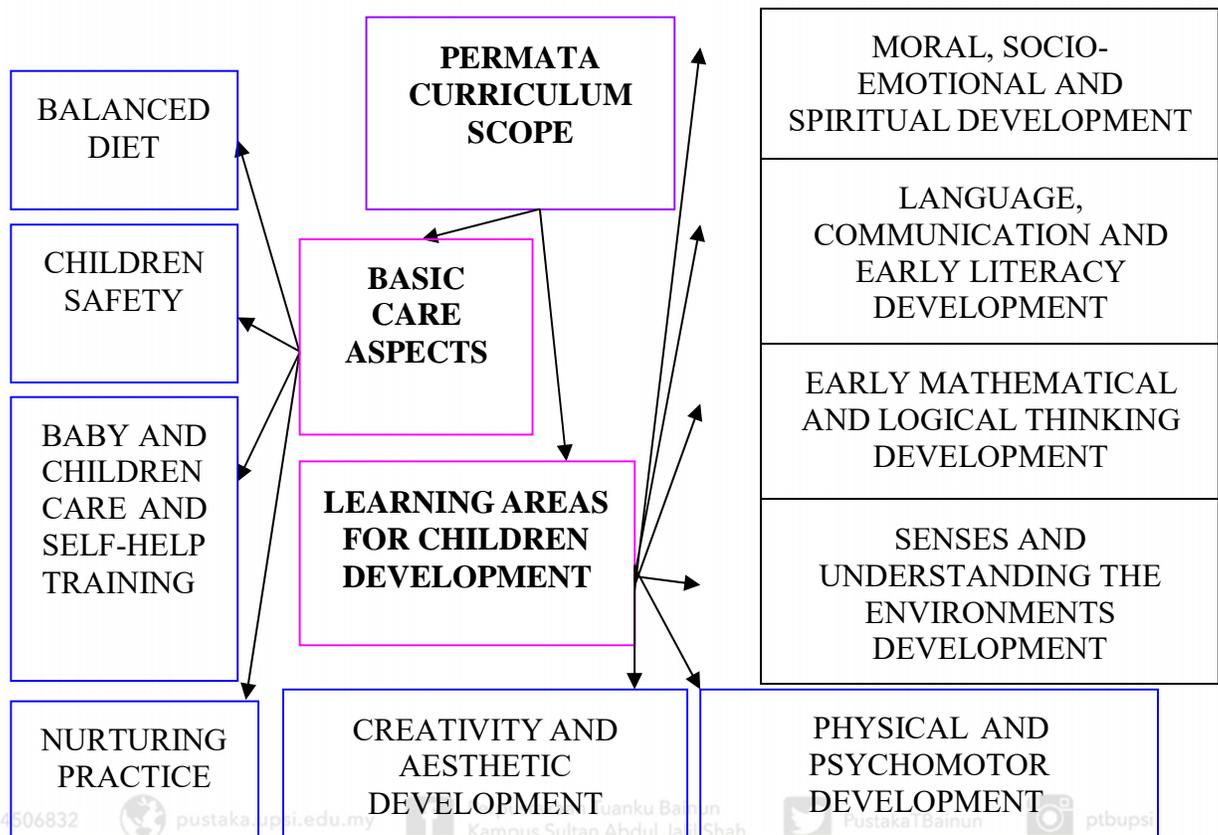


Figure 1.2. PERMATA Curriculum Scope

## 1.2 Problem Statement

National Child Data Centre (NCDC) is a database that collects the data and children's profile (age range from zero to three plus), childcare centre or also known as TASKA, caretaker and monitor children development according to the PERMATA developmental checklist. From NCDC (2017), there are altogether 49,737 children all over Malaysia but only 4,787 childcare centres in total. Looking at the small number of childcare centres to cater to the big number of children, there

are insufficient childcare centres in Malaysia and therefore, there is an urge and support from the government, especially to the private sector to set up more childcare centres (Ministry of Education, 2017).

Table 1.4

*Number of Registered Childcare Centre with Department of Social Welfare, 2016*

CHILDCARE CENTRE		WEST MALAYSIA	SABAH	SARAWAK	FEDERAL TERRITORIES
INSTITUTION-BASED		2,807	233	110	243
WORK PLACE- BASED	GOVERNMENT	81	13	6	44
	PRIVATE	26	-	-	8
	TOTAL	107	13	6	52
COMMUNITY-BASED		28	4	6	6
HOME-BASED		477	21	34	93
<b>TOTAL</b>		<b>3,419</b>	<b>271</b>	<b>156</b>	<b>394</b>

From the table above, it is clear to notice that the Institution-based Childcare Centres outnumbered the other types of childcare centres in Malaysia. It consists of 82% (2807 out of 3419) of the total centres in West Malaysia and 66% (2807 out of 4240) of the total centres in whole Malaysia. Therefore, it is important to make sure that the institution-based childcare centres are operating appropriately as it affects the majority of the young children in Malaysia. In addition, most of the institution-based childcare centres are located in urban areas and not in rural areas.

It leads to the overflowing childcare centres in urban areas but seriously lacking childcare centres in the rural areas which causes children flooding in childcare classrooms in rural areas. As institution-based childcare centres are operated by the private sector, and most individuals, therefore it is often more ideal to set up centres in urban areas as the socio-economic status of parents will be higher than those who are staying in rural areas. The unequal distribution of childcare centres between the urban and rural areas is another major concern which the related ministries need to look into.

There is overwhelming evidence that out-of-home care and education have become a widespread phenomenon in the last few decades and are continuing to expand worldwide. Among many factors explaining this is the working mother phenomenon and the striving for equality between men and women. After centuries of being solely a family responsibility, early care, learning and socialisation have become a vital public matter. Today, a new generation in OECD countries is the first in which the majority are not cared for only in the home during the day (UNICEF, 2008). The participation of women in the labour force further increases the needs of childcare centres in our country. Statistics on Women Empowerment in selected domains, Malaysia (2018) by the Department of Statistics Malaysia reported an increase in the percentage of women participation in the labour force from 54.1% in the year 2015 to 54.7% in 2018. Foong et al., (2014); Liew (2007) suggested that when the participation rate from women has increased in the labour force, along with the rising cost of living that has required both parents to work, the

need for childcare centres have also increased dramatically. The low female participation rate in the Malaysian labour force is due to, among other reasons, inflexible working arrangements and a lack of appropriate means to allow women to return to the workforce after leaving, for example, to attend to family commitments. This is especially applicable to our country when we are looking at the needs for childcare centres in the rural areas where mothers or adults in the family need to spend long hours in a day to be involved in a farming activity which resulted in children at home not being well taken care of. The benefits to Malaysia's economy from making better use of women's talents by improving female participation in the labour force are potentially very large. The government could institute policies to, among other things, reduce the inflexibility of working arrangements for females, and encourage the setting up of arrangements that make it easier for females to remain in the workforce and to return to the workforce after tending to family commitments.

Soon, not only was daycare seen as an intervention program for the poor but also as a form of social support for working parents from all backgrounds. Needless to say, these changes caused growing concern as children were spending a substantial amount of time out-of-home and being cared for by non-parents and in groups (Celina, K., Sylva, K., & Reeves, B., 1998).

Table 1.5

*Number of Registered Childcare Centre and Number of Children by State, 2016*

STATE	NUMBER OF CENTRE	NUMBER OF CHILDREN		
		0-3	3-4	4-6
JOHORE	320	2,519	2,121	433
KEDAH	295	2,664	2,064	259
KELANTAN	208	1,462	909	138
MALACCA	109	1,695	892	373
NEGERI SEMBILAN	202	2,008	831	539
PAHANG	326	3,304	1,853	384
PERAK	357	3,147	2,696	738
PERLIS	51	508	268	68
PENANG	160	1,986	2,494	0
SELANGOR	1,263	10,342	8,143	3,249
SABAH & SARAWAK	451	5,024	5,156	684
TERENGGANU	283	2,866	1,621	191
FEDERAL TERRITORIES	438	5,696	4,846	553
TOTAL	4,463	43,221	33,894	7,609

From the table above, it is obvious that Selangor has the greatest number of childcare centres in Malaysia. 1,263 childcare centres were registered with the Department of Social Welfare under the jurisdiction of the MWFCDD in 2016, and serving 18,485 children from zero to four years of age.

Out of 5,143 childcare centres that registered in NCDC, 1,085 (21%) centres had closed down and stopped their operation between the year 2015 to April 2018. The operation duration of the closed down centres ranges from three days to 33 years. Out of the 1,085 centres that closed down, 216 (20%) of the centres closed down after operating for four years, 207 (19%) of the centres closed down after operating for two years and 172 (16%) of the centres closed down after operating for three years, which in conclusion there are 55% of the centres closed down after operating between two to four years.

Table 1.6

*The operation duration of childcare centre that has closed down*

Operation Duration	Number of Childcare Centre
Less than 1 month	47
Less than 1 year	99
1 year	141
2 years	207
3 years	172
4 years	216
5 years	102
6 years	39
7 years	13
8 years	9
9 years	5
10 years	1
11 years	4
12 years	3
13 years	1
14 years	4
15 years	1
16-20 years	9
21-30 years	1
31-40 years	3

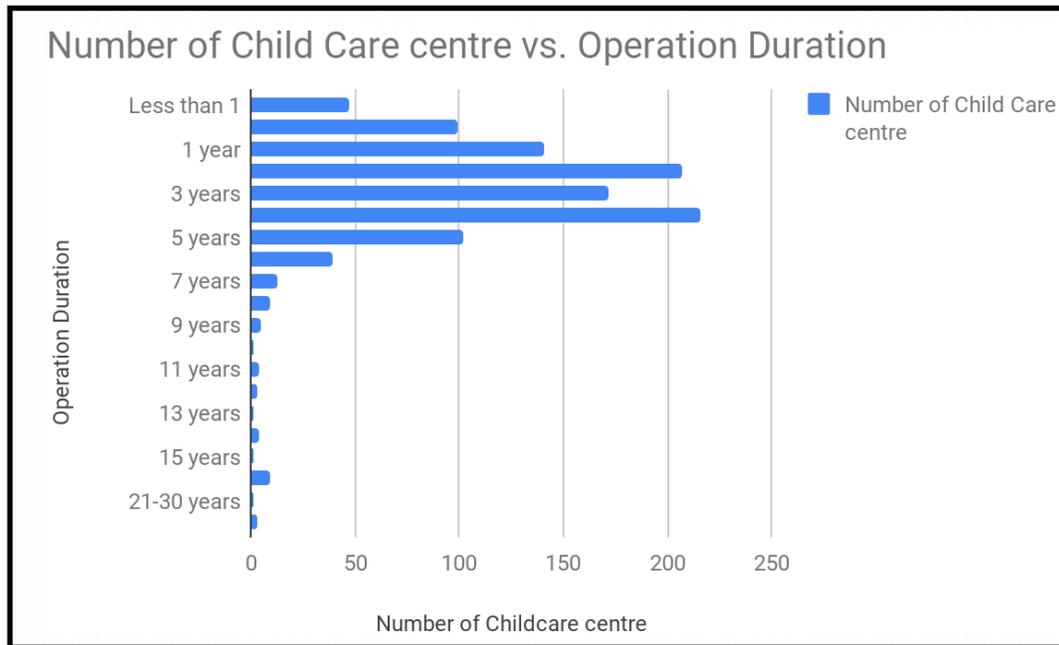


Figure 1.3. Number of Childcare Centre VS Operation Duration

Looking at the data from NCDC, it is important to learn about the sustainability of childcare centres to make sure all Malaysian children are enrolled in a quality centre. It becomes vital to identify the factors leading to the closing down of childcare centres in Malaysia so that this will help sustain this industry to cater to the huge needs. Various childcare researches seem to be clear: early high-quality care and education can make a significant, positive impact on child development, both short and long term (Celine et al., 1998; Lily & Mohamed, 2013).

Chiam (2008) suggested that though there were amendments made to the Childcare Centre Act 1984 in the year 2007, the amendments were focusing more on the administration aspects such as the different categories of childcare centres, the issuance of childcare centre license as well as the display of it in the centre, it

was not much on the assertion of quality childcare which was supposed to be more important and hence, leaving it as a gap in running childcare centres as a business enterprise or should it be more of the community responsibility in taking good and quality care for the young children in our country. This was later supported by Rojanah and Najibah (2011), Mashitah, Nik, and Arasy (2017) and Tong, Chan, Dhamotharan, and Mazlina (2021) on the review of child-related policy in Malaysia.

Liew (2007) found out that only a small proportion of childcare centres are registered. This is due to the fact of lack of compliance with legal requirements and weak enforcement. Liew further disclosed that there were a large number of unregistered care providers and they had not fulfilled the minimum requirement, which was to attend the three weeks training provided by the National Association of Registered Care Providers or the state associations or with local institutions of higher learning. In the professional and compulsory course for childcare providers in Malaysia which is also known as Kursus Asuhan PERMATA, it is understood that operator, centre management personnel and childcare provider are to follow the same module which covers the subject areas such as PERMATA national curriculum, related regulations and legislation, nurturing the babies and children, learning and development of babies and children, planning and implementation of the teaching and nurturing activities in childcare centre, observation and assessment on children's development, daily log, management and administration of childcare centre, parental and community collaboration, professionalism and ethics of

educator as well as some specific topics such as health and cleanliness of babies and children, first aid, oral health and others (Bahagian PERMATA, Jabatan Perdana Menteri, 2013). However, as compared with neighbouring country, Singapore, it is noticeable that the management personnel and educators are to follow different sets of modules to cater to the different job specifications and expectations (Tharman, 2003; Tan, 2017). When examined closely on the local module, it was observed that the management and administration part was just a basic knowledge sharing and it might not be sufficient in providing the operators and management personnel in childcare centres in managing their centres and hence, led to the unsustainability of childcare centres.

In addition, challenges faced by the childcare operators especially on the financial aspect was great. Besides fulfilling the 2016 Minimum Wage Regulation, operators also need to pay the other fees related to the registration and operations of the childcare centres and the stress going through all the registration procedures which resulted in a lot of unregistered childcare centres operating actively in Malaysia. Without having equipped with the knowledge in business management and marketing, this might be one of the main reasons as to why many childcare centres closed down and were not able to sustain their business in the long run. Related government ministries, departments, agencies, and officers need to look into the policies and regulations of childcare centres to ensure the quality of early childhood education in Malaysia as well as in ensuring the safety of the young children in this country.

In conclusion, there are many factors leading to the unsustainability of childcare centres in Malaysia, such as the insufficient of childcare centres, the unequal distribution of childcare centres between the urban and rural areas in Malaysia, the short operation period of childcare centres which might due to the incompetency of operators and centre management personnel, impractical regulations and legislation of childcare centre as well as the basic knowledge of management and administration module of Kursus Asuhan PERMATA. Therefore, it is really necessary to look into these issues and to come up with possible and realistic solutions to avoid more childcare centres closing down in the future.

### 1.3 The Objective of the Study

The main objective of this study is to explore the operational management of the institution-based private childcare centre in Klang Valley, Malaysia. Through the identification of factors and challenges faced by the operators in contributing to the sustainability of the institution-based private childcare centres, with this research, it could help others in the same industry to sustain their business and at the same time, to offer quality early childhood care and services to the community. In the meantime, this research also aims to identify the challenges faced by the institution-based private childcare centre operators that have recently closed down their childcare businesses. This research also aims to identify the effectiveness of current

government policies or legislations or regulations in sustaining the institution-based private childcare centre business.

The specific objectives include:

- (1) To explore the operational management of institution-based private childcare centre,
- (2) To identify the factors contributing to the sustainability/non-sustainability of the institution-based private childcare centre,
- (3) To explore the opportunities and challenges in operating an institution-based private childcare centre,
- (4) To analyse if the current governmental policies/legislations/ regulations have been effective in sustaining the institution-based private childcare centre
- (5) To give recommendations pertaining to the sustainability of institution-based private childcare centre based on operators, parents, and teachers' perspectives

#### **1.4 Research Questions**

- (1) How does an institution-based private childcare centre human resource management look like?
- (2) How does an institution-based private childcare centre resource management look like?
- (3) How does an institution-based private childcare centre financial management look like?
- (4) What are the factors contributing to the sustainability of an institution-based private childcare centre?
- (5) What are the challenges in operating and sustaining an institution-based childcare centres?

- (6) Are the current government policies/legislation/regulations effective in sustaining the institution-based private childcare centre?
- (7) What are the recommendations pertaining to the sustainability of institution-based private childcare centre from the operators, teachers, and parents' points of view?

## 1.5 Conceptual Framework of Research

Conceptual framework refers to the understanding of the researcher on how the research problem will best be explored, the specific direction the researcher is about to take, and the relationship between the different variables in the study (Grant & Osanloo, 2014). It provides a logical structure of concepts connected and provides a diagram or a picture of how the ideas in the study relate to one another. It allows identifying concepts within problems. Maxwell (2013) further explained that the conceptual framework helps the researcher to assess and refine the goals of the study, develop realistic and relevant research questions, selecting appropriate research methods and identify the threats in the conclusions. A conceptual framework is constructed, not found, not something that exists ready-made (Maxwell, 2013).

The diagram below shows the conceptual framework of this research. It recognizes that a childcare centre is like a social system that includes a set of interrelated and interdependent parts within a context in which individuals engage for various purposes, for example, workplaces (Nupponen, 2010). It carries the concept that change within one part of the system may have a ripple effect and

impact on the other parts of the system. This system provides an understanding of how a change in one part affects all other parts of the system.

In this study, the researcher wants to explore the impact of external environmental factors such as cultural, political, and economical factors which may affect the operation of an institution-based private childcare centre. From the cultural aspect, the researcher may want to explore the implications of the overall community and especially the parents' perception of early childhood education on the centre's teaching approaches and philosophies. For example, the 'kiasuism' culture among parents which is similar to our neighbouring country, Singapore; further influenced the childcare centres and preschool, especially from the private sector, to be focusing on children's performance in academics and discipline (Gullo & Hughes, 2010; Lily & Mohamed, 2013; Nyland & Ng, 2015).

From the political aspect, the researcher wants to explore the implications of the changes of policies and regulations by the governmental bodies on the operation of institution-based private childcare centres in Malaysia. For example, when the Ministry implemented the minimum salary and wages, how does this impact the management, specifically on the financial management aspect of the institution-based private childcare centre. From the economical aspect, the researcher wants to explore the current economic situation in our country and its impact on the setting up and closing of institution-based private childcare centres. Besides, it also looks into the centre's goals, vision, and mission in affecting its

management strategies in managing its financial, human as well as resources in contributing to the sustainability of the institution-based private childcare centre.

When the centre operators can manage both the external and internal influencing factors in their respective centres, it is believed that their centres will then be able to produce expected outcomes, which is offering services to the children and community and able to sustain their centre business for a long run.

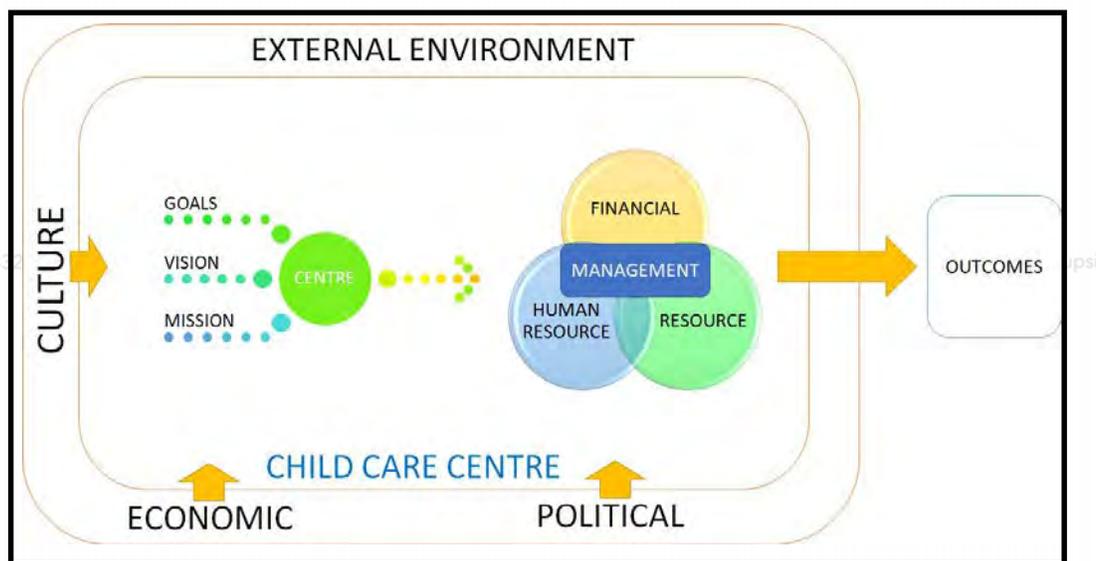


Figure 1.4. Conceptual Framework of the research

## 1.6 Importance of Research

The study is significant to all the stakeholders as the findings will be helping in decision-making from different perspectives. From the government aspect, the

findings will be helpful in terms of examining the effectiveness of various departments or ministries that deal with the institution-based private childcare centre and at the same time, being able to provide quality childcare and education services to the public. From the policy makers' aspect, the findings will be helpful to examine the effectiveness and practicality of the current policies, legislations, and regulations in sustaining the institution-based private childcare centre operation. It is also essential to examine if there is a need to relook the practicality and realistic of the PERMATA curriculum. From the operators' aspect, the findings will be helpful especially to those who are still struggling in their institution-based private childcare business, to look into the factors as well as to learn from the best practices from those who can sustain the institution-based private childcare centre business. As for the parents, the findings will be helpful for them as a guideline in choosing a quality childcare centre for their children. Nevertheless, the findings will be helpful to those who plan to set up an institution-based private childcare centre in the future, to look into the factors and the challenges as an operator of an institution-based private childcare centre.

## **1.7 Study Limitations**

As this study only focuses on the institution-based private childcare centres in Malaysia, the findings may not be relevant to the other types of childcare centres in Malaysia. Besides, the samples are only taken from a specific area, which is Klang

Valley, the findings may not be relevant to the other states in Malaysia. In addition, as this is adopting a case study approach, the findings may not be generalised to all but would be able to provide helpful insights to the different stakeholder, such as the authority, operators, teachers, parents and community in general.

## 1.8 Operational Definitions

Sustainability, according to the online Oxford Dictionary, is defined as the ability to be maintained at a certain rate or level (Oxford University Press, 2017).

Brundtland Commission defined sustainable development as “development to meet the needs of the present without compromising the ability of future generations to

meet their own needs” (WCED, 1987). In the year 2007, Crane and Matten have further defined sustainability as “the long-term maintenance of systems according to environmental, economic and social considerations.” From the environmental

aspect, sustainability refers to the effective management of physical resources and requires assessing problems. Economic sustainability looks into the long-term economic performance of the organization and the approach which the organization

is taking and how the organization operates. Social sustainability refers to social justice, concentrating on the values (Bonn & Fisher, 2011). The operators must ensure sustainability is integrated into the strategy process from the beginning and

being stressed throughout the process. The number of centres opening up and closing down has come to a worrying state whereby more attention is needed to

help the centres sustain and to bring benefits to more children in Malaysia. Sustainability (Neuman et al, 2014) refers to the availability of the financial, human, and material resources of childcare centres for three to six years old in the rural communities to their operation. Therefore, sustainability in this research refers to the ability of childcare centres in maintaining their operation by effectively managing their resources.

An institution-based childcare centre is a childcare centre that can receive ten or more children. It comes under the jurisdiction of the MWFC in Malaysia. It adheres to the Childcare Centre Act 1984 and Childcare Centre Act (Amendment) 2007 or also known as Act 308 and Childcare Centres Regulation 2012. In this research, the researcher focuses only on this type of childcare centre operated by the private sector in Klang Valley, Malaysia.

Management refers to the action of gathering people to achieve its company objectives and missions with the resources available efficiently and effectively. It usually consists of the four processes, namely planning, organizing, directing, and controlling in achieving its company goals and targets (Lumen, n.d.). Human resource management refers to the process of recruiting and developing the staff so that they become more valuable to the company (Business Dictionary, 2019). This research, human resource management refers to staffing procedures where each operator would take in hiring teachers, assistant teachers, and other staff who work in a childcare centre, which includes the intake requirements, expectations, and

others. Resource management refers to managing the other resources of an institution-based private childcare centre besides human resources, such as materials, maintenance of a building, and others. Financial management refers to the process of budgeting and managing the money of its centre. It is believed that operators need to monitor the centre's finances to stay on track and to make sure it generates enough income to sustain the business (Stoney, 2010).

## **1.9 Summary**

Early childhood education plays a vital role in the lives of children and this has been proven in much research over the years. The childcare centres in Malaysia have been growing rapidly but the closing down rate is also catching up. It is important to identify the factors that lead to the closing down of those centres as it not only benefits the country economically but on top of all, the wellness of the children. Therefore, this study is to research the field of institution-based private childcare centre in Malaysia, specifically the Klang Valley area, and to compare with those institution-based private childcare centres that have been sustaining for a long time and learn from their success stories.