



Childcare Centre Implementation Guidelines

16 December 2014



The deck aims to provide:

- An **overview of Childcare Centres**
- **Examples of other organisations** that have implemented Childcare Centres
- Childcare Centre **implementation approach**

Disclaimer: This document serves as a guide for employers who wish to launch a childcare centre for employees in the workplace and/or in neighbouring community. The document was produced in line with the Act 308 Child Care Centre Act 1984 (incorporating all amendments up to 1 January 2006), Jabatan Kebajikan Masyarakat (JKM) Conditions for Establishment of Child Care Centres (TASKA), and Unicef-SSM 2010 *How to Set Up a Childcare Centre* Toolkit and Best Practice Circular. The recommendations in this document should be validated with a childcare subject matter expert to ensure it fits with the business needs and relevant regulations.

Childcare Centre Overview and Case Studies

Childcare Centre Implementation Approach

Next Steps

Childcare Centre (TASKA) Overview



Childcare Centre (TASKA)

“Childcare centre” means any premises 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.¹

There are 4 categories of Childcare Centres (TASKA) :

Categories of Childcare Centres

| Childcare Centre in Institutions | Childcare Centre in the Workplace | Community Childcare Centre (TASKOM) | Childcare Centre at Home |
|--|--|---|---|
| <ul style="list-style-type: none">Receive 10 or more children in custodyEstablished at the initiative of the private sector and Non-Governmental Organisations (NGOs) | <ul style="list-style-type: none">Receive 10 or more children in custodyEstablished at the initiative of the employer's workers | <ul style="list-style-type: none">Receive 10 or more children in custodyReceive assistance from the Federal Government or the State GovernmentEstablished at the initiative of the community to benefit low-income families in urban and rural | <ul style="list-style-type: none">Receive 4 to 9 children in custodyCarried out in their own homes |




1. Act 308 Child Care Centre Act 1984, Malaysia: <http://www.jkm.gov.my/content.php?pagename=taska&lang=en>

Employer-Sponsored Childcare Centres in the Workplace and Institutions



Employer-Sponsored Childcare Centre means an **on-site childcare centre to cater for employees** with young children or **to engage external off-site facilities or operators** to provide childcare services.

There are **three (3) proposed options** for employers to set up a childcare centre:

| Childcare Centre Set Up Options ¹ | | |
|--|--|--|
| Childcare Centre in the Workplace | | Childcare Centre in Institutions |
| Option I | Option II | Option III |
|  |  |  |
| Employers establish a childcare centre within their building/office for employees only . | Employers establish a childcare centre within their building/office for employees and tenants within the premises . | Employers establish a childcare centre within close proximity to the office or within a community or residential area. |
| Examples include*: <ul style="list-style-type: none">• Securities Commission• Maybank | Examples include*: <ul style="list-style-type: none">• Telekom Malaysia | Examples include*: <ul style="list-style-type: none">• Sunway |

1. Establishment of A Childcare Centre At the Workplace Best Practice Circular 2010, SSM & UNICEF

*For more information, visit flexWorkLife.my to obtain case studies on the companies

Employer-Sponsored Childcare Centre

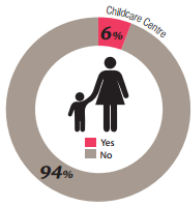
Trends within Malaysia

Current Trend in Employer-Sponsored Childcare Centre

The 2014 “**Diversity in the Workplace**” survey on Malaysian companies showed that:

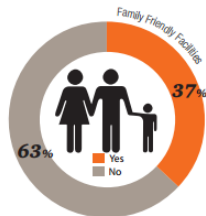


Less than one third of the companies surveyed **offered family friendly facilities**



Only **6% of the companies** surveyed said that they provide a **childcare centre for their employees**

However, the future is promising as more companies plan to **incorporate family friendly facilities** as part of their work-life practices enhancement/implementation:



Approximately **one third (37%)** of the companies surveyed have **plans to introduce family friendly facilities**

Employer-Sponsored Childcare Centre Benefits

Having an employer-sponsored childcare centre **allow employees peace of mind** knowing their child is well taken care of and within close proximity. This in turn **increases employee productivity and decreases employee turnover**.

Employer Benefits

In 2013, a US-based company conducted a study with 8 client companies across various industries. Results indicated¹:

50%

decrease in voluntary turnover rate for employees who use employer-sponsored childcare centres, resulting in an aggregate of **\$3.4 million** in cost savings

97%

in retention of top performers who use employer-sponsored childcare centres

A 2013 study on 3,000 employees who utilise employee-sponsored childcare centres by a US-based company show that²:

87%

employees say access to childcare centre **enhances their productivity**

1 in 7

employees turned down other job offers in order to maintain access to childcare centre

88%

indicate that childcare centre was important in their decision to **return back to the workforce**

95%

say access to childcare centre **positively impacts** their ability to **balance their work and family responsibility**

Employee Benefits

Case Study : Securities Commission



The Securities Commission was established on 1 March 1993 under the Securities Commission Act 1993 as a self-funding statutory body with investigative and enforcement powers. It reports to the Minister of Finance and its accounts are tabled in Parliament annually. Its ultimate responsibility is to protect the investor.

Childcare Overview

- Invested **approximately RM600,000 to establish TASSEK**, an in-house childcare facility
- Employees are provided with a **subsidy for the childcare centre**
- In 2008, a **partnership was established with BiB's Childcare Development Centre** to manage the daily operations of the centre as well as develop the children's learning curriculum

Childcare Objective

- Established in January 2001 as part of their objective of supporting employees with young children in **balancing their work and family commitments**
- **'TASSEK' is subsidised** for children of employees ages from 3 months to 5 years
- In-house centre provides **close proximity between child and parent**

Childcare Outcome

- **Eliminates immediate concerns of parents** on which childcare centre to join
- Centre continues to generate interest from employees with **mothers-to-be registering months in advance**
- **Encourages parents to spend time with their child** throughout the day, fostering greater parent-child bond



Success Factors

- ✓ Management Support
- ✓ HR Policies and Procedures
- ✓ Communication to Managers & Employees



Case Study : Telekom Malaysia



Telekom Malaysia Berhad (TM), Malaysia's broadband champion and leading integrated information and communications group. The Group places emphasis on delivering an enhanced customer experience via continuous customer service quality improvements and innovations.



Success Factors

- ✓ Management Support
- ✓ HR Engagement
- ✓ HR Policies and Procedures
- ✓ Communication to Managers & Employees



Childcare Overview

- Previously ran by HR, the operations was **outsourced to Dzuliman Kindergarten in 2008**
- Currently the centre has **124 children and 15 teachers**. The centre is for children ages 6 and below
- TM employees enjoy a **40% subsidised** monthly fees
- The centre is open to all employees within the TM building

Childcare Objective

- Aims to **fulfill employees' needs** by providing quality and affordable Childcare near to the workplace
- **TM believes the initiative saves money** in the long term by decreasing turnover and absenteeism
- TM Corporate Governance blueprint expresses a goal for **women participation on Boards to reach 30% by 2016**

Childcare Outcome

- Survey responses from employees indicated **high satisfaction** towards management and the service provided by the centre
- TM has seen an **increase in engagement score**
- **Waiting list** to register newborn babies at the childcare centre as space is limited due to centre space and number of care takers at the centre

Case Study : Sunway Group



From a tin-mining company established in 1974, Sunway Group has thrived to become one of Malaysia's most formidable property-construction groups, with a multitude of established businesses in more than 40 locations worldwide.

Childcare Overview

- **Opened in January 2014**, Sunway formed a strategic alliance with R.E.A.L and Sunway Century Bhd. (a Sunway subsidiary)
- The centre **features facilities** such as swimming pool, computer lab, library, playground and others
- Sunway employees are **provided with a subsidy** by the vendor

Childcare Objective




- The R.E.A.L Kids Preschool Centre was initiated to **provide high quality and affordable childcare** which will benefit the community and working parents within Sunway Group
- The location chosen is **centralised and strategic**, offering convenience and accessibility to Sunway staff



Success Factors

- ✓ Management Support
- ✓ HR Policies and Procedures
- ✓ Communication to Managers, Employees & Public

Other Malaysian Organisations with Childcare Centres

| Organisations | Name | Start Date | Objective | Model* |
|---|---|-------------|---|---------------------|
|  | Tiger Cubs Childcare Centre (MT3C) - Emergency Centre | 2014 | Improving productivity and work quality of employees. Childcare Centre only caters to emergency cases, based on 4 broad scenarios | In-house management |
|  | CitiKids Care Centre | 2010 | Build an environment where the best people want to work | Outsourced |
|  | Taska 1TNB@Bangsar | 1987 | Improving productivity and work quality of employees. Childcare Centre only caters to emergency cases, based on 4 broad scenarios | In-house management |

Other Employer-Sponsored Childcare Centres include:

- **Celcom**
- **Sime Darby**
- **Country Heights**
- **CIMB Group**

For more information, visit flexWorkLife.my under 'Case Studies' to view by Company.

Childcare Centre Tax Incentives for Employers

In 2013, the Malaysian Government has launched several tax incentives to support organisations in implementing and promoting diversity and work-life integration initiatives. For advise on the childcare centre tax incentives, visit PEMANDU at <http://gtp.pemandu.gov.my> and flexWorkLife.my Tax Incentives page at <http://flexworklife.my/tax-incentive/>

Childcare Centre Tax Incentives

Tax Incentive:

- Double tax deduction on expenditure incurred for the provision & maintenance of a Childcare Centre
- Double tax deduction on childcare allowance give to employees (employees exempted from tax up to RM2,400/year)
- Tax exemption on statutory income for a period of 5 years & Industrial Building Allowance at 10% annually for buildings used as kindergartens or childcare centres

Overview : Provide support to companies in implementing childcare facilitates and allowances in line with their employee retention and engagement initiatives as well as to contribute to increasing the enrolment of children in childcare centres.



Agenda

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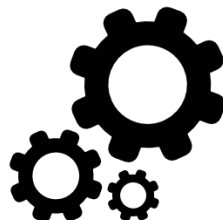
Employer-Sponsored Childcare Centre Recommended Implementation Approach

Preparation



- Assemble **project team** and develop business case
- Determine **employee demand**
- Review **legal Framework** and **Building Standards**
- Determine **cost**
- **Liase** with **authority and licensing bodies**
- Select **childcare model***

Setting Up



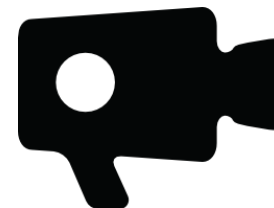
- Develop **childcare centre design**
- Identify **Project Manager** and **contractor** for building and facility renovation
- Appoint **Work Health Safety Lead** to manage safety standards
- Develop **Standard Operating Procedures***

Training









- **Recruitment and training of childcare providers**
- Obtain relevant **accreditation** for module
- Develop **training framework, development plan, curriculum** and **module**

Monitoring



- Develop **monitoring & tracking of childcare processes** and **standards**
- Appoint assessors to **review compliance**
- Establish **ICT monitoring system**
- **Ensure measurable outcomes** of implementation are tracked*

Preparation (1/2)

| Preparation | Setting Up | Training | Monitoring |
|---|------------|----------|---|
| Key Activities | | | Aids |
|  Key stakeholders <ul style="list-style-type: none"> ▪ Assemble Project Team to drive childcare centre implementation and develop Childcare Centre proposal ▪ Present business case to key stakeholders to obtain buy-in | | | |
|  Demand <ul style="list-style-type: none"> ▪ Identify employee demand for childcare centre through surveys or focus groups | | |  Childcare Centre Survey Template |
|  Review <ul style="list-style-type: none"> ▪ Review legal framework for childcare centre set-up ▪ Ensure physical space requirement is met (e.g. capacity of proposed childcare premise, space not higher than 2nd floor) | | | |
|  Cost <ul style="list-style-type: none"> ▪ Identify recurring OPEX and one-time CAPEX costs as well as direct and indirect benefits using the business case calculator ▪ Develop fee structure for employees (e.g. percentage of subsidy, subsidy by employee career levels) | | |  Business Case Calculator |

| Preparation | Setting Up | Training | Monitoring |
|--|------------|----------|--|
| Key Activities | | | Aids |
| <div data-bbox="92 357 256 458"> </div> <p>Liaise with authority bodies</p> <ul style="list-style-type: none"> Project Team to liaise with Jabatan Kebajikan Masyarakat (JKM), Department of Health, Bomba and Local Municipal Council and other relevant parties on Childcare Centre proposal and application | | | |
| <div data-bbox="98 708 270 876"> </div> <p>Childcare Centre Model*</p> <ul style="list-style-type: none"> Decide on childcare model : <ul style="list-style-type: none"> In-house model <ul style="list-style-type: none"> The company holds full ownership of the childcare centre management, and develops the training framework, curriculum and module The childcare providers are recruited as part of company employee Outsourcing model <ul style="list-style-type: none"> The company outsources the childcare centre management and curriculum to an accredited childcare services operator The proposed childcare services operator will need to be submitted along with the application for childcare centre to JKM. It is advisable for the applicant to source for a proposed childcare operator prior to application submission | | | <div data-bbox="1580 658 1763 791"> <p>Childcare Centre Model</p> </div> |

Preparation

Setting Up

Training

Monitoring

Key Activities

Aids

Childcare Centre Design



- **Ensure size and physical design** of centre will be able to:
 - Accommodate employee's request for childcare services
 - Have proper access to emergency and evacuation route
 - Easily accessible drop-off and pick-up points
 - Have security features to ensure the safety of the children
- **Identify PIC** for Childcare Design and contractor for building and safety renovation
- Identify **Project Manager** and **contractor** for building and facility renovation
- Appoint **Work Health Safety Lead** to manage safety standards

Standard Operating Procedures*



- **Develop standard operating procedures** with regards to:
 - **Safety evacuation and protection of** children in case of emergency
 - **Health of children** in case of illness and nutritional care
 - **Selection and professional** practice of childcare providers
 - **Records** of children, staff, centre and parental involvement activities

Key Activities

Aids

Childcare Provider Recruitment

- The **right childcare provider needs to be recruited** to ensure high-quality childcare services
- The **minimum care provider-to-child ratio** are met



| Age Group | Ratio of care provider: child |
|-------------------|-------------------------------|
| 2 months – 1 year | 1 : 3 |
| 1 year – 3 years | 1 : 5 |
| 4 years and above | 1 : 10 |

- Every childcare provider should have **accredited training by Kursus Asuhan Permata**, and a **minimum of SPM qualification**. However, it is highly recommended that providers should have **at least a certificate or diploma in Early Childhood Education**

Training



- The childcare providers should be **trained in basic early childhood education** to ensure high quality childcare
- Childcare providers are **required to undergo the mandatory training Kursus Asuhan Permata under JKM** within twelve (12) months of employment¹

Preparation

Setting Up

Training

Monitoring

Key Activities

Aids

Childcare Monitoring



- Develop a **monitoring and tracking system** to ensure that the childcare processes and standards are **met in accordance to the Standard Operating Procedures**
- Appoint **internal assessors to review the compliance to SOPs**
- **Review performance of childcare providers** periodically to ensure consistency in high-quality care
- Ensure **issues and complaints** by staff, parents and centre are **addressed appropriately**
- Develop **ICT tracking system** for the childcare premise

Measurable Outcomes*



- Ensure that the **tangible and intangible benefits** of the childcare centres are measured **pre and post-childcare centre implementation**. Measures may include:
 - **Employee Productivity**
 - Output of work per employee (qualitative or quantitative)
 - Average hours worked (if tracked)
 - **Employee Engagement**
 - Employee and supervisor satisfaction
 - Absenteeism and turnover rate



Childcare Centre
Measurable Outcome

Key Considerations for Childcare Centre Implementation

Key recommended considerations for companies **before starting the childcare centre implementation** includes*:

| Key Considerations | |
|-------------------------------------|---|
| Demand | <p>Determine internal demand by employees for childcare centre</p> <ul style="list-style-type: none"> ○ Conduct survey or focus group to assess the demand of employees for an employer-sponsored childcare centre – the information obtained will be used to see whether there is a business need for an employer-sponsored childcare centre, as well as proposed fee structure for employees |
| Implementation Cost | <p>Understand childcare centre implementation cost impact</p> <ul style="list-style-type: none"> ○ Determine one-time CAPEX costs and recurring OPEX cost of childcare centre ○ Determine tangible and intangible benefits of childcare centre |
| Childcare Centre Application | <p>Ensure compliance with application process guidelines</p> <ul style="list-style-type: none"> ○ Refer to JKM Guidelines for setting-up Childcare Centre from district JKM ○ Determine the district JKM contact person ○ Liaise with Bomba, Department of Health and Local Authority to ensure that the childcare premise is compliant with guidelines ○ Determine childcare centre model (i.e. In-house or Outsource) |
| Top Management Buy-In | <p>Obtain support and buy-in from top management</p> <ul style="list-style-type: none"> ○ Develop business case to justify value and need for childcare centre implementation ○ Develop measurable outcomes to support and track the benefits of childcare centre implementation |

*List of considerations is non-exhaustive

External Links and Point of Contacts for Childcare Centre Implementation

The details of contacts to engage in the childcare centre implementation process are as listed below. Point of contacts are usually dependent on the district of the childcare center location:

| | |
|---|---|
| Jabatan Kebajikan Masyarakat (Social Welfare Department) Childcare Centre Application | Main website: http://www.jkm.gov.my/ Childcare centre operator listing: http://www.jkm.gov.my/taska.php?lang=my |
| Bomba (Fire & Safety Department) Childcare Centre Premise Safety | Main website: http://www.bomba.gov.my/ |
| Kementerian Kesihatan Malaysia (Health Ministry) Childcare Centre Health & Nutrition | Main website: http://www.moh.gov.my/ |
| Local Authority | <i>Note:</i> point of contact is dependent on the district of the childcare centre location |
| PEMANDU Childcare Centre Tax Incentives | Early Childhood Education Initiative Page: http://etp.pemandu.gov.my/Education-@-Education_-_EPP_1-;_Scaling_Up_Private_Early_Childcare_and_Education_Centres.aspx/ |

Employer Childcare Centre Set-Up Checklist

Checklist to Guide the Process of Setting Up a Childcare Centre

A checklist is detailed in the **SSM-UNICEF Childcare Toolkit's Appendix 2** to ensure that all requirements are met for the **application process and inspection from the JKM Office**.

The checklist covers the following items:

- ☐ Application Form Materials and Attachments
- ☐ Operational Requirements
- ☐ Schedule of Activities
- ☐ Menu
- ☐ Requirements of the Local Authority, Bomba and the Health Department

APPENDIX 2: A Checklist to Guide the Process of Setting Up a Child Care Centre

When submitting the application form, you must attach a copy of:

- ☐ The floor plan - indicating total space area and usage of every room in the building.
- ☐ Schedule of activities - two sets of schedules (each a week long) separately prepared for children below 2 years and for children 2-4 years of age.
- ☐ Menu - one for children below 2 years and one for children 2-4 years of age. Two samples to be submitted.
- ☐ List of staff - name, qualifications and experiences.

When the officer from the Department of Social Welfare comes to inspect the child care center, he/she must ensure that the centre complies with the following:

Operational requirements

- ☐ Space ratio of 3.5 sq metres per child - maximum number of children at centre does not exceed ratio (excluding space area of toilet, kitchen, dining, corridor and office).
- ☐ Staff-to-child ratio as specified in the Child Care Centre Act 1984 (amended 2007).
- ☐ Training requirements - staff to have attended the Basic Child Care Course accredited by Department of Social Welfare.
- ☐ Health requirements - all staff certified as medically fit to work with children.
- ☐ Appropriate equipment and furniture - size, texture, colour and safety features appropriate for children of all ages.
- ☐ Setting up a stimulating environment - indoor and outdoor child-centred learning environment with age-appropriate learning corners, and posters/pictures at child height. All displays and learning materials should reflect the culture of different races. Arrangement of furniture should promote free movement and social interaction between children, and enable supervisor and staff to monitor ongoing activities.
- ☐ Arrangement of room/furniture to take into consideration children's daily needs - baby room to have attached bathroom or to be close to bathroom, or sleeping area that is spacious with less furniture (for example, bedding that can be folded/tracked away) so the space can be used for other activities.

Schedule of activities:

- ☐ Name of Child Care Centre is clearly stated - must begin with the word "TASKA".
- ☐ Must specify age group - provide schedules for 2 different age groups, with 2 samples of each.
- ☐ All activities must be age-appropriate and must focus on enhancing total development of children. There should be a minimum time slot for each activity, with non-routine activities lasting not more than 15 minutes. Activities must include outdoor play and a variety of indoor activities to create opportunities for quiet, active, individual, group, planned and free play. If children are in the centre for more than 4 hours, the schedule must include time for rest and meals.

Menu:

- ☐ State name of centre and age group - menu should be for 2 different age groups, with 2 samples of each.
- ☐ Ensure a balanced diet, with no junk food or food/drinks with preservatives. A halal menu and inclusion of food of the different races in Malaysia is recommended. The area used for preparation of food and drinks, and all apparatus must be maintained in a hygienic manner. Storage of food must be clean and safe.

Requirements of the Local Authority, Fire & Safety Department and the Health Department:

- ☐ Building/Floor plan drawn by a qualified architect.
- ☐ Photographs of location and space area.
- ☐ If operating in a rented building, obtain permission from immediate neighbours.
- ☐ If operating in a multi-storey building, the centre must be located on either the ground, 1st or 2nd floor. If it is in a factory, there is a need for additional approval from the Ministry of Health. Separate entry and exit points must be provided.
- ☐ To avoid traffic congestion, the identified premises should not face a main road, and should have ample drive-in and parking facilities.
- ☐ Premises should have ample space for indoor activities and a sick bay for children. Separate areas should be provided for babies and older children.
- ☐ Premises should have an outdoor play area for children.
- ☐ Kitchen area should not be accessible to children.
- ☐ Ensure availability of clean water, and separate areas for washing and bathing.
- ☐ All electrical equipment to be in safe and usable condition, kept away from the reach of children.
- ☐ First aid box should always be replenished. Staff to be trained in First Aid.
- ☐ Approved fire extinguishers to be readily available and staff to be trained in using them as well as in conducting fire drills.
- ☐ Yearly medical examination for all staff, panel doctor(s) to be available at all times, and kitchen staff to have relevant vaccination jabs.
- ☐ Animals (dogs, cats, birds etc.) are not permitted indoors.
- ☐ All signboards to be in Malay.

Source: Appendix 2, How to Set Up a Child Care Centre at the Workplace 2010, SSM Malaysia & UNICEF

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- Assess **employee demand** for a childcare centre
- Identify **Project Team** to manage the childcare centre implementation
- Refer to JKM for **Guidelines for Setting up Childcare Centres** and **Application Form**
- Develop a **childcare centre business case** to **obtain buy-in from top management**