

Master's Thesis

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Human Resource Management and Organizational Psychology

Job Satisfaction and Turnover Intention

Is there a significant difference between Public and Private preschools?

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Abstract

The main focus of this thesis is job satisfaction and turnover intention between the public and the private sectors. The researcher has a background as an educated preschool teacher and therefore was interested in whether job satisfaction differed between private and public preschools.

The literature review analyzes job satisfaction and how it connects with turnover, as well as its importance for employees and the organization as a whole. Preschools are known for high turnover rates, which will be analyzed further within the literature review. In addition, there is potentially a difference in job satisfaction and turnover between sectors. Overall, both the public and private sectors have positive and negative characteristics, which provide learning opportunities.

The research was conducted within the timeframe of November 2015 to May 2016. In the private sector, the organization of Hjallastefnan.ehf granted permission to conduct the research within their preschools. With regards to the public sector, the municipality of Hafnarfjörður also allowed contacting preschools for research purposes.

The researcher conducted online quantitative research and used the standardized European Employee Index questionnaire, which has been used to measure job satisfaction within Europe with good results. The participants were given a link via e-mail and had three weeks to complete the survey. Subsequently, the results were interpreted with the SPSS application.

The results from the research indicated that there is no significant difference in job satisfaction and turnover intention between the sectors. Both sectors have satisfied employees with no intention of leaving in the near future. However, the participation in the questionnaire was less than expected and therefore the results might have differed if the number of participants had been higher.

6 key words: job satisfaction, turnover, turnover intention, preschools, private sector, public sector

Declaration of research work and integrity

This work has not previously been accepted in substance for any degree and is not being concurrently submitted in candidature of any degree. This thesis is the result of my own investigations, except where otherwise stated. Other sources are acknowledged by giving explicit references. A bibliography is appended.

By signing the present document, I confirm and agree that I have read RU's ethics code of conduct and fully understand the consequences of violating these rules in regards of my thesis.

Date and place

Social security number

Signature

Preface

This thesis was written to finalize my master's degree in Human Resource Management and Organizational Psychology at Reykjavik University, a total of 30 ECTS.

I want to thank the supervisors of Hjallastefnan.ehf for their co-operation. I also want to thank Magnús Baldursson, the director of education in Hafnarfjörður, for granting permission to conduct the research within preschools in the area. Further acknowledgement and thanks are given to the preschools that participated in my research, as well as the principals for their co-operation and support of my research.

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Last but not least, I want to thank my family for their support. To my wonderful husband, children, parents, sister and friends, thank you from the bottom of my heart for all of your love, patience and understanding. You believed in me when I did not believe in myself and your encouragement has been invaluable. I love you with every fiber of my being and I am eternally grateful to have you all in my life.

Table of contents

1. Introduction	8
1.1. Motivation to subject of the thesis	8
2. Literature review	10
2.1 Preschools and their work environment	10
2.2 The European Employee index	11
2.3 Job satisfaction	16
2.3.1 Why is job satisfaction important?	16
2.3.2 Leadership and job satisfaction	21
2.3.3 What makes a great leader?	23
2.3.4 Female leaders	24
2.4. Turnover	25
2.4.1 Turnover intention	29
2.4.2 Burnout	30
2.5. Public and Private sector	30
2.6. Hjallastefnan. Ehf	31
2.7. Preschools of municipality of Hafnarfjörður	33
2.7.1. Participating preschools in the public sector	33
3. Research questions and hypotheses	35
4. Methodology	37
4.1. The participants	37
4.2. Measures	38
4.3. The process	40
4.4. Statistical analysis	41
5. Results	43
5.1. Research question 1	43
5.2. Research question 2	45
5.3. Other results	46
6. Discussion	49
6.1. Limitations and follow up	52
7. Conclusion	53
8. References	54

List of Tables

Table 1 – Personnel in preprimary institutions by sex and occupation	p. 24
Table 2 – Personnel turnover in education and child-care	p. 26
Table 3 – Overview of age and seniority of the employees participating by organizations	p. 37
Table 4 – Chronbach Alpha	p. 42
Table 5 – Descriptive statistics for all aspects of job satisfaction	p. 44
Table 6 – Descriptive statistics for turnover intention	p. 45
Table 7 – Pearson’s correlation between each section and over all Job satisfaction	p. 46
Table 8 – Descriptive statistics for engagement, loyalty and job satisfaction.	p. 47

List of Figures

Figure 1 – European Employee Index/EEI model (Einarsdottir, 2007)	p. 12
Figure 2 – Path-goal theory of motivation (Vroom, Victor H. (1964).	p. 18
Figure 3 – Herzberg’s two factory theory (Schermerhorn et al. (2102).	p.18
Figure 4 – Maslow’s hierarchy of needs (Jerome, 2013).	p. 19
Figure 5 – European Employee Index/EEI model (Einarsdottir, 2007)	p. 39

1. Introduction

There has been speculation in Iceland's educational environment of whether it is better to work in the public sector or for Hjallastefnan.ehf in the private sector. Furthermore, employees tend to be quite passionate when it comes to the subject. However, to the author's knowledge, little research has been conducted on this matter despite job satisfaction being a well-researched topic. The purpose of this thesis is to explore whether there are any differences in job satisfaction and turnover intention in the preschools, depending on the sector the employees work in.

The private preschools in this research belong to Hjallastefnan.ehf. They all operate within the same theoretical base of single sex class rooms. However, the public preschools all differ from each other and have their own curriculums, theoretical bases and work protocols.

Motivation for the subject of the thesis

People usually spend most of their time at work and therefore, it should be important to feel satisfied there. The question is, what makes people satisfied in their jobs? Could salary be the most significant factor or are there other elements involved that increase employee satisfaction?

The author of this thesis has a B.Ed. degree as a preschool teacher and seven years of experience working in preschools, both of which contribute to the motivation for this research. Studies have shown (Ebbert, 2016; Jóelsdóttir, 2013; Menntamálaráðuneytið, 2007) that employees who choose to work in preschools are fully aware of the low wages and that salary is not a factor in their decision to work there.

The preschool environment is divided into public and private schools, with most of the private schools belonging to Hjallastefnan. There have been many debates concerning the respective qualities of each organization and which teaching method should be preferred. The employees in these workplaces often speak about the nature of working in each sector. Thus, the author of this thesis thought the subject might be an interesting one to research. Does it matter which sector employees choose when working in preschools? The wages are rather similar, though the employees in Hjallastefnan are one pay grade above in the collective agreements from the teacher's union (Steindórsdóttir, Á., personal communication, January 7, 2016).

Since the banks collapsed in 2008, public funding has been tight and the preschools have not been immune to that. These schools have a tight budget to fulfill a highly demanding curriculum, with many children and a high employee turnover. Therefore, the work life can certainly be stressful and demanding. On the other hand, it is truly a privilege to work with children and their families, preparing them for the next chapter of their lives alongside other people sharing a love and devotion for teaching young children.

Even though the preschools belonging to Hjallastefnan are private organizations, they are mostly funded by the municipalities where they are placed, in the same way public preschools are (Hjallastefnan, 2011). The difference between the sectors, however, is that the private sector has more leeway when it comes to employees (Ólafsdóttir, 2008). This leeway gives the private sector more freedom regarding salaries, the hiring or dismissing of employees and organizational changes (Einarsdóttir & Bjarnadóttir, 2010).

Turnover in preschools is something that is hard to eliminate since it can be difficult to get educated employees. Furthermore, many employees are young people temporarily working during their time in school or on their break before college (Steindórsdóttir, Á., personal communication, January 7, 2016). According to Statistics Iceland, the largest group of employees working in preschools in the capital region's municipalities, excluding Reykjavík, are under 29 years old (Statistics Iceland, n.d.-a). There is also the burnout factor involved (Kennarasamband Íslands, n.d.-a), which studies have shown can be due to preschools paying low wages in a very demanding environment (Clipa & Boghean, 2015; Kelly & Berthelsen, 1995; King et al., 2015).

The difference between the public and private sectors has always fascinated the author of this thesis. Having worked in the public sector and only heard and read about the benefits of the private sector, it seemed interesting to discover if there were any significant differences in job satisfaction amongst these two sectors.

According to a study by Buelens and Van den Broeck (2007), the motivation to work can differ between sectors, depending on the status of the employee within the company, what his/her job content is and what their age and gender are. Buelens and Van den Broeck (2007) also discovered that people working for the public sector are more motivated by a good balance between work and family, while employees within the private sector are more motivated by their wages. The research by Bellé (2013) also

showed similar results, which were that public sector employees are more inclined towards intrinsic rewards. Brewer (2011), however, found that employees in both sectors are more similar than previously believed. His research indicated that employees just answer to the opportunities and rewards they are offered.

2. Literature review

2.1. Preschools and their work environment

Similar to elsewhere in the world, Icelandic preschools exist both within the public and the private sectors. This thesis will focus on public preschools from the municipality of Hafnarfjörður and the private sector preschools from Hjallastefnan. There are other private sector preschools in Iceland, however, Hjallastefnan is the best known and operates quite differently from public schools.

Regardless of sector, preschool teachers have many things in common, such as having to follow the same curriculum decided by the Minister of Education (Mennta- og menningarmálaráðuneytið, 2012) and both receiving funding from the municipalities where they are located (Hjallastefnan, 2011). There are many demands in this curriculum and the preschools are accepted as the first level of children's education (Mennta- og menningarmálaráðuneytið, 2012). The teachers are expected to educate the children alongside other duties. The job entails much more than teaching, as can be seen in the job description from the teacher's union (Kennarasamband Íslands, n.d.-b). As well as teaching the children, the task of a head of a department in preschools is to manage employees and nurture, train, guide and help the children. Other preschool employees are not required to manage employees, however, they do have to educate and take care of the children, communicate with the parents and help create a professional work environment within the preschool (Kennarasamband Íslands, n.d.-b); Starfslýsingar Aðstoðarleikskólakennara samkvæmt kjarasamningi FL og SÍS (2016).

As explored in de Heus and Diekstra (1999), to ensure the best education possible for the children, teachers should be educated, satisfied and excited about their job. However, employees in preschools seem to reach professional burnout and emotional exhaustion earlier than in other fields. There can be many explanations for this, although lack of time and preparation combined with stress is likely a strong factor (Peck, Maude & Brotherson, 2015). It can also be a contributing element that educated preschool teachers do not receive much teaching and training in human resource management or leadership despite the job requiring such knowledge (Kennarasamband

Íslands, n.d.-b). According to the course syllabus for preschool teachers, there is only one optional leadership course available to students (Háskóli Íslands, n.d.).

As mentioned, preschools in Iceland exist both in the public and the private sectors. The public sector preschools are the responsibility of the municipality where they are located (Lög um leikskóla nr.90/2008). However, the private sector preschools are also dependent on the municipality where they are located because that is where they get the majority of their funding (Hjallastefnan, 2011). The principals manage the individual preschools as they see fit, while following the laws and regulations concerning preschools and preschool education, including the curriculum (Mennta- og menningarmálaráðuneytið, 2012). The principals get to decide what kind of approach they want to use in their line of work and by doing so, the preschools operate differently while heading towards the same goal. The curriculum for each preschool is intended as a detailed explanation of how that school will achieve the goals set by the Minister of Education (Mennta- og menningarmálaráðuneytið, 2012, n.d.).

2.2 The European Employee Index

In Europe there is a questionnaire called the European Employee Index/EEI, which is based on seven factors of job satisfaction and encouragement, and has been used to measure job satisfaction (Einarsdóttir, 2007). It has mostly been used in Scandinavia but here in Iceland it has been used since 2004. The measurement system is based on the model in figure 1(p.12) and its goal is to get an overview of the expectations and attitudes of employees. The questionnaire is also used to build up a database, which makes it easier to compare job satisfaction in organizations and sectors. In this measurement system there are two factors that are considered to be a consequence of job satisfaction. These factors are engagement, which stands for what employees are willing to contribute to the organization, and loyalty, which concerns whether the employee will stay with the organization (Einarsdóttir, 2007). The European Employee Index is a job satisfaction questionnaire based on the model in figure 1.

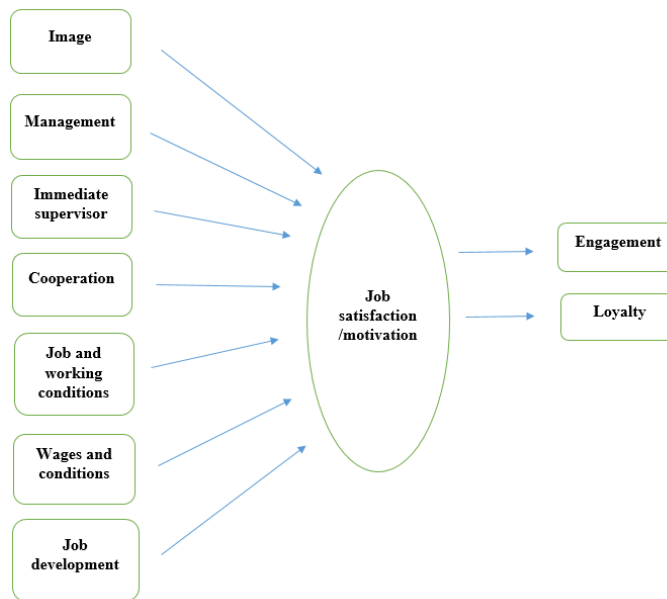


Figure 1. European Employee Index/EEI model (Einarsdóttir, 2007).

This model is the base of this research and therefore all aspects of it will be discussed in the literature, some more than others. However, to start with, here is a quick overview.

Image

The work environment in preschools has been difficult for the last few years due to negative talk about low wages, stressful conditions, and a high turnover (Menntamálaráðuneytið, 2007). This negativity has resulted in employment in preschools not being very desirable. Consequently, the teacher's union embarked on a marketing campaign where the benefits of working in preschools were listed along with the reasons people should educate themselves as preschool teachers. (Menntamálaráðuneytið, 2007). The truth is that working in preschools has never been respected in the job market (Þórðardóttir, 2005).

Being a preschool teacher or another member of the staff is a low paid job and according to Þórdís Þórðardóttir (2005), the position has never been respected in the community. Only 38 percent of the total workforce in preschools are educated preschool teachers (Samband íslenskra sveitarfélaga, 2013). To ensure that the preschools are fully staffed, laws were changed to give principals some freedom to hire uneducated employees when needed (Lög um leikskóla nr. 90/2008). In the laws there is no clause about the capability of the employees hired or some kind of demand for the principals to

work systematically to increase the number of preschool teachers (Axelsdóttir & Pétursdóttir, 2014).

The financial crisis in 2008 had a great impact on the job market, with preschools being no exception. The cutback affected professional activities and resulted in a lack of replacement, which caused teachers to have to cancel their re-educational seminars or postpone their preparation time. This led to some teachers experiencing that they were not fulfilling their roles (Axelsdóttir & Pétursdóttir, 2014). The lack of respect and understanding of the role of preschool teachers is, according to Butler, Chillas and Muhr (2012), connected to the idea that the job is a natural extension of the role of women. It seems necessary to promote the image of preschools even further due to the job being very versatile, creative and demanding (Menntamálaráðuneytið, 2007).

Management and immediate supervisor

In order for employees to experience job satisfaction, the leadership has to be in good shape (Rad & Hossein, 2006). Leaders impact people around them and make them believe the job they are doing is important. Goffee and Jones (2013) found that if employees got to be themselves, knew what was expected of them and experienced transparency then they would be more satisfied. Compliments and recognition for a job well done are also something that leaders should grant as often as possible along with providing guidance (Slywester, 1997).

Cooperation

In preschools the employees work in their departments with the children and get two breaks each day (Samband íslenskar sveitarfélaga, n.d.-a). In order for the day to go as planned, the employees need to work together. Cooperation is a key ingredient to a successful day at the preschool (Employee in preschool A, personal communication, March 31, 2016). In order for teamwork to be successful, the employees have to work together (Shetach & Marcus, 2015). If the employees do not work together, the work will be more stressful, which can cause employees to get exhausted, resulting in absenteeism (Shetach & Marcus, 2015). Castka, Sharp and Bamber (2003) stated that the most important ingredient in successful cooperation is clear communication, knowledge sharing and employees understanding what is expected of them.

Job and working conditions

The preschool job environment is very versatile. It is important for the teachers to be well educated, as well as being pleased and stimulated in their jobs because then they will provide children with the best education possible (de Heus & Diekstra, 1999). Even though there are preschools in both public and private sectors, there are many similarities amongst them. Both sectors have to follow the same curriculum (Mennta- og menningarmálaráðuneytið, 2012) and both are funded by the municipalities where the preschools are placed (Hjallastefnan, 2011). The job requires the employees to teach the children many important things, because the preschools are considered to be the first level of education (Mennta- og menningarmálaráðuneytið, 2012). The employees also have to work hard to make the preschools a nurturing and professional environment for everyone involved (Kennarasamband Íslands, n.d.-b).

Wages and conditions

Whitebook and Sakai (2003) stated that in order to get qualified employees, the wages need to be higher, and as aforementioned, wages in preschools are quite low (Phillips, Mekos, Scarr, McCartney & Abott-Shim, 2000). According to the collective agreement, a newly graduated preschool teacher receives 418,848kr each month in wages (Samband íslenskar sveitarfélaga, n.d.-a). If the preschool teacher gets the position of head of a department, then the wages go up to 441,435kr each month with the responsibility being much higher. The principals receive from 674,247kr and other employees who are not specially educated for preschools receive 319,632kr each month. It should be noted that the education to become a preschool teacher takes five years of college, first three years as an undergraduate and then two years at a graduate level (Háskóli Íslands, 2016).

Job development

In order for preschools to be professional and current, the employees need to be regularly receiving education and retraining. However, because of the nature of the work environment, teachers do not have much time to pursue further education or to even walk around the school to learn from their colleagues (Darling-Hammond, Wei, Andree, Richardson & Orphanos, 2009). In Iceland, the teacher's union has made a contract with a retraining facility about continuing education. The goal of this contract

is to promote a good image, presentation and marketing of the courses available to employees (Endurmenntun Háskóla Íslands, 2012).

Engagement

As stated above, the EEI measurement system considers engagement and loyalty to be a consequence of job satisfaction (Einarsdóttir, 2007). In order to create an inviting environment for employees to feel engaged and loyal, these same employees need to be able to thrive (Williamson & Tharrett, 2013). By letting them in and assisting with their decision making, they can feel involved and happy to be able to have a say in important matters (Goffee & Jones, 2013). According to Goffee and Jones, transparency is also something that helps employees engage with the company, because it helps them to better realise what is expected of them and why they are doing the tasks at hand. Communication, knowledge of the organization and the specific goals that have been set are strong motivators of loyalty amongst the employees (Williamson & Tharrett, 2013).

Loyalty

For employees to become loyal to organizations it is important to realize that the feeling has to be mutual (Larmer, 1992). Larmer (1992) stated that to be able to become loyal, the person has to have no expectations of getting something else in return. Loyal employees have become increasingly important for organizations, especially because of the psychological contract that exists between employees and employers (Naus, van Iterson & Roe, 2007; Sverke & Goslinga, 2003). A psychological contract is explained by Schein (1965) as a mutual expectation between the employer and the employee. Bakker and Schaufeli (2008) found that the dedication and commitment an employee shows in their job has an important effect on the success of the organization. What Guillon and Cezanne (2014) found on the effects employee loyalty has on organizations was that it not only lowers absenteeism and turnover, improves productivity and the organization's reputation, it also expands revenues.

2.3. Job satisfaction

Job satisfaction was defined by Edwin A. Locke (1969) as “a pleasurable emotional state resulting from the appraisal of one’s job as achieving or facilitating the achievement of one’s job values” (p. 316).

One of the most popular research topics within the Human Resource Management field is job satisfaction (Dormann & Zapf, 2001; Floyd, 2009). This interest is understandable due to satisfied employees usually being more effective and successful than others and their satisfaction both at home and at work are linked together (Naumann, 1993). According to Naumann (1993), the main reason for the popularity of job satisfaction research is that it touches on so many aspects of the worker’s life and the productivity and presence at their job. Abel (2013) found that employees who are satisfied in their jobs are more loyal, engaged and efficient than other employees. In his research, Abel also found that to get an organization's productivity to higher levels, the employees need to be committed to the organization and encouraged by its leadership, the culture, the benefits and their co-workers.

Job satisfaction is what a person is feeling when they experience fulfillment at work and the belief that the task they are performing is valuable and their efforts are appreciated (Ealias & George, 2012). Studies have also shown that there is a positive link between job satisfaction and how employees perform at their jobs (Edwards & Bell, 2008). In addition, there are ways to improve the performance and job satisfaction of employees by motivating them (Springer, 2011).

2.3.1 Why is job satisfaction important?

A great part of a person's day is spent at work; therefore, it is important for employees to be satisfied at work. Studies have shown that increased job satisfaction positively affects performance at work (Edwards & Bell, 2008; Lawler & Porter 1967; Springer, 2011). Low job satisfaction also increases turnovers and absenteeism, which is very costly for the organizations (Ealias & George, 2012).

According to Vroom (1964), the best way to get employees motivated is to give them the possibility of a reward. Employee motivation is an important factor in the success of organizations. How employees perform can affect the organization and is dependent on many aspects of work life, such as a successful initial training, appraisals, motivation, benefits and opportunities to develop in the role (Muogbo, 2013).

According to Muogbo (2013), money is the most important motivational factor there is. However, other rewards are also efficient tools in management. Regardless of sector, every organization uses some form of motivation, whether it involves intrinsic or extrinsic rewards.

Within the public and private sectors, the rewards differ because as stated before, the private sector has more financial leeway and Hjallastefnan works differently than the public schools. This is an aspect that is quite interesting to research (Einarsdóttir & Bjarnadóttir, 2010; Ólafsdóttir, 2008). The private sector preschools within Hjallastefnan follow the same collective agreement as the public sector employees, however, it is an unwritten rule that their salaries are one pay grade above public sector employees in the collective agreement (Kristjánsdóttir, K., personal communication, March 3, 2016). In the public sector, the preschool teachers have a collective agreement, which shows them their wages and how much they can increase their pay with more education or bigger responsibilities, such as being a head of a department (Samband íslenskar sveitarfélaga, n.d.-a). This collective agreement also lists available benefits, i.e. vacation days, a large selection of holiday homes they can rent, etc. The employees are entitled to receive free food since they work during the lunch hour. Moreover, they have two 15-minute coffee breaks during the day. In the public sector, the employees are encouraged to pursue further education in order to learn new things and keep themselves relevant in the job market (Samband íslenskra sveitarfélaga, n.d.-b). However, the collective agreement indicates there are few possibilities to receive higher wages after the age of 40.

When it comes to rewards, Vroom used a path-goal theory of motivation and as a result he stated that while job satisfaction and job performance are closely linked, they are not necessarily the same thing. By looking at the model below, it is explained that good job performance leads to rewards. Extrinsic rewards such as promotions and wages are known to improve job performance (Condly, Clark & Stolovitch, 2003



Figure 2. Path-goal theory of motivation (Vroom, 1964)

Intrinsic rewards are also related to good performance and are given by the individual himself, such as the feeling of great accomplishment after a difficult assignment. Pinder (2011) found that employees who are motivated by intrinsic rewards find themselves more pleasant and their jobs more purposeful. Figure 2 shows that it varies from individual to individual whether they feel the need for big rewards or if they feel satisfied with more intrinsic rewards, as is most often the case within preschools.

Vroom's model is similar to Herzberg's two-factor theory, shown in figure 3, which says that there are definite factors within people's workplace that encourage job satisfaction. Furthermore, the theory states that there are other elements, which

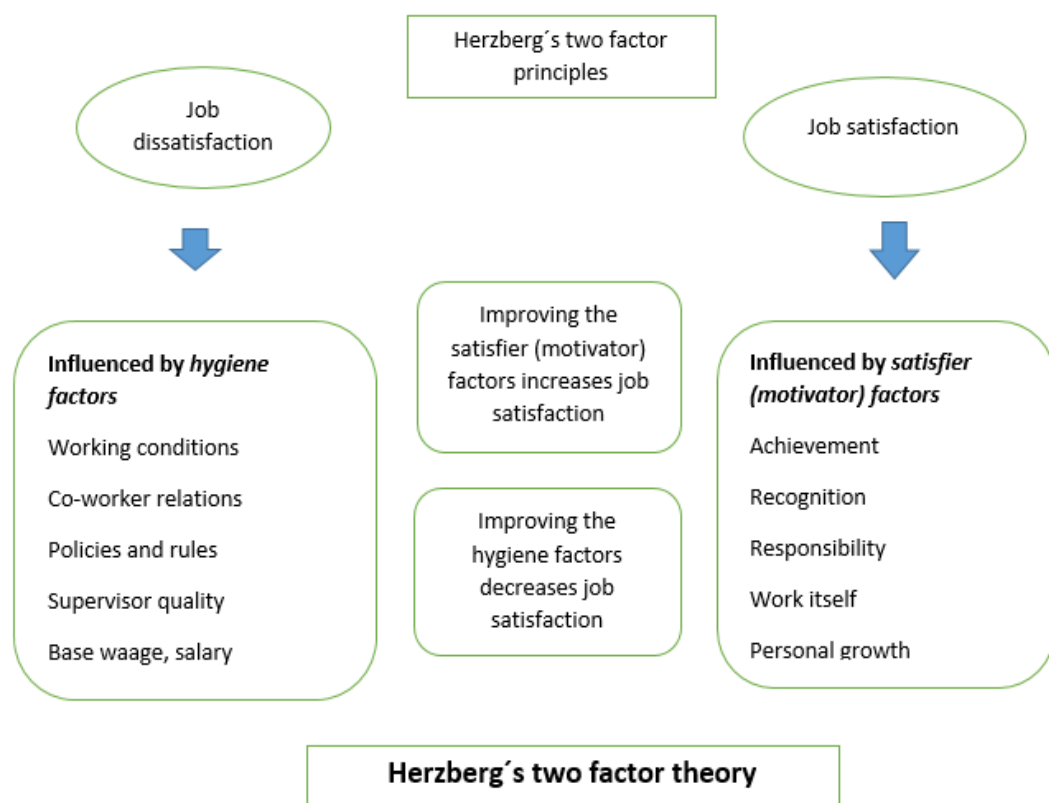


Figure 3 Herzberg's two factor theory (Schermerhorn et al., 2012)

encourage dissatisfaction within the workplace (Herzberg, 1959). After Herzberg came up with his theory, other people began to research how job satisfaction was affected by both intrinsic and extrinsic rewards (Huang & Van de Vliert, 2003). Researchers found that in order to fully experience job satisfaction, both reward factors have to be intertwined (Floyd, 2009).

Canrinus, Helms-Lorenz, Beijaard, Buitink & Hofman (2012) found that if the employees were satisfied in their jobs, it strongly indicated that they were engaged in the organization. According to research by Muogbo (2013), the first and foremost incentive for employees is money. He states that there is no other motivator that has as much of an impact. This is in line with what Yücel, I. (2012) found in his research which was that wages are an important determinant in job satisfaction. However, Jansen and Samuel (2014) said that all types of employees in the world could not be put in the same hat with the assumption that the same motivational factor applied to them all. Yusoff, Kian & Idris (2013) researched whether Herzberg's two factor theory applies in modern working conditions. They found that compared to other theories of motivation, Herzberg's theory does give a good overview of motivational factors. However, it may not be very practical for the modern working environment. Many studies have shown that Maslow's hierarchy of needs can be applied to both organizational operations and employee performance (Jerome, 2013; LazaroIU, 2015; Nyameh, Douglas, Teru &

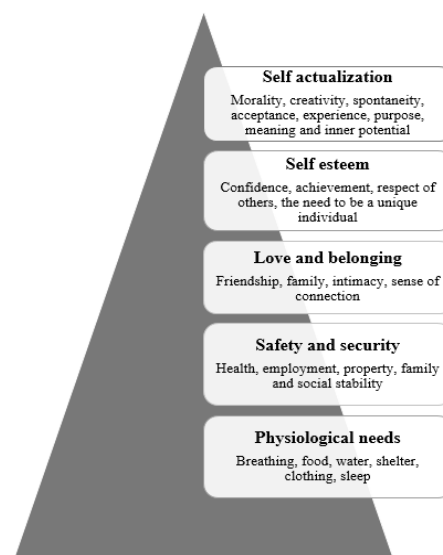


Figure 4 Maslow's hierarchy of needs (Jerome, 2013)

Titus, 2013). Most adults in the working sector seek validation and motivation to feel satisfied in their jobs. Before that happens, it is possible the physiological needs have to be fulfilled (Schorpp, 2008).

As lower level needs are satisfied, higher level needs become important as motivators. There have been numerous studies of job satisfaction, however, not so many within preschools or early childhood educators in general (Phillips, Howes & Whitebook 2010). Furthermore, the studies that have been conducted show that preschool teachers do not necessarily focus too much on the salary because they are satisfied with the intrinsic rewards (Phillips et al., 2010). There are certain needs human beings require satisfying to feel fulfilled, both in their personal life and work life.

According to Jerome (2013), benefits from the organization affect the employees greatly when it comes to their satisfaction and how they perform at their job. It is also important to consider how the company conducts its performance review because the evaluation can have an impact on employee performance. The performance review can give the employee an indication of job development, where the employee needs training and where he or she is doing a good job (Ahmed, 2015).

The performance review procedures of the preschools that participated in this research are quite similar and they are both conducted once a year. The employees receive an evaluation form, which they fill out prior to the employee interview where the performance appraisal also takes place. The interview is usually about an hour long and the aftermath is decided then and there, in case there is something that needs following up (Employee in preschool A, personal communication, March 31, 2016; Steindórsdóttir, Á., personal communication, February 12, 2016).

In order to retain employees and keep them satisfied in their jobs, it is important to constantly try to improve the workplace. It is paramount to improve leadership and allow everyone to be themselves (Goffee & Jones, 2013). Within preschools it is important that employees receive proper leadership training. This was lacking when the author of this study was receiving her training to become a preschool teacher. However, the children usually lighten the mood at the workplace, which enables people to be themselves. If the adults could show the same tolerance as the children, many problems with job satisfaction would potentially disappear.

Job satisfaction has great significance within organizations because if employees have low job satisfaction they will eventually leave, costing the organization both time and money, which they could have otherwise saved (Mudor & Tooksoon, 2011).

Given people spend most of their waking hours at work, there has been a major focus on job satisfaction over the years. Being satisfied at your job is not only believed to increase productivity and performance, but also considered to improve attendance and decrease turnover (Tsigilis, Zachopoulou & Grammatikopoulos, 2006). It is in everybody's interest to think about what can be done to make teachers more satisfied at their jobs because their satisfaction has a positive effect on the children they are teaching. In most cases, the teachers love their jobs and are not solely motivated by wages or any other job opportunities, such as promotions (Dinham & Scott, 2000). This fact is in line with Herzberg's (1959) two factor theory, which is based on intrinsic and extrinsic factors (Spillane, 1973).

It is an expectation to have qualified teachers in every position, providing a good education. However, if the teachers are not satisfied, the quality of the teaching can be lacking (Tsigilis et al., 2006). If employees feel satisfied at work, they are more likely to stay in their job and be more interactive and engaging, which has a positive effect on children and how they learn (Maslach & Leiter, 1999).

As aforementioned, there has been much research conducted on job satisfaction. According to Koustelios' (2001) study, the most gratifying factor amongst teachers is teaching the children, with the wages and lack of opportunities for promotions being the more dissatisfying factors. It is well known that the teaching field is stressful, the amount of work is substantial and the wages are low. A combination of these elements often causes educators to burn out at their job (Koustelios, 2001; Menntamálaráðuneytið, 2007; Whitebook & Sakai 2003).

2.3.2 Leadership and job satisfaction

In all work environments there is a desired goal that the organization aims for. In order for the employees to achieve that goal, the leadership has to be good (Northouse, 2015). Not everyone can be a leader, as it is about being a person that can inspire others to work together to attain a mutual goal. Nevertheless, being a good leader is not only about inspiring others and being a positive influence but also about the leader being influenced by his or her followers. Leadership is a two-way street, which needs individuals to cooperate with one another to reach the target they have set for themselves (Northouse, 2015).

There are many aspects that can cause dissatisfaction at work. For example, if employees do not know what is expected of them, if the workload is too great and if there is a lack of successful communication (Rad & Yarmohammadian, 2006). According to Rad and Yarmohammadian (2006), leadership is something that is very important in order for the employees to experience job satisfaction and bad leadership can cause dissatisfaction. Leaders play a significant part in the success of organizations, they get through to the people around them and make them believe in the importance of the task at hand. Thus, making the goal achievable. In Rad and Yarmohammadian's (2006) research, they found that leadership affects job satisfaction in a positive way in many countries.

To become a great leader, it is important to be able to bring out the best in employees. Then, they will perform their job efficiently and to the best of their abilities. Because in order for an organization to be successful, it has to achieve its goals and to do that, the managers have to be trusted to do their jobs and be the kind of leaders their employees need (Rad, 2003).

Throughout the years, employees have wanted respect and honesty from their leaders (Aronson, Sieveking, Laurenceau & Bellet, 2003). Open and honest communication leads to respect and makes the employees want to follow their leader and assist in every way possible to reach the goal at hand. This is the description of an authentic leadership style (Kumar, 2014). According to Kumar (2014), what characterizes authentic leaders is that they know their own personality, their strengths and limitations, and how they react in different situations. Furthermore, they are fully aware of their motive to achieve a certain goal. When employees sense that their leaders are authentic, they show more commitment and are more satisfied in their jobs, which leads to better performance (Walumbwa, Avolio, Gardner, Wernsing & Peterson, 2008). Transparency in communication is the key to authentic leadership (Gardner et al., 2005; Walumbwa et al., 2008).

The climate of an organization where authentic leadership takes place is transparent and caring. It is a nurturing environment where the consensus is a feeling of teamwork (Avolio, Gardner, Walumbwa, Luthans & May, 2004; Gardner, Avolio, Luthans, May & Walumbwa, 2005; Kumar, 2014). According to Yukl (2010), "the core values for authentic leaders motivate them to do what is right and fair for followers, and to create a special type of relationship with them that includes high mutual trust,

transparency (open and honest communication), guidance toward worthy shared objectives, and emphasis on follower welfare and development" (p. 345). The effects authentic leadership has on its followers can be very beneficial to organizations (Ryan & Deci, 2001; Walumbwa et al., 2008). There is a strong correlation between good leadership and employee satisfaction (Judge, Piccolo & Illies, 2004).

Another leadership style that is focused on employees is servant leadership. Servant leadership is when the leader places the needs of the employees above his own (Greenleaf, 1970, 1997). According to Yukl (2010), servant leaders trust their employees completely, care for their needs and are always unwavering from their beliefs and values. Servant leadership has its flaws because organizations sometimes have to act on matters that may not be convenient for the employee, such as layoffs (Politis, 2013). However, if an organization is doing well and no extreme measures are needed then the servant leader could have a positive impact on the performance of the employees (Politis, 2013).

Leadership styles have been changing throughout the years and after people became increasingly educated and informed, they demand more from their leader. Individuals want to be involved and work in collaboration with others, rather than being commanded by their manager (Stewart, 1994). Studies have shown that leadership style can positively affect employees' satisfaction (Bogler, 2001; Nguni, Slegers & Denessen, 2006). Another leadership style that has been popular, is transformational leadership. Bogler (2001) found that supervisors using a transformational leadership style increased job satisfaction amongst their employees. According to Bogler (2001), principals should take on a transformational leadership style, since it increased job satisfaction and therefore the teachers became more confident at their jobs.

2.3.3. What makes a great leader?

The world is full of people who are leaders, some great and others not so great. Being a leader is about being able to influence people and motivate them to do a task (Han, 2015). But in order to be able to influence people, the vision has to be "clear", where does the leader want to take his followers?

To ensure job satisfaction within the organization, employees have to be able to trust their leaders and be confident that they will do their job (Trego, 2002). The leaders have to earn the trust of the employees by communicating and having a good

information flow within the organization. The business strategy has to be clear and it is important that the employees get to ask questions and that they are not kept in the dark if or when something serious happens (Trego, 2002). Insecurity can bring organizations a whole lot of trouble, which they could avoid with small structural changes. The information flow needs to be clear in every section of the organization and carry on throughout the whole company, with the same applying to the vision. The employees need to know what the vision is, what the plan is, how they should tackle problems and what is expected of them. It is also important for someone trying to be a great leader to give compliments and recognition when earned and guide the employees in becoming the best they can be. For employees, to receive recognition and compliments for a job well done is priceless (Slywester, 1997). Receiving compliments and the knowledge and assurance of a job well done is important for an individual's self-esteem and makes them more confident in the decisions they will have to make in their jobs.

2.3.4. Female leaders

In Icelandic preschools, most of the employees are women and that includes the principals as Table 1 shows (Statistics Iceland, n.d.-c).

Personnel in pre-primary institutions by sex and occupation 1998-2014

	Municipalities		Private	
	Full-time equivalents		Full-time equivalents	
	Males	Females	Males	Females
2014				
Headmasters (primarily managers)	2	182	2	28
Headmasters (primarily in education and child-care)	1	9	0	6
Assistant headmasters	3	159	0	18
Heads of department	15	706	4	79
Pre-school teachers and others working in education and child-care	188	2,610	56	428
Pre-school teachers and others working with children with special needs	12	349	0	22

Table 1 Personnel in pre-primary institutions by sex and occupation (Statistics Iceland, n.d.-c).

The lack of male teachers in preschools and the rest of the educational system is a known problem (Gíslason & Þorvaldssdóttir, 2015; Sumsion, J. 2005; Þórðardóttir, 2005). According to Sumsion (2005), the educational system for young children has the most gender difference regarding employees, with the average percentage of male employees being under four percent. This could be due to societal views of gender roles

and how women are often shown more tolerance when studying for jobs traditionally preferred by men, while men who choose traditionally female jobs are stigmatised to a greater extent (Browne, 2004; Velferðaráðuneytið, 2013; Þórðardóttir, 2005). Fortunately, there are men who are choosing to work in so-called “women’s jobs” but that is not even close to the amount of women working in “men’s jobs” (Velferðaráðuneyti, 2013). It is important to find measures to promote this development and contribute to the objectives of the equality laws that state that every individual should have equal opportunities regardless of gender and stereotypes (Velferðaráðuneyti, 2013).

As shown in the table above, women make up the majority of the preschool’s workforce. A study by Grissom, Nicholson-Crotty & Keiser (2012) showed that a feminine leadership style is usually more effective, regardless of the sex of the leader. Even though female leaders are not that different from male leaders, and have proven to be just as capable, their leadership style seems to be more effective (Northouse, 2015). According to Northouse (2015), the only measurable difference between the leadership styles of men and women is that women choose to have more democracy in their work places and want the employees to be active participants. His study also showed that women are more likely to be transformational leaders.

Being a transformational leader means seeking out to increase employees’ interest by inspiring them to care. Creating an emotional bond and sharing the final goal of the job at hand causes the employees to feel there is a purpose for their work. Moreover, knowing in which direction the leader wants them to go encourages the employees to value their jobs and work harder at reaching that common goal (García-Morales, Jiménez-Barrionuevo & Gutiérrez-Gutiérrez, 2012).

2.4. Turnover

High turnover is a problem within preschools and that is often because the salaries are low, stress levels are high and there is a possibility of burnout long before retirement is in sight (Weisberg & Sagie, 1999). All occupations suffer from turnover, although it seems to be the worst within preschools and care for young children (Whitebook & Sakai, 2003). Another research discovered that the government has resigned itself to the notion that not much can be done regarding wages in preschools and therefore the turnover rate will continue to be high (Cassidy, Lower, Kintner-Duffy, Hegde & Shim, 2011).

According to the Icelandic Cranet research, the average turnover rate in Iceland has gone from 15 percent to 11 percent in the three years from 2009 to 2012. The research was conducted with 144 of the largest companies in Iceland, both in the public and the private sectors (Einarsdóttir, Bjarnadóttir, Ólafsdóttir & Georgsdóttir, 2012).

Even though there are constant negotiations for wages and benefits through the teacher's union, the turnover is still very high amongst employees within preschools (Kennarasamband Íslands, 2015). According to Statistics Iceland (n.d.-b) and displayed in in table 2, the turnover rate in Icelandic preschools was approximately 26 percent throughout the past few years. This is in line with the turnover rate of 25-30 percent in the United States (Burton et al., 2002).

	Working last December	Not working this December	Percent not working this December
2013			
Total	5,180	1,384	26.7
Pre-primary teachers	1,878	285	15.2
Personnel with other educational training	921	240	26.1
Unskilled staff	2,381	859	36.1
2014			
Total	5,326	1,372	25.8
Pre-primary teachers	1,960	248	12.7
Personnel with other educational training	728	200	27.5
Unskilled staff	2,638	924	35.0

Table 2 Personnel turnover in education and child-care in pre-primary institutions (Statistics Iceland, n.d.-b).

This turnover rate of 26 percent in preschools is rather high compared to other occupations. For example, the turnover rate in the National University Hospital of Iceland in the year 2014 was 10 percent (Landspítali, 2015) and in the first six months of 2015, the turnover rate was 5.1 percent (Landspítali, n.d.). In the Directorate of Fisheries, the turnover rate was 18 percent in 2014 but 23.8 percent in the year 2015 (Fiskistofa, 2015). However, this was due to structural changes within the company when they moved their headquarters to Akureyri (Fiskistofa, 2015). The turnover rate in the Financial Supervisory Authority of Iceland was only 8 percent in the year of 2014 (Fjármálaeftirlitið, 2015).

The lack of educated preschool teachers is also a problem that can explain part of the turnover within preschools. As seen in table 2, the turnover of unskilled staff was 36 percent but only 12 percent with educated preschool teachers (Statistics Iceland, n.d.-

b). In 2015, there was a shortage of 1300 preschool teachers and a campaign was put into place to recruit new students to become preschool teachers, with it being the only level of education with a shortage of teachers (Guðjónsdóttir, 2015).

Turnover in preschools not only affects the leadership but also the children. Studies have shown that children are influenced by turnover within their preschool and it can have a big impact on them emotionally, interrupting their education and development (Wells, 2015). This was also the case in a study conducted by Hamre and Pianta (2001), where they discovered that problems in relationship formation between children and employees in preschools could affect them later in life. Cassidy et al. (2011) also discovered that turnover in preschools can result in poor outcomes in both educational quality and a child's future.

There are numerous reasons for employees leaving preschools with a consistent pattern throughout different cultures of why employees leave (Wells, 2015). The most common reasons include personal reasons such as dissatisfaction of wages, wanting to change fields of work or health reasons concerning themselves or family members. Secondly, the stress level within preschools is very high and difficult situations with the children and work conditions can lead to a decline in physical and emotional health. The third most common reason for employees leaving are problems in communication with either co-workers or supervisors, regarding personal or professional matters.

It has been shown that higher salaries are needed to recruit and retain capable employees with the right education and experience (Whitebook & Sakai, 2003). Low wages and inadequate benefits compared to other sectors have been linked to a high percentage in turnover (Phillips et al., 2000). Preschool teachers have been struggling to receive higher salaries for many years now (Ingólfssdóttir, Guðmundsdóttir, Einarsdóttir, & Kristjánssdóttir, 2011). Although salaries are an important factor when it comes to turnover in preschools, studies indicate that a salary disadvantage is not the only reason employees leave (Ealias & George, 2012; Wells, 2015). Most often teachers and other employees in preschools are there because they are motivated and have an interest in teaching, as well as caring for and helping children develop into capable young people (Bullough, 2015; Grétarsdóttir, V. (2013).; Kaiser, Rogers & Kasper, 1993).

It is very important to increase educated preschool teachers within preschools and to make the job more interesting by increasing the wages and improving the working environment and conditions that face preschool employees

(Menntamálaráðuneytið, 2007). The high turnover and lack of staff, particularly educated teachers, is increasing the workload and therefore decreases satisfaction amongst employees.

Age of employees can be connected to their willingness to leave their jobs (Manlove & Guzell, 1997). According to Manlove and Guzell (1997), it is more likely that employees leave their jobs the younger they are. In addition, the amount of time people have worked within the organization factors into whether they leave. The shorter amount of time employees have worked for an organization, the likelier it is that they choose to leave (Meyer & Allen, 1988); (Gunnarsdóttir, G. (2015). Meyer and Allen (1988) state that within a short amount of time, the commitment level of the employee has not yet been established. However, long term employees are more committed and some of them could be experiencing limited options in the job market, meaning they might stay in their jobs despite wanting to leave. In preschools there are many young, uneducated employees who are not in it for the long haul. This is why it is important to increase the amount of educated employees with a degree in educational studies because those employees are more likely to remain in their jobs (Menntamálaráðuneytið, 2007).

Despite wages not being the only factor in job satisfaction and intention to leave, it is a fact that educators tend to be amongst the lowest paid professions with regards to background levels of education (King et al., 2015). According to Manlove's (1993) research, salaries are not the main reason teachers remain in or exit their jobs. This is because they know the wages are low when they decide to take the job. However, the low wages can prevent extremely qualified and talented persons from deciding to enter the educational field altogether.

Manlove (1993) discovered that most of the individuals leaving their occupation were doing so due to a desire to advance their knowledge and/or opportunities in life. However, those advancements often meant leaving the profession altogether which could be an indicator that wages matter. According to a study Manlove and Guzell (1997) conducted, satisfaction is in fact the element that keeps people in their jobs. Meanwhile, dissatisfaction is not the main reason they leave. Many participants in Manlove's study said they were not going anywhere because they lacked other options and felt stuck at their jobs. It is highly unlikely that employees who feel this way are providing the top service, education and nurture that children need.

2.4.1. Turnover intention

Research in the field of job satisfaction has been strongly influenced by the Two Factor Theory developed by Herzberg (1959), which is “based on the intrinsic and extrinsic job factor dichotomy” (Spillane, 1973, p. 71). Spillane studied the applicability of the Two Factor Theory to employee turnover. The researcher was particularly interested in employee satisfaction as it relates to intrinsic and extrinsic job factors and their relationship to staying with or leaving an organization (Floyd, 2009).

According to a study by Kalidass & Bahron (2015), the relationship between an employee and an employer is important when it comes to turnover intention. If the employees feel they are supported by their employer, the intention to leave the organization decreases. Organizational commitment is also important and employees who show the company loyalty have less of an intention to leave (Kalidass & Bahron, 2015; Meyer, Stanley, Herscovitch & Topolnysky, 2002).

Preschools have been suffering from high turnover, with research conducted for the city of Reykjavík showing that 65 percent of those who quit while the research was ongoing had no intention in the first place of staying in their jobs for a long time (Reykjavíkurborg, 2007). The results of this study concluded that turnover was an inevitable part of the job that should be considered in the hiring process. Therefore, the principals should aim to hire employees for the long run instead of those who plan on staying for a couple of months. A contributing factor to the high turnover rate in preschools is the small percentage of educated employees (Ingibjörg Kristleifsdóttir, 2013). The turnover rate for educated preschool teachers is only 8 percent while it is roughly 25 percent for other employees

Tett & Meyer (1993) defined turnover intention as “the last in a sequence of withdrawal cognitions, a set to which thinking of quitting and intent to search for alternative employment also belongs” (p. 262). When employees experience decreased satisfaction in their jobs, turnover intention becomes likely and this can lead to burnout (Clipa & Boghean, 2015). This is in line with Chen, I.-H. et al (2015) study where they found that higher turnover rate is linked with low job satisfaction.

2.4.2. Burnout

Burnout is an extended reaction to constant stress factors at work and can be quite common in fields of employment that demand extensive communication, such as teaching, nursing etc. (Maslach, Schaufeli & Leiter, 2001). The stress factors involved in teaching children are very high and cause the teachers to become emotionally exhausted (Maslach et al., 2001), (Job satisfaction and burnout among Greek early educators: A comparison between public and private sector employees - ProQuest. (n.d.). The most common of these factors are the behavioral problems of children, the workload and the constant communication with coworkers, children and parents (Clipa & Boghean, 2015; Kantas, 1995). This exhaustion can cause teachers to be physically and mentally absent from work, which affects the children, as well as the quality of the education (Manlove, 1993). The result of a longtime burnout is turnover and those results are the same in both the public and the private sectors (Tsigilis et al., 2006).

Given that employees are often considered as one of the most valuable assets a company can have, it is important to address employee burnout and try to decrease the likelihood of employees reaching that stage of dissatisfaction (Dalci & Kosan, 2012). Employees who experience low job satisfaction and have little or no commitment to the organization, often feeling the intention to leave the job, are possibly experiencing burnout (Lu & Gursoy, 2016; Schaufeli & Enzmann, 1998). Burnout can be costly for organizations due to the absence of employees or lack of motivation, which decreases productivity at work and causes a high turnover rate (Lu & Gursoy, 2016). Burnout is solely tied to work related factors, unlike depression, which affects a person's whole life, and it can have serious effects on employee performance (Maslach et al. 2001).

2.5. Public and private sectors

In Iceland, there are several private sector preschools, however, in this study the author only focuses on preschools within Hjallastefnan ehf. Those schools are very popular and have been controversial in the past due to single gender classes and untraditional toys (Hjallastefnan, 2014a). In this research, the public sector preschools are located in the municipality of Hafnarfjörður and the private sector preschools are located in the municipalities of Hafnarfjörður and Garðabær.

In all fields of the job market there are privately and publicly owned companies and institutions. The government in each municipality runs the public sector companies

and institutions while the private sector is owned and run by either organizations, single individuals or groups of people (Key Differences, 2015).

Given that the author of this thesis has only worked in the public sector, there was a great interest in further studying the difference between the sectors and the job satisfaction of the employees. Preschools are known for low wages and employees decide to work there despite this knowledge. According to Herzberg (1959) and his theory, the wages are just one factor that causes employee dissatisfaction in their work, however, receiving higher wages does not necessarily make them happier in their jobs. This is in line with other research stating that employees in preschools know of the low wages and still choose to work there, as well as studies indicating that wages are not the only key to job satisfaction (Dinham & Scott, 2000; King et al., 2015; Manlove, 1993).

Several studies conducted on the difference between the sectors found no significant results (Crewson, 1997; Gabris & Simo, 1995; Maidani, 1991). Keeping employees happy and motivated is beneficial to every organization, regardless of whether they belong to the public or private sector. Research has, however, indicated that employees within the public sector feel more dissatisfied than employees within the private sector (Karl & Sutton, 1998). The difference between employees in the private and public sectors is that those who work in the private sector are often more inclined towards pay related rewards (Buelens & Van den Broeck, 2007).

It appears that public sector employees will rather choose secure and stable jobs over money (Buelens & Van den Broeck, 2007). According to Karl and Sutton (1998), the best way to motivate public sector employees is by recognizing their hard work. In contrast, for private sector employees the best motivational factor is higher wages and the security of their jobs. Maidani (1991) found that people working for the public sector were usually happier and more inclined towards hygiene factors in their jobs than the ones in the private sector.

2.6. Hjallastefnan. ehf

At the beginning of this century, Margrét Pála Ólafsdóttir founded the company, Hjallastefnan ehf., when she signed a service contract to become a manager for the preschool Hjalli (Hjallastefnan, 2014b). Despite there not being many privately owned preschools in Iceland, the preschool laws state that every municipality can allow other

individuals or organizations to build and manage a preschool or other educational institution (Lög um leikskóla nr. 90/2008).

Margrét Pála ran the preschool for many years, developing a curriculum that was very unique from other preschools. As the years passed, the concept of Hjallastefnan became very popular and now there are 14 preschools and five primary schools in different municipalities working with the Hjalla model Margrét Pála created.

Despite belonging to Hjallastefnan, each preschool has its own principle and works with the same curriculum, published by the Minister of Education, as public schools, focusing on the same goals as them (Mennta- og menningarmálaráðuneytið, 2012). Additionally, the preschools of Hjallastefnan follow their own curriculum, which includes their gender curriculum and how Hjallastefnan intends on teaching the children. The principals are responsible for running the preschool and managing the employees.

The founder has linked together about 500 employees who share her vision and work together to shape the children to become strong, independent and creative adults in the future (Hjallastefnan, 2014b). Their education is partly different from the public preschools because they divide the children based on their gender (Hjallastefnan, n.d.). The aim of the gender curriculum is to give the children opportunities to explore and learn as individuals without stereotyping them based on their gender. The Hjallastefnan board of directors believes that it is necessary to give the public sector educational system a healthy competition, in order to improve the educational system in general (Hjallastefnan, 2014b).

Even though the educational system of Hjallastefnan is very popular, there have been some changes in the last school year (Áslaug Karen Jóhannsdóttir, 2016). The organization had a sizable financial loss last year and a group of people resigned after the founder of Hjallastefnan decided to rejoin the board of directors. The people who resigned were from the board of directors, the chief executive officer, the financial officer and other high ranking employees. Although these employees resigned, they released a statement stressing that the reason for their departure was not disagreement but instead a difference in emphasis. (Ásrún Brynja Ingvarsdóttir, 2016).

It was a joint decision for the board to leave due to the founder wanting to lead the organization through this change, however, everything was done in kindness and

cooperation (Áslaug Karen Jóhannsdóttir, 2016). It is well known that organizations occasionally go through changes and difficult periods and for Hjallastefnan this is not the first or the last time. Nevertheless, they will continue fighting through and will come out of this stronger than ever.

2.7. Preschools of municipality of Hafnarfjörður

The municipality of Hafnarfjörður was founded in 1908 with 1469 residents (Hafnarfjörður, n.d.). Now in the year 2016, there are 28,189 residents (Hagstofa Íslands, n.d.) and 2,039 are children in preschools (Hagstofa Íslands, n.d.). In Hafnarfjörður, there are 16 preschools the municipality is responsible for. Since they are legally the first step in the educational system, the municipality is required to supply children with preschools (Samband íslenskra sveitafélaga, n.d.-c).

The municipalities are responsible for making sure that the preschools under their jurisdiction have financing and are up to the legal requirements regarding education, housing, equipment etc. (Lög um leikskóla nr. 90/2008). In the town council, there is a committee that handles all preschool related issues. In that committee there are representatives from the preschools and parents of the children to make sure they have a say in important matters regarding the preschools.

In every preschool, there is a principal who runs the school on behalf of the local authority. The principal is in charge of running the preschool and making sure its operation is up to code and that they are following the national curriculum, as well as their own curriculum. The principals are also in charge of hiring employees, managing them and ensuring that all work inside the preschool is executed with the children's best interest in mind.

Since the preschools have their own curriculum based on the one published by the Minister of Education, their focus can be on different things. All three preschools that participated in this research differed from one another.

2.7.1 Participating preschools in the public sector

The following preschools participated in this study:

Preschool A has eight departments and uses the Reggio Emilia approach as a foundation for all their work. That approach gives the children the opportunity to control what they will be doing by telling the teachers what they are interested in each

day. Subsequently, the teachers will find assignments and create opportunities to explore that subject further (Katz, 1998). What defines this preschool is creative thinking and their use of materials that others might think is garbage but, for the teachers and the children, is a goldmine for creativity. This preschool also specializes in outdoor teaching and the departments are age combined, meaning there are children from the age of 18 months to six years old in the same department.

Preschool B has six departments and works similar to Hjallastefnan. This means they follow the gender curriculum and divide the children based on gender in order to allow them to learn without gender stereotyping. The preschool became a leading school for language stimulation and has received grants from the European Union to participate in the Comenius Project twice in a row. The Comenius Project concentrates on strengthening the collaboration between teachers in early education (European Commission, n.d.). This preschool is also a certified Eco school, which means it is a part of an environmental program that mentors schools to be sustainable and environmentally friendly (Landvernd, n.d.-a). This environmental program is the largest program of its kind, with over 11 million children in 53 countries participating. It is run by Landvernd, which is the Icelandic Environment Association and gives the schools that meet the program's requirement a green flag, making the effort of the school and the children visible to others (Landvernd, n.d.-b).

Preschool C has five departments and focuses on teaching the children through play, based on their interest and their individual strength. They follow the intelligence theory of Howard Gardner, who said that individuals differ and are stronger in some areas than other (The Education Coalition, n.d.). He identified seven intelligences and stated that it would be in the learning environment's best interest to accept this and teach children according to their strengths because not everyone learns the same way. This preschool also focuses on a positive atmosphere and how everyone, both children and employees, can learn valuable things during their time there. They also stress the importance that the employees enjoy themselves and focus on being creative, solution-oriented and feeling safe and secure enough to trust in their instinct and do the best they can.

3. Research question and hypothesis

The purpose of this thesis is to research if there is a significant difference in job satisfaction and turnover intention between private and public preschools. The preschools were chosen based on location, in order for them to be the most compatible based on the rules and legislations of the municipalities. The research question and the hypothesis was decided before the literature was written

The research questions are:

1. *Is there a difference in job satisfaction between the public and private sector preschools?*
2. *Is there a difference in turnover intention between the public and private sector preschools?*

The hypothesis is:

There is a significant difference in job satisfaction and turnover intention between the public and private preschools.

This is in line with the literature results, which showed that employees within the public sector feel more dissatisfied than the employees within the private sector (Karl & Sutton, 1998). It was also intriguing to examine if some aspects of the working environment caused more satisfaction than others because studies have shown that preschool employees are not there for the wages (Dinham & Scott, 2000; King et al., 2015; Manlove, 1993). In order to discover if there was any significant difference in satisfaction between the sections (belonging to the European employee index questionnaire) and the public and private sectors, the questions were divided into the sections they belonged to and analyzed with the program SPSS.

The questions were:

1. Is there a significant difference in how the employees perceive the image of the organization?
2. Is there a significant difference in how the employees perceive management within the organization?
3. Is there a significant difference in how capable the employees think their immediate supervisor is?
4. Is there a significant difference in employee cooperation and job morale?

5. Is there a significant difference in working conditions and perceptions of the job entailment?
6. Is there a significant difference between wages and conditions?
7. Is there a significant difference in how the employees perceive their opportunity to develop in their jobs?
8. Is there a significant difference between the sectors when it comes to job satisfaction?
9. Is there a significant difference in the engagement of the employees?
10. Is there a significant difference in the loyalty of the employee towards the organization?

In addition, the following questions arose while writing the literature review. This was due to many studies indicating that leadership affects job satisfaction and the importance of it being encouraging and effective in order to motivate the employee (Bogler, 2001; Nguni et al., 2006; Northouse, 2015; Rad & Yarmohammadian, 2006).

1. Does good leadership increases job satisfaction?
2. Are the employees who have been working the longest in the preschool the most satisfied, loyal and engaged in their jobs?

4. Methodology

4.1. The participants

The sample consisted of seven preschools within Hjallastefnan, with 117 employees, and three preschools in the municipality of Hafnarfjörður, with 116 employees. The total number of possible participants was 233 individuals, however, only 54 participated in the research. The questionnaire was sent out to all the preschools where the principals were responsible for sending it onwards to the employees. 98 percent of participants were female and two percent were male. Six did not state their gender. Out of participants, 44 percent work in Hjallastefnan and 56 percent work for the municipality of Hafnarfjörður.

	Hjallastefnan		Preschools of Hafnarfjörður	
	N	%	N	%
Age				
18-29 years	7	33.3%	6	22.2%
30-39 years	6	28.6%	7	25.9%
40-49 years	6	28.6%	7	25.9%
50-59 years			6	22.2%
60 years and older	2	9.5%	1	3.7%
Seniority				
0-6 months	3	13.6%	1	3.6%
6-12 months	4	18.2%	3	10.7%
1-5 years	7	31.8%	11	39.3%
5-10 years	3	13.6%	6	21.4%
10 years or longer	5	22.7%	7	25.0%

Table 3 Overview of age and seniority of the employees participating by organizations

As seen in table 3, the employees participating in this research are mostly under 49 years of age. The employees of Hjallastefnan who participated are younger than those in the preschools of Hafnarfjörður. However, the employees in the preschools of Hafnarfjörður have more seniority than the employees in Hjallastefnan.

The participants were asked about their highest degree in education and 46 percent of them had completed university with a BS or BA degree and 8 percent had a master's degree. Out of the others, 16 percent had finished high school, 22 percent completed college and 8 percent finished technical school.

To be eligible to participate in this research, the participants had to work for either a preschool owned by Hjallastefnan.ehf. or the municipality of Hafnarfjörður.

The preschools from each sector were chosen by location around the municipality of Hafnarfjörður. The participants had to understand Icelandic because that was the language of the questionnaire. It can be questioned whether participation would have been higher if the questionnaire had also been sent out in English, however, the contact persons within the preschools did not think it was necessary. There was no promise of compensation for participating in this research and thus every participant did so voluntarily.

4.2. Measures

The questionnaire used in this research is called the European Employee Index/EEI. An authorization to use the questionnaire was granted from Arney Einarsdóttir to the author of this thesis. The list of questions is used to measure job satisfaction around Europe. It was translated and tested in Iceland and has been used in Icelandic companies since 2004. It is based on the model displayed in figure 1 in chapter 2.2.1 (Einarsdóttir, 2007). The measurement system has 35 questions and the researcher added eight questions, therefore the total of questions was 43.

Several of the added questions had relevance regarding the study because they focused on turnover intention and stress related factors. Other questions added were background questions. Most of the questions were on a 10 point Likert scale, where *strongly disagree* was coded 1 and *strongly agree* was coded 10. In some of the questions, the answers were: *very bad* which was coded 1 and *very good* which was coded 10. The participants also had the choice of the option *I don't know/ not applicable* which was coded number 11 and was excluded from the calculations and coded missing when the SPSS calculations were completed, in order to keep the score valid. As discussed in the literature review, the European employee index/EEI questionnaire is based on a model, which can be seen below again in figure 5 (previously figure 1 in chapter 2.2.1).

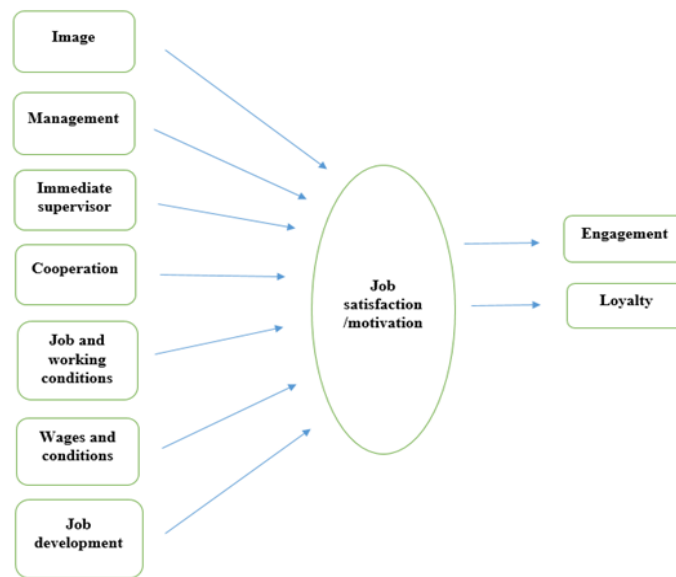


Figure 5 European Employee Index/EEI model (Arney Einardóttir (2007)).

The questionnaire is divided into 10 sections based on the model in figure 5.

Image: Consists of three questions regarding the participants' thoughts on whether the organizations is perceived as a good workplace.

Management: Consists of four questions on how the participants perceive the management.

Immediate supervisor: Consists of three questions on how capable the participants think their supervisor is.

Cooperation: Consists of three questions concerning communication and cooperation within the workplace.

The job: Consists of three questions on the work environment and the amount of workload that comes with the job.

Wages and conditions: Consists of three questions regarding the wages, security and benefits and if those factors are comparable with other jobs.

Job development: Consists of two questions on whether the participant thinks he or she is getting sufficient opportunity to develop in their job.

Job satisfaction: Consists of four questions concerning the factors of satisfaction and encouragement.

Engagement: Consists of three questions on how willing the participant is to work hard in their job and how much they care.

Loyalty: Consists of three questions on the participant's willingness to stay with the organization and if he or she is actively seeking another job.

The other questions asked were from the same database as the EEI questions and concerned stress related factors and if the participants ever felt down because of their jobs or did not want to show up for work at all. This was relevant because of the high turnover of employees in the preschools, regardless of sector (Ealias & George, 2012; Kennarasamband Íslands, 2015; Statistics Iceland, n.d.-b; Wells, 2015; Weisberg & Sagie, 1999). Additionally, there were questions on compliments and challenges, in order to gain a better overview of the satisfaction status of the employees. Background questions were also asked on gender, age, education and seniority within the organization. The questions included in the questionnaire will not be included in the appendix due to ownership rights.

4.3. The process

The materials used for this research were the web page, [surveymonkey.com](https://www.surveymonkey.com), which was used to make and send out the survey to participants. For the public preschools, the researcher sent the link of the survey and a cover letter directly to the principals of each participating preschool from the municipality of Hafnarfjörður. Then, in order to send out the survey to the private schools of Hjallastefnan.ehf., the online questionnaire and the cover letter was first sent to a contact person. The contact person then forwarded it to the principals of the participating preschools. The participants were required to have access to a computer with internet and given time to answer the questionnaire. In the cover letter, the researcher introduced herself and the purpose of the research was stated. The participants were told that they were not obligated to answer the questionnaire and that they could skip individual questions if they felt like it. However, the importance of participation was mentioned for the results to be significant.

The questionnaire was sent out to the preschools from the municipality of Hafnarfjörður on February 29th and to the contact person in Hjallastefnan.ehf on March 2nd. The preschools had five days to answer the questionnaire and then an e-mail of encouragement was sent out. The participation was very slow and three times an e-mail

was sent and phone calls made to encourage the employees to participate. The questionnaire was open for a total of three weeks in order to get as many participants as possible. After the questionnaire was closed, the data was interpreted with the use of excel and IBM SPSS statistics. To make the calculations easier when the data was entered into IBM SPSS statistics, new variables were made. Those variables were created from the questions that defined the sections of the questionnaire. For example, Image contained all the questions related to that section.

4.4 Statistical analysis

The purpose of the study was to examine if there was a difference in job satisfaction and turnover intention within the preschool sectors. Therefore, the dependent variable in this study is job satisfaction and turnover intention and the independent variable are the public and private sectors.

For the interpretation of the data that emerged from the answers of the questionnaire, the program SPSS statistics 23 was used. First, the answers were copied to excel and altered to fit the SPSS program and then when it was ready and correctly coded, it was transferred to SPSS. In order to be able to compare the two sectors, an independent samples t-test was conducted and the mean scores compared. However, when the sections in the questionnaire were analyzed, a one-way analysis of variance test was conducted for each section of the EEI questionnaire.

To be able to calculate whether the questionnaire is reliable, the Cronbach alpha coefficient for any inconsistencies is used (Pallant, 2013). When the results from the Cronbach alpha come out, the ideal number is 0.7. However, this test is sensitive to the size of the scale and when the scale is small in size the number is usually lower than the ideal one, or close to 0.5.

Before conducting all the tests needed to answer the research questions and hypothesis, the variables in each section were combined into one variable to make the SPSS calculations simpler.

The questionnaire as a whole, except for the background questions, was put together into one variable and the Cronbach alpha was 0.915. When the questionnaire was divided into sections, in order to fit the research questions better, the Cronbach alpha was also tested.

Table	
	Cronbach alpha
EEl total	.915
Image	.821
Management	.936
Immediate supervisor	.888
Cooperation	.838
Job and conditions	.603
Wages and benefits	.474
Job development	.821
Job satisfaction	.810
Engagement	.804
Loyalty	.765

Table 4 Cronbach Alpha

Every one of those merged variables was higher than 0.7, except one. The variables containing questions about wages and benefits was only 0.474. However, Cronbach alpha calculations are sensitive to scales that do not include many items, thus the result does not necessarily mean anything.

5. Results

The results are divided into four sections. First, the mean scores from the Employee Index Questionnaire will be analyzed and the research question of whether there is a difference in job satisfaction between Hjallastefnan and the preschools of the municipality of Hafnarfjörður will be answered. In the second section, the second research question on the difference in turnover intention between Hjallastefnan and the preschools of the municipality of Hafnarfjörður will be examined. In the third section, the additional question concerning whether good leadership increases job satisfaction, is answered. In the fourth section, the second additional question of whether the employees who have been working the longest in the preschools are the most satisfied, loyal and engaged in their jobs is answered. Given the low participation rate in the survey, only one section was significant when the whole questionnaire was put through a t-test.

5.1. Research question 1

To be able to answer the first research question, if there is a difference in job satisfaction between Hjallastefnan and the preschools of the municipality of Hafnarfjörður, an independent sample t-test was conducted. Also in order to find the mean scores for every single section belonging to the questionnaire, the same independent t-test was used. The mean scores will be analyzed from the EEI questionnaire and the research question will be answered.

As shown in table 5 in p.44, the t-test provided information on the questionnaire in whole and the mean score from Hjallastefnan was 8.19 and for the preschools of Hafnarfjörður the mean score was 7.99 (The Likert scale was from 1-10, where 1 was *strongly disagree* and 10 was *strongly agree*). Which indicates that the employees working for Hjallastefnan are somewhat more satisfied with their jobs than the employees belonging to the preschools of Hafnarfjörður. However, as stated earlier the results are not significant because of poor participation in the study.

	Hjallastefnan			Preschools of Hafnarfjörður			t-test for Equality of Means		
	N	Mean	St.dev.	N	Mean	St. dev.	t	df	p
Overall job satisfaction	22	8.19	1.191	28	7.99	0.891	0.683	48	.498
Image	22	7.86	2.092	28	8.27	1.798	-0.748	48	.458
Management	20	8.65	1.689	28	8.26	1.641	0.804	46	.425
Immediate supervisor	21	8.57	1.710	28	8.82	1.171	-0.608	47	.546
Cooperation	22	8.50	1.683	28	8.42	1.236	0.202	48	.841
Job and working conditions	22	7.64	1.360	28	6.36	1.504	3.111	48	.003*
Wages and benefits	20	8.15	1.340	23	7.36	1.239	2.002	41	.052*
Job development	20	8.20	2.003	27	8.28	1.583	-0.149	45	.882
Job satisfaction	19	8.17	1.566	27	7.89	1.366	0.649	44	.520
Engagement	20	8.62	1.343	27	8.83	0.903	-0.643	45	.524
Loyalty	19	8.67	2.061	24	8.42	2.029	0.398	41	.692

Table 5 Descriptive statistics for all aspects of job satisfaction

As stated above, the results from table 5 indicate that the employees in Hjallastefnan were somewhat more satisfied, than the ones in the preschools of Hafnarfjörður when the questionnaire as a whole was tested using a t-test. However, when the questionnaire is divided into sections, the mean scores differed.

The mean score for “job and working conditions” is the first one where there is a significant difference as can be seen in table 5 above. The mean score for Hjallastefnan is 7.64 and for the preschools of Hafnarfjörður the mean score is 6.36. This tells us that the employees within Hjallastefnan are more satisfied with their job and their working conditions.

The mean score for “wages and benefits” was marginally significant ($p=.052$ seen in table 5). The mean score for Hjallastefnan was 8.15 and 7.36 for the employees of the preschools of Hafnarfjörður. This result demonstrates that the employees within Hjallastefnan are more satisfied with their wages and benefits than their colleagues in the public sector.

After analyzing the means of the whole questionnaire in table 5, the only sections within the questionnaire that were significant are the “job and conditions” and “wages and benefits” sections. As noted before, the participation in the survey was very poor and almost every test conducted was not significant. Therefore, to be able to get one significant answer and one marginally significant answer was exciting. This result shows that for the preschool employees, the wages and job conditions matter and affect job satisfaction, which is in line with the literature review.

From these results in table 5, it can be concluded that the employees in both sectors are very satisfied in their jobs because the mean score is very high given the

Likert scale was from 1-10, where 1 was *strongly disagree* and 10 was *strongly agree*. However, the result indicates that there is a difference in job satisfaction between the sectors and Hjallastefnan has higher job satisfaction than the employees within the preschools in Hafnarfjörður. Nevertheless, the small sample size might not give the correct results and is therefore insignificant.

5.2. Research question 2

In order to answer the second research question, which was whether there is a difference in turnover intention between Hjallastefnan and the preschools of the municipality of Hafnarfjörður, an independent samples t-test was conducted.

As shown in table 6 below, the means are very similar between the sectors.

	Hjallastefnan			Preschools of Hafnarfjörður			<i>t</i>	<i>df</i>	<i>p</i>
	N	Mean	Std. dev.	N	Mean	Std. dev.			
I rarely look for another job	22	8.64	2.460	27	8.33	2.801	0.398	47	.693
I wish to stay with the company for the next two years	19	8.26	2.746	25	8.12	2.759	0.171	42	.865
I often experience stress related symptoms because of work	22	5.23	3.337	26	5.58	2.914	-0.388	46	.700
I often get depressed because of my job	22	3.05	2.609	27	3.52	2.408	-0.659	47	.513

Table 6. Descriptive statistics for turnover intention

When analyzing table 6, it can be seen that the employees in both sectors are not in an active job search and they wish to stay with the organization, because both mean scores were above 8 (The Likert scale was 1-10 where 1 was *strongly disagree* and 10 was *strongly agree*). The question on feelings of depression with regards to work was quite positive for both sectors. The mean score for Hjallastefnan was 3.05 and for the employees in the preschools of Hafnarfjörður the mean score was 3.52 (The Likert scale was from 1-10 where 1 was *strongly disagree* and 10 was *strongly agree*). This indicates that the employees in both sectors do not feel depressed because of work and work-related incidents. However, the experiences of stress symptoms were not very positive for either sectors, with a much lower mean than the questions before. The mean for Hjallastefnan was 5.23 and for the employees of the preschools of Hafnarfjörður it was 5.58 (The Likert scale was from 1-10 where 1 was *strongly disagree* and 10 *strongly agree*).

However, because of the small sample size, the results in table 6 were not significant. Nevertheless, they might indicate that the employees in both sectors have no intention of leaving the organization even though the environment is stressful at times.

Since both research questions have been answered, the hypothesis can be addressed. The hypothesis was: *there is a significant difference in job satisfaction and turnover intention between the public and the private sector preschools*. According to the results, there is not a significant difference between the sectors, however, the results might differ with more participants.

5.3. Other results

According to the literature, leadership can have a positive impact on employees' satisfaction (Rad & Yarmohammadian, 2006) and therefore, an interest arose to test that theory further. In order to be able to answer the question of whether good leadership increases job satisfaction, a Pearson's correlation was conducted in SPSS. The reason for doing Pearson's correlation is because "the correlation is used to describe the strength and direction of the linear relationship between two variables" (Pallant, 2013, p. 133). The table below shows the result of the correlation.

	<i>r</i>	<i>p</i>	<i>N</i>
Image	.582	<.001	54
Management	.831	<.001	52
Immediate supervisor	.694	<.001	53
Cooperation	.812	<.001	51
Job and conditions	.582	<.001	51
Wages and benefits	.580	<.001	43
Job development	.870	<.001	47
Job satisfaction	.824	<.001	46
Engagement	.792	<.001	47
Loyalty	.829	<.001	43

Table 8 Pearson's correlations between each section and overall job satisfaction

The table demonstrates the relationship of each section of the EEI questionnaire and the overall job-satisfaction variable. The Pearson correlation (*p*) is always significant. The total number of participants in the research was 54 and therefore the number of cases (*N*) is correct in all sections.

In table 8, the *r* is always positive but the strength is different. By looking at the table above, the strongest linkage to job satisfaction is job development with *r*: 0.870. However next in line is management with *r*: 0.831.

According to table 8, to be able to answer the question, which was that good leadership increased job satisfaction, the focus has to be on the r in table 8 because that determines the size of the correlation. When looking at the two variables related to management, the results are that good management increases job satisfaction by r : 0.831 which is 69 percent. Immediate supervisor had a r : 0.694 which is a 48 percent increase in job satisfaction. By calculating the percentage of the correlation, the coefficient of determination has been found (Pallant, 2013). Therefore, the answer to this question is yes, good leadership increases job satisfaction. However, because of the small sample size the numbers can be skewed and consequently the result is not significant.

Another interest sparked while writing the thesis and inspired the question: *are the employees who have been working the longest for the preschool, the most satisfied, loyal and engaged in their jobs?* In order to answer this, a one-way analysis of variance or one-way ANOVA was implemented and the results can be seen in table 8 below. The job satisfaction questions, the loyalty questions and the engagement questions were the dependent variable and the number of years working for the organization was the independent variable.

		Descriptives						
		N	Mean	Std. Deviation	95% Confidence Interval for Mean		Min.	Max.
					Lower Bound	Upper Bound		
Loyalty	Less than 1 year	10	9.27	1.040	8.52	10.01	7	10
	1-5 years	15	8.33	2.024	7.21	9.45	4	10
	5-10 years	7	8.24	2.917	5.54	10.94	3	10
	More than 10 years	11	8.30	2.157	6.85	9.75	4	10
	Total	43	8.53	2.023	7.90	9.15	3	10
Engagement	Less than 1 year	11	8.85	.970	8.20	9.50	7	10
	1-5 years	18	8.81	.826	8.40	9.23	7	10
	5-10 years	7	8.52	2.098	6.58	10.46	4	10
	More than 10 years	11	8.64	.888	8.04	9.23	7	10
	Total	47	8.74	1.103	8.41	9.06	4	10
Overall job satisfaction	Less than 1 year	10	8.45	.956	7.77	9.13	7	10
	1-5 years	17	8.07	1.497	7.30	8.84	4	10
	5-10 years	8	7.66	1.711	6.23	9.09	5	10
	More than 10 years	11	7.75	1.589	6.68	8.82	5	10
	Total	46	8.01	1.442	7.58	8.43	4	10

Table 8 Descriptive statistics for engagement, loyalty and job satisfaction by seniority

According to table 8, the mean score for loyalty was the highest amongst employees who had been working with the organization for one year or less. The highest mean

score was 9.27 but the lowest was 8.24, which belonged to the employees who had been working for the organization for 5-10 years.

The highest mean score for engagement within the organization belonged to the employees who had been working for one year or less. The highest mean score was 8.85 and the lowest was 8.64 which belonged to employees that had been working for 5-10 years

According to the results in table 8 of the calculations from the one-way ANOVA test, the employees who had been working for the organization for one year or less were the most engaged, loyal and satisfied in their jobs. The highest mean score was 8.45 but the lowest 7.75 belonged to employees who had worked with the organization for 5-10 years.

According to this, there is no significant difference in loyalty between seniority of the employees. Loyalty: ($F(3, 39) = 0.566, p = .641$). Engagement: ($F(3,43) = 0.175, p = .913$). Furthermore, there is no significant difference in engagement between seniority of the employees. Job satisfaction: ($F(3,42) = 0.584, p = 0.629$). Also according to this, there is no significant difference in job satisfaction between seniority of the employees.

The difference is not significant (see table 8 p.47) but it indicates that both job satisfaction and loyalty start out very high for new employees and wanes as the years go by. That is not the case with engagement, the employees seem to start out highly engaged with something occurring around the five-year employment mile stone. Then the engagement factor picks up again after 10 years or more working for the organization. However, according to these results, the employees who have worked for the organization for one year or less seem to be more engaged than the employees with more seniority.

These calculations in IBM SPSS statistics answered the research questions, which were if there was a difference in job satisfaction between the sectors and if there was a difference in turnover intention between the sectors. According to the calculations, there was a difference, however, because the sample was so small the results were not significant. The additional questions were three. The first concerned whether there was a difference between the sectors if the questionnaire was divided into sections. The results were that there was, in fact, a difference. The second question was on whether good leadership increases job satisfaction and the third one was on whether

the employees who have been working the longest in the preschools were the most satisfied, loyal and engaged in their jobs. According to the calculations, the results were that good leadership increases job satisfaction and the employees who have worked in the preschools for one year or less were the most satisfied, loyal and engaged in their jobs.

6. Discussion

This research was a great opportunity for the author to explore both fields that interest her, preschools and human resource management. The hypothesis was put forward because it was suspected that the employees in both sectors were satisfied in their jobs. However, the difference was something the author was excited to research because of the rumor that the private sector gives higher salaries and greater benefits. Therefore, a difference between the sectors, with regards to job satisfaction and turnover intention, was hypothesized. Nevertheless, when speaking to the contact person within Hjallastefnan, the only difference was that the employees are one step above in the pay grade given by the unions.

The results from the questionnaire were somewhat surprising and the answers were very positive. The first research question was: *is there a difference in job satisfaction between public and private sector preschools?* Overall, the results indicated that both sectors were very satisfied in their jobs, with the employees in Hjallastefnan being more satisfied. However, there was not a significant difference in the results due to a low participation rate and thus the findings were not conclusive. This result is in line with what Karl & Sutton (1998) found in their study, which was that employees in the private sector are more satisfied. However, other studies have found that there is no significant difference in job satisfaction between sectors (Crewson, 1997; Gabris & Simo, 1995; Maidani, 1991).

In addition, no significant difference was determined with regards to the second research question, which was: *is there a difference in turnover intention between public and private sector preschools?* The results indicated that employees in both sectors were satisfied and wanted to stay with the organization for a long time. However, after the financial crisis of 2008, it was difficult to find employment but now the job market is picking up again. Hopefully, the preschools will not experience the same problem of acquiring and retaining employees that they had before the financial crisis. Nevertheless, the turnover rate within the preschools is high and according to Whitebook and Sakai (2003), turnover is the worst within preschools. Hopefully that

will change in the future and employees will stay with preschools, regardless of which sector they work in, and educate the children of the future with a smile on their face and happiness in their hearts.

The most interesting result from the research was that the most recent employees in both sectors were the most engaged, loyal and satisfied. This is surprising because it is in contrast with other studies examined during the writing of this thesis. Manlove and Guzella (1997) discovered that younger employees and employees who have worked a short time in an organization are more likely to leave their jobs. Other studies also indicate that the shorter the amount of time employees work within an organization, the more likely it is that they will leave (Meyer & Allen, 1988). As employees get older and the longer they work within a company, the more the engagement factor seems to increase again. This could be in line with another finding from Meyer & Allen (1988) and Meyer et al. (2002), where they found that long term employees may be more committed because of limited job options and are staying with the organization because of a need rather than a desire to work there.

The reason why the employees who had worked the shortest amount of time in the organization were the most engaged, satisfied and loyal, could be that the employees who participated in the research were the most engaged in both sectors since the participation rate was very slim at 23 percent. The reason for the high participation from young employees is potentially due to their technological skills and that they might have participated in the research through their phones instead of waiting for the computer in the preschool to become available. Another reason could be that, out of the employees over the age of 50 in both sectors, only 9.5 percent in Hjallastefnan and 3.7 percent in the preschools of Hafnarfjörður answered the questionnaire. Moreover, the majority of employees in both sectors was under 40 years old (Table 3, p.37).

The questionnaire was divided into 10 sections in order to see if there was a difference between the public and private sectors within each of the sections. The results indicated that the employees in the preschools of Hafnarfjörður were very positive about the image of their organization and their results were higher than the ones from Hjallastefnan. This could be due to the problems Hjallastefnan has been having in the recent year, both financially and with the replacement of the executive board at the time the questionnaire was sent out (Áslaug Karen Jóhannsdóttir, 2016).

The difference between the public and private sectors in this research is not very significant, except in the job and conditions section, on the one hand, and the wages and

benefits section, on the other hand. This can be due to the ownership of the organization. Many private companies have more financial resources (even though they are both mostly funded by the municipality where they are located) and in the educational field the public preschools have been struggling since the economic collapse in 2008 (Haraldur Bjarnason, 2011). The wages and benefits are higher in Hjallastefnan because they have more leeway and the employees are satisfied with that even though the salaries within the preschools are not considered high. But that is in line with Herzberg's research, where he discovered that wages are only one piece of the puzzle that causes dissatisfaction at work. Furthermore, he also found that higher wages do not necessarily make employees more satisfied (Herzberg, 1959). Studies have shown that early childhood educators usually do not allow wages to be the only reason for leaving their jobs because it is well known that they are among the lowest paid professions in the educational system (King et al. 2015).

Many aspects of the job affect work satisfaction and leadership is one of them. Leadership is important and employees need to know what the purpose of their job is, in order to be able to assist their leaders towards the final goal. The results of this research showed that good leadership is very important for job satisfaction. Therefore, the author of this study believes that more emphasize should be on management when teaching preschool teachers. The employees within preschools come from different backgrounds, however, most of the heads of departments are usually educated preschool teachers and are responsible for their departments, including both the employees and the children. That is why it is essential for departmental heads to know how to manage people and keep the employees satisfied and aware of what is expected of them. The preschool teachers get a lot of education on the children, their education and wellbeing, but there is a lack of a management focus within the curriculum (Háskóli Íslands, 2016). Hopefully that will change in the future, in order to make preschool teachers better managers overall.

The reason why the employees chose to work for either sector is something that the author of this research would have wanted to know when writing this thesis. Since the results do not indicate much of a difference, the reason for choosing to work for either the preschools of Hjallastefnan or the public preschools is fascinating and something to consider for future research. According to the literature review, the difference between the employees in the public and private sectors is that the ones who chose the private sector are more attracted to pay related rewards (Buelens & Van den Broeck, 2007).

The only somewhat negative result from the results of the questionnaire were concerning stress factors at work. Both sectors experienced stress related symptoms because of their job, but that is a well-known factor within the preschools. According to another study, the stress level in preschools is very high and because of that there is a high chance of burnout amongst the employees (Weisberg & Sagie, 1999).

6.1. Limitations and follow up

The research may not give an accurate outcome of the satisfaction of the employees because of the low percentage that participated in the study. There are 233 employees, in total, who work in all the participating preschools. However, for some reason only 54 employees answered the online questionnaire, which gives only a 23.2 percent participation rate. Nevertheless, the sectors answered rather evenly in spite of poor participation.

The problem is attributable to the fact that the employees within the preschools are not working with computers and focus on the children all day. Therefore, during their short coffee break, they might not feel like answering a survey. The author of this research asked the principals if the participation rate would be greater if the questionnaire would be printed and filled out during work hours. However, this was not an option because the preschools were having problems. The flu was going around and there was a heavy workload on the employees at the time of the questionnaire.

Although the participation was not great enough to give a good sample of the two sectors, the common thread throughout the answers was that employees in both sectors are very satisfied in their jobs and have no intention of leaving any time soon.

If the author would conduct a follow up and repeat the research, the focus would be to get a better participation rate and with that, a better overview of the difference in satisfaction and turnover intention between Hjallastefnan and the preschools of Hafnarfjörður or any other public sector preschools. The most convenient time for the questionnaire would be November, because then the youngest children have adjusted to their new environment and the Christmas season has not started. Therefore, that is a great window of opportunity to go inside the preschools and hand out the questionnaire, given an online questionnaire does not work well enough for employees who do not spend all day on computers.

7. Conclusion

As far as the author of this thesis can tell, this comparison between Hjallastefnan and the public preschools has not been conducted before. Studies have been done on job satisfaction within Hjallastefnan, as well as studies on the public sector or other preschools in other municipalities, but no research compares the two. This was an interesting subject and even though the participation was not what it could be, the results were positive for both sectors.

The employees in Hjallastefnan are, according to the results from this research, more satisfied in their jobs than the employees in the preschools of Hafnarfjörður. However, the difference is little and with the sample being so small, this difference is not significant. Employees in both sectors were very satisfied in almost all aspects that were asked about in the questionnaire. The same result emerged with regards to turnover intention in both sectors. The employees had no intention of leaving their jobs in the near future and were proud of their workplace.

Employees in preschools seem to enjoy their jobs, the children and the co-workers all contribute to a happy workplace. Since the employees are aware of the low wages beforehand, it is not a significant factor in their job satisfaction and decision on whether to stay with the organization.

Because of the poor participation in the research, the outcome is not what the author of this thesis would have liked it to be. Nevertheless, a positive factor is that those who answered were quite satisfied in their jobs, regardless of sectors.

Thus, the conclusion is that there is not a significant difference in job satisfaction and turnover between Hjallastefnan and preschools belonging to the municipality of Hafnarfjörður. The preschool employees are overall very positive and satisfied with their jobs and do not focus on the negative elements of their working environment.

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