

Brain Drain to Singapore: A Conceptual Framework of Malaysians' Diaspora

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Abstract: The prime objective of this study is to classify the reasons behind the talented Malaysian accounting professionals' movement to Singapore? Indeed, the brain drain phenomenon is of growing concern worldwide due to its huge economic impacts on developing economies. About 34% of Malaysian accountants have migrated to Singapore, thus, the brain drain phenomenon has become critical issue for Malaysian professionals and warrants immediate attention. This study looks at the factors that have led to Malaysian accounting professionals to move, i.e., brain drain to Singapore and be determined to put forward labors in order to overcome this phenomenon.

Key words: Brain drain, voluntary job turnover, employee personality, accounting professionals, Malaysia, Singapore

INTRODUCTION

Although, it is quite surprising but true that according to World Bank (2011) report, about 3% of world population are working and permanently living in the country other than the country of origin. This huge amount of movement across the international borders has certainly massive economic, social and cultural implications for both nations, i.e., country of origin and the country of destination. Some researchers claim it as the migration of human resources; some call it as brain drain from developing to developed countries with the expectation of better compensation and desired employment opportunity. Truly speaking, financial instability and job insecurity ultimately lead to such a massive migration. This concept of peoples' movement has been referred to as the 'brain drain' in this study. To be more specific, the brain drain phenomenon has been defined as the continuous flow of highly qualified professionals to relatively rich country for better financial prospects and desired career opportunity (Mountford, 1997). Although, it is not a new phenomenon yet until recently, the impact of migration of skilled professionals on both countries was still highly under-researched. Furthermore, there is still more debate about it and there is no clear indication about the factors that really push the professionals to make such critical decisions to leave. The plausible reasons for such inadequate research on this

issue might be the unavailability of reliable data and the political sensitivity of the issue may demotivate the researchers to carry out research initiatives.

Singapore has been known as the best provider of working environment, facilities and infrastructure to her all citizens. It is one of the best countries to live and work owing to its stable political climate, top-notch moving, healthcare system, social security and leisure diversity. Singapore is also ranked number one for labor force in terms of workers productivity and the overall attitude as displayed by superior business performance with advanced technology and low labor unit costs in relation to the value of goods and services produced. In addition to these, tax system is a huge incentive for professionals working in Singapore. The top personal income tax rate is as low as 20% flat enabling its residents to retain a higher portion of their income and it is quite low as compared to other developed nations such as Australia, Canada, UK and USA.

Moreover, the unique advantage that country provides the westernised environment where English is widely spoken which is not a well accepted language in Malaysia. The city is also known as the melting pot of multi-cultures and the expatriates find it easier to settle down here. The country has some of the world class educational institutes and health care services with affordable costs. Most importantly, it has ensured a safety and secured environment for her citizens and

expatriates with extremely low crime rates. Finally, multinationals find it easy to set up their operations and it is relatively simple and quick to relocate their staff due to simple and friendly work visa policy in Singapore. And finally but not least, the Singapore government has progressively modified the current immigration framework to attract those highly qualified professionals, businessman and entrepreneurs (Kaur and Metcalfe, 2007). That is why, Singapore is for many expats still a number one destination for living and working.

Concept of brain drain: The terms ‘brain drain’ has been conceptualized as emigration of highly-skilled individuals with a superior academic or professional degree beyond high school (Beine *et al.*, 2001). Others recognized as the human capital flight. According to Iravani (2011), the concept of brain drain may refer large flight of talented individuals to other than the country of origin. In simple terms, the concept of brain drain explains the fact that a country is losing its most skilled and talented professionals while other country is receiving them. However, the consequences of brain drain from the both perspectives, i.e., of the country of origin and the country of destination is yet to discover. Looking back to few decades before, this phenomenon was initially coined in the early 1960s to describe the migration of British scholars to United States. And scholars pointed that the negative effects of the loss of qualified professionals for exporting countries or the country of origin (Teferra, 2000). Since then, this concept has become the part of globalization process and such movement of professionals or migration has become very popular in the past few decades (Malhotra, 2009) and the majority of brain drain occurs from relatively developing to developed nations. This massive movement of talented professionals indeed may slow-down the desired economic growth of the country of origin (Carrington and Detragiache, 1999).

Undoubtedly, it is true that the intellectuals of any country are some of the most expensive resources because of their education and training that a country invests on every potential individuals. Realistically, an individual professional when ready to payback in terms of contributing to the economic growth to his/her nation rather than the other country, brain drain may not occur. But if the case is otherwise, i.e., individual professional leaves the country of origin, then the material cost, time and the cost due to lost opportunity (Dodani and LaPorte, 2005) will arise. This brain drain translates into a loss of skilled resources for country of origin while directly benefitting to the country of destination. Theoretically, there are some theories that

actually explain such relationship, i.e., nation’s human capital stock and the capacity of its economic development (Cassarino, 2004). For example, the theory of international labor migration has clearly explained such relationship while the human capital theory has also defined clearly the relationship between economic growth and human capital. The theory argues that the highly educated and skilled people are in the driving seat to move forward of such economic growth of a particular nation. Thus, the higher education institutions should play the major responsibilities in order to provide training to higher level professionals, technical and managerial personnel. This is the secrets behind of all developed countries and their economic development. Truly, the higher educational institutions not only provide better education to their citizens but also it ensures various training to develop their human resources at different levels. Malaysia is quite exception to this matter. In fact, Malaysia is experiencing a huge amount of exodus of talent among the Asian countries. Indeed, the education system of Malaysia, perhaps fails to deliver the adequate training and skills required to nurture the talent in one hand and the country has not been able to retain local talent of all races nor attract foreign talents either due to the poor career prospects along with insufficient high-skilled jobs.

History of brain drain in Malaysia: The concept of brain drains in the context of Malaysia first came into limelight in 1963 in the form of tertiary education to overseas. With a very few institutions of higher education, Malaysia has now extended immensely over the last four decades through the organization of first and second tier establishments in both public and private sectors. The major functions of higher educational institutions are to promote the national integration and the unity to provide trained and skilled human resources and to rectify the current and existing inequalities in educational opportunities among the racial groups (Sharom, 1985). However, in the case of Malaysia, the government views access to higher education as a means of restructuring the Malaysian society which resulted more educational opportunities particularly to the Bumiputras, the native of soil. Frankly speaking, this initiative taken by Malaysian government ultimately increases the brain drain in Malaysia due to the deprived opportunities for other communities, i.e., Chinese and Indian.

Malaysian government introduced a policy called ‘racial quota’ in order to implement this initiative. The policy highlighted that students’ admission to public institutions especially for higher education and also the appointment of academic and non-academic staffs in

these institutions are completely based on racial quota in favor of Bumiputras. This policy also favors Bumiputras as far as the key administrative positions in the academic institutions are concerned (Jaspir, 1989). Realistically, due to this quota system, a good numbers of qualified and talented students from other communities are denied to offer a place locally thus many students prefer to leave the country for higher education especially those who can afford the high cost outside. Unfortunately, even after completing of higher education at abroad, many of them denied to come back, rather started working and living there leaving the country of origin behind. And as a matter of fact, the concept of brain drain starts from this initiative of quota policy among the races in Malaysian society. Initially, it was only the issue of higher education at abroad, however, the present situation is quite alarming because of the increasing numbers of Malaysians high skilled professionals are moving towards the developed countries, for example, Singapore, Australia and also to the USA, UK, Hong Kong just to name a few.

In general, the migration has significantly increased globally in last few decades, i.e., between 1960 to early 2005 averaging almost a million per nation (World Bank, 2005). This is quite alarming situation as far as global brain drain is concern. However, it is even worst in case of Malaysians brain drain phenomenon. For instance, early 1960s about 10,000 Malaysians left the country of origin for higher study and also involved in other professions. This figure has increased to almost 1.5 millions in 2005, i.e., about 150 times more according to WB report, 2005. This statistic truly highlights the issue of brain drain and raises the question of why Malaysians professionals are leaving their country and working and living in the host country. Realistically, Malaysia is losing her talents at extremely higher rate than that of any other nations in the World. In a recent study of Jauhar and Yusoff (2011) has also acknowledged that Malaysians' human capitals are moving out of the country with relatively at higher rate. They also pointed out that the diaspora to other nations has also caused many problems for the government in various sectors. However, it severely affects the accounting professionals in Malaysia and there is evidence that about 34% of total accounting professionals in Singapore are Malaysians, living and working in Singapore permanently and in fact, this massive brain drain has caused shortage of accountants in Malaysia (Jauhar and Yusoff, 2011). The study stated that Malaysia will face a shortage of 60,000 accounting professionals by the time when Malaysia finally receives the status of a developed country.

What could be the reasons for such a massive brain drain for Malaysians' professionals, particularly to its

neighboring country, Singapore? There might be many factors behind this such as lack of desired job opportunities, lack of higher education opportunities and most importantly lower cash benefits and incentives and career dissatisfaction could trigger this issue (Choong *et al.*, 2013). Similarly, the president of Malaysian Institute of Accountants (MIA) has also expressed his concerns that professionals are migrating for better career opportunities, higher pay and better perks. He also said that this is the peak time to consider about this phenomenon of massive diaspora and need to take necessary steps before it goes beyond our capacity to handle the situation. Practically, the big dilemma is high demand of accounting professionals worldwide in one hand while at the same time Malaysia is experiencing a steady outflow of accounting experts to China, Hong Kong, Singapore and more recently to UK. Moreover, the introduction of new accounting standards in UK and USA actually drew attention of Malaysians accounting professionals to move over to those countries which ultimately make the brain drain situation even worse for Malaysians professionals (Loh, 2013).

Realizing the worse situation of Malaysians accounting professionals' brain drain phenomenon, accountants pay cheque has continued to improve time to time over the last few years and also attention has been given to ensure quality work-life balance for these professionals. Moreover, there is a positive perception of the organizations to understand what people wants and addresses the issue on how to retain talent for individual organization and for the country of origin in general. In order to control the high rate of brain drain, the WB senior economist Schellenkens (World Bank, 2011) has suggested that poor compensation is one of the top three driving factors along with career prospect and social justice for Malaysians diaspora and Malaysian government should pay more attention to these areas of interest of professionals in order to limit the brain drain.

HYPOTHESIS DEVELOPMENT

Earlier, it was found that there are some factors actually contribute to decision making of skilled professionals living and working at abroad. In the context of Malaysia these factors are attractive compensation and benefits package, career opportunities, quality of social and cultural life, discrimination among the communities and finally family influence play positive role while professionals decide to move out other than the country of origin for living and working (Malaysian Economic Monitor: brain drain, 2011). Based on two factor theory originally developed by Luthans and Doh (2009) argued

that hygiene and motivator factors ultimately shape the employees' job satisfaction which in turn shape up their behaviors. According to theory, expanded job scope and better job opportunity for career advancement are categorized as the motivator for employees while higher salary as the hygiene factors. Frankly speaking, in the context of Malaysia accounting professionals were not satisfied with their jobs because of relatively poor compensation and less benefits. Hence, professionals prefer the other option, i.e., moving to those countries where they will have better financial package and other benefits. That is why, higher salary and better perks have been added to our research framework with the expectation that this factor may positively influence Malaysian brain drain phenomenon of accounting professionals in particular. The first hypothesis is:

- H₁: higher salary and better benefits are expected to influence positively to brain drain of Malaysian accounting professionals to Singapore

In the study by Huang *et al.* (2007), quality work life has been identified as one of the most important elements in the working environment. They refer it as favorable conditions in work and family perspectives, work-life balance and supervisory behavior. Truly, the most previous studies have demonstrated the importance of personal and professional life, i.e., work-family balance, however, quality work life and job related attitudes and behaviors were relatively given less priority (Huang *et al.*, 2007). It can be argued that employees' overall perceptions and attitudes about the organizations and the jobs they are performing will actually determine their behaviors. The literature review has indicated that different dimensions of quality work life result in distinctive effects on organizational and career commitments and turnover intention. That is why, it is assumed that this factor may influence accounting professionals' diaspora to other countries with the expectation of having quality work life which perhaps not found in home country. Thus, researchers have included the variable quality work life-QWL as the potential predictor of the accounting professionals' brain drain phenomenon in Malaysia. Therefore, the second hypothesis is:

- H₂: quality work life is expected to influence positively to brain drain of Malaysian accounting professionals to Singapore

According to Kapur and McHale (2006), the ease of immigration procedures is one of the most prominent driving factors for brain drain phenomenon. In other

words when developed countries introduce skill focused immigration policy in order to attract and recruit the most potential professionals from developing countries, the brain drain occurs from developing to developed countries such as Australia and Canada are pioneers in this regard. In recent years, both have steadily increased the share of immigrants coming through the skill stream. Germany on the other hand, introduces green card program to offer temporary visas for skilled workers and also offered new opportunities for permanent migrants. USA is also quite successful in recruiting the best potentials around the world through various scholarship schemes in higher studies at the beginning and later on offering better job opportunities. The government also makes it easy and available the grant of professional visas. In fact, this is a quite common picture for all developed nations. That is why, we conceptualize that the ease of immigration procedures might be an important factor to understand the Malaysian's diaspora to other countries, more specifically the accounting professionals' brain drain to Singapore:

- H₃: the ease of immigration procedure is expected to influence positively to brain drain of Malaysian accounting professionals to Singapore

The previous studies have suggested that professionals with global experience are more effective at leading multinationals than those who lack of overseas work experience (Carpenter *et al.*, 2001). The assumption behind this is the executives with international experiences are considered to be more valuable, rare and inimitable for multinationals. This in fact triggers the individuals to have international exposure for better career prospects. In other way around, the organizations or employers can easily attract the best potentials for the organization by ensuring the international exposure and future career prospects. That is why, we have assumed that Malaysian accounting professionals' movement can be explained by the factor of professionals' international exposure and accounting professionals might be somewhat positively influenced by this factor which actually may determine the brain drain of this profession:

- H₄: international exposure is expected to influence positively to brain drain of Malaysian accounting professionals to Singapore

Social networks have also been conceptualized an important elements in brain drain studies which can influence employees' decision to stay or move-out. It is assumed for organizational research context, formal and

informal social networks have become an important explanatory variable. It is a true fact that each individual is surrounded by a specific network of social relations. The structure and the content of these social networks are somewhat believed to influence the attitudes and behavior of people in many ways. In the previous studies, the migration scholars have emphasized the importance of social relationships influencing migration decisions (Ley and Kobayashi, 2005). The new economics of migration theory, for example, argues that migration decisions are not made by isolated individuals but by larger groups of related people such as family members, friends, relatives, etc. The theory argues that potential migrants use their social networks with migrants who have recently integrated to provide them with detailed information. Realistically, individuals are more prone to believe and would like to depend on family members, friends and professionals colleagues those who already migrated to developed countries with better career prospects. The abundant previous literatures on brain drain almost never consider networks in those studies. This is why, we have included this factor in our conceptual research framework of the brain drain study of Malaysian accounting professionals noting the fact that social networks may positively influence accounting professionals' decision to leave the country of origin for better career prospect in developed nation, i.e., Singapore for this study:

- H₃: social network is expected to influence positively to brain drain of Malaysian accountant professionals to Singapore

UNDERLYING THEORIES USED IN BRAIN DRAIN RESEARCH

Even though the concept of brain drain can be explained by various theories, international labor migration theory and the theory of human capital are most prominent in brain drain studies. The former one explains the movement of labor across the borders with the expectation of higher salary and benefits while the later theory explains employees' competences, knowledge and personality attributes that enhance one's ability to perform and produce economic value. The attributes of a professional gained through education and practical work experience. Earlier, it was believed that the growth of physical capital has only a small contribution to growth of income (Becker, 1994). However, the theory of human capital suggests that education and training raises the productivity, hence increasing workers' future income (Becker, 1994). It postulated that education and training for employees is certainly costly but it should be

considered as the investment like others since it is viewed to enhance personal productivity, so do personal income. Thus, human capital is a means of production, into which additional investment yields addition output. It is quite common for all developed nations that the organizations provide formal training and in some cases formal education for their employees in order to increase their skills and abilities. In fact, organizations facilitate employees' career growth and development which is very limited in developing economy. Employees' training and career opportunities are to some extent quite uncertain in developing countries which may excel employees' movement to developed countries. The study of brain drain can also be explained by the Maslow's hierarchy of needs theory (Hodgetts *et al.*, 2006). According to this theory, once the lower level needs are met, the need no longer be a motivator for employees. Employees will go for fulfilling higher level needs. Maslow's ideas may be very helpful to understand the needs of accounting professionals in Malaysian context. The theory has suggested the fact that the deprived needs of an employee may result in negative attitudes and behaviors (Schermerhorn, 2005). Realistically, individuals are always racing against time to reap-up greater wealth and many are spellbound by charm that comes with cash and other benefits in abroad. It is a human nature that individuals are continuously exploring the potentials outside the home country to have a better pay and career prospects and these also can foster enhanced wellbeing and enrich professional experiences.

CONCEPTUAL FRAMEWORK OF THE STUDY

Based on the previous literature review on brain drain studies and the theoretical arguments of the variables chosen for the present study, the present research framework as illustrated in the following figure has been proposed. The model is expected to explain the brain drain phenomenon in the Malaysian context in general and for accounting professionals in particular.

The major area of interest in this framework is the moderating effects on the relationships between the proposed independent variables and brain drain in the case of Malaysian accounting professionals. However, this framework is conceptually supported by previous literature and theoretical arguments, thus, it should be tested empirically to understand what factors really contribute to Malaysian accounting professionals' diaspora particularly to Singapore. Therefore, the recommendations of this study is to carry out an empirical study using the same variables studied here in the context of Malaysian accounting professionals brain drain phenomenon. The study has lot of practical implications. According to the report disclosed by World Bank (2011),

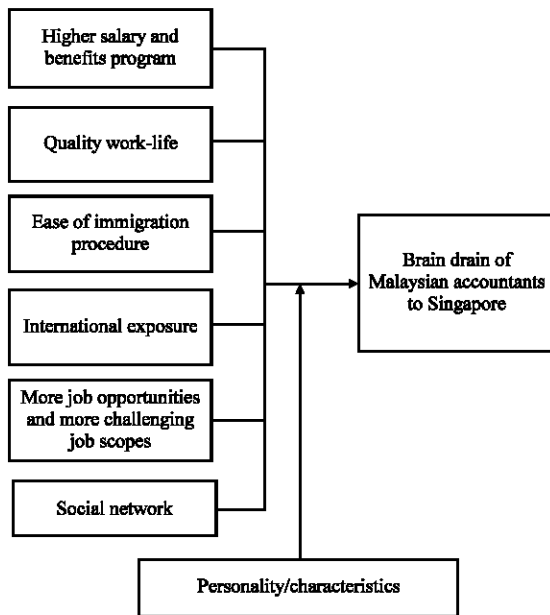


Fig. 1: Framework of the study

Malaysia's brain drain is increasing at the extremely higher rate and the trend of diaspora and brain drain is three times larger than between 1990 and 2010. This conceptual study has undoubtedly shed some light into the useful implications for the government of Malaysia in the policy making by understanding the major factors contributing individuals' decision to leave and work outside their country of origin. The proposed conceptual framework is as shown in Fig. 1.

Brain drain: Earlier researchers found that intention to leave the job is a significant determinant of actual turnover and hence the researcher intends to use intention to turnover (intention to leave the job) as the dependent variable. The major area of interest in this model is brain drain of Malaysian accountants to Singapore. The independent variables comprise of 5 major predictors and 1 moderating predictor:

- Higher salary and benefits program
- Quality work life
- Ease of immigration procedures
- International exposure
- More promising job opportunities and more challenging job scopes
- Social network
- Personality/characteristics

Quality work life: In the study by Huang *et al.* (2007), researchers define QWL as favorable conditions and

environments of work and life aspects such as family/work life balance, self-actualization, compensation and supervisory behavior. Huang *et al.* (2007) stated that previous studies have demonstrated the importance of balance between family and work life but few have included quality work life and job related attitudes. Findings indicated that different dimensions of QWL result in distinctive effects on organizational and career commitments and turnover intention. In this study, it will be looking at QWL's impact on Malaysian accountants' brain drain.

Employee turnover in public accounting firms is not a new phenomenon (Larkin, 1995). Lockwood (2003) suggests that the cost of employee turnover and the accompanying loss of company knowledge can be significant. Taylor and Cosenza (1998) added that it is crucial to find ways to retain these experienced accountants if the firms are to be successful. Public accounting firms are highly dependent on their staff's professional input. Taylor and Cosenza further added that while money is still important, it is not sufficient to motivate loyalty among accountants. The changing values of the workforce indicate that current employees are more interested in elevating the quality of their life.

Ease of immigration procedures: One of the central drivers of the brain drain is the increasing skill focus of rich-country immigration policies (Kapoor and McHale, 2006). The trend both in the rhetoric and reforms suggests governments see increasing advantage in more targeted recruitment. The pioneers in such skill-focused immigrant recruitment are Australia and Canada. In the 1960s and 1970s, these countries put in place skills-based points systems to target those most likely to be successful in host-country labor markets.

In recent years, both have steadily increased the share of immigrants coming through the skill stream and have reformed their systems to better target the most skilled. Germany put in place a "green card" program to offer temporary visas for skilled workers and also offered new opportunities for permanent migration (though legislative opposition forced the government to abandon its plan for a points-based system).

International exposure: Studies suggest that leaders with global experience are more effective at leading MNCs than those who lack significant experience overseas (Carpenter *et al.*, 2001). Carpenter *et al.* (2001) argued that executives with international experiences are likely to be a valuable, rare and inimitable resource for MNCs, studies also suggest that leaders with global experience are more effective at leading MNCs than those who lack significant experience overseas.

Scheele (2006) articulated that norms are used as basis in evaluation or judgment of one's actions. As a consequence, individuals deem moving abroad to fulfill their personal and professional needs as well as gaining international exposure as the right thing to do because it is a norm and most people are doing the same thing. So, individuals do not want to miss out on the international exposure and comply with the norm.

Social networks: Formal as well as informal social relations has become important explanatory variable in organizational research. Each individual is surrounded by a specific network of social relations. This structure of relations is referred to as the social network. The structure and the content of these social networks are believed to influence the attitudes and the behaviour of people in many ways. Outside of the microeconomic framework, migration scholars have emphasized for some time the importance of social relationships in influencing migration decisions (Ley and Kobayashi, 2005).

Non-economic factors such as family members, friends, colleagues and professional contacts are considered critical in influencing migration decisions. The new economics of migration theory, for example, argues that migration decisions are not made by isolated individual actors but by larger groups of related people such as families. Chain migration is an important aspect of migrant social networks and it describes the way in which a large number of people from the same home country move to another country. The theory argues that potential migrants use their social networks with migrants who have recently integrated to help provide them with detailed information.

Personality: This issue of personality is now slowly appearing in researches on brain drain and has been receiving considerable attention. It was discovered earlier that choice of occupation is dependent on type of personality (Holland, 1963) and that personality type is associated with culture and gender (Hofstede, 1980). Meanwhile, Mynatt found that personality and hierarchical position were positively related to turnover intention.

An individual's personality is the unique combination of psychological characteristics that affect how a person reacts and interacts with others. Personality like attitudes, affects how and why people behave the way they do. The five personality traits in the big five model are:

- Extraversion: the degree to which someone is sociable, talkative and assertive

- Agreeableness: the degree to which someone is good-natured, cooperative and trusting
- Conscientiousness: the degree to which someone is responsible, dependable, persistent and achievement oriented
- Emotional stability: the degree to which someone is calm, enthusiastic and secure (positive) or tense, nervous, depressed and insecure (negative)
- Openness to experience: the degree to which someone is imaginative, artistically sensitive and intellectual

DIASPORA IS LARGE, MAINLY CONCENTRATED IN SINGAPOR

Malaysia's brain drain appears to be picking up speed. According to a recent parliamentary report, 140,000 Malaysians left the country, probably for good, in 2007. Between March 2008 and August 2009 that figure more than doubled to 305,000 as talented people pulled up stakes, apparently disillusioned by rising crime, a tainted judiciary, human rights abuses, an outmoded education system and other concerns. Brain drain has been a major problem and obstacle for the country to achieve its Vision 2020. Official record indicated that >300,000 Malaysians had migrated or applied for migration visa in the last 18 months of last year.

Table 1 shows that in 1981, there were 31,598 Malaysians residing in Australia and this had increased to 92,337 in 2007. Similarly, our neighbor, Singapore has also been absorbing 120,104 Malaysians in 1981 and by 2001 there were already 303,828 Malaysian in Singapore.

The World Bank's report indicates that in 1990, the number of Malaysians with tertiary education residing in the Organisation for Economic Co-operation and Development (OECD) countries totalled about 72,649 with a majority of them in Australia (34,716) followed by the US (12,315) and then the UK (9,812) (Table 2).

The latest available data shows that in 2000, the number of Malaysians with tertiary education residing in OECD countries went up by 40.84%. The 102,321 Malaysian graduates that stayed in OECD countries in year 2000 make up 77.2% of the total Malaysians (132,468) that decided to domicile in these countries (Table 3).

Table 3 provides a snapshot overview of the Malaysian diaspora. The table shows eight countries and lumps the other twenty four countries into a residual

Table 1: Malaysian residents abroad

Year/Host country	Australia	Japan	New Zealand	Singapore	United Kingdom	United States
1981	31.598	-	3.300	120.104	45.430	11.001
1991	72.628	5.047	8.820	194.929	43.511	33.834
2001	78.858	9.150	11.463	303.828	49.886	51.510
2007	92.337	7.902	14.547	-	61.000	-

United Nations Global Migration Database, 2010

Table 2: No. of Malaysian migrants with tertiary education in OECD countries

Tertiary educated Malaysian residing in	Years		Increase (%)
	1990	2000	
Australia	34.716	39.601	14.07
Canada	8.480	12.170	43.51
New Zealand	4.719	5.157	9.28
United Kingdom	9.812	16.190	65.00
United States	12.315	24.695	100.53
Others	2.607	4.508	72.92
Total	72.649	102.321	40.84

Frederic Docquier and Abdeslam Marfouk, Brain Drain Database, World Bank (2005)

Table 3: The Malaysian diaspora is spread out around the world but concentrated in Singapore. Size of the diaspora (age 0+) by country of destination and over time, numbers

Malaysian diaspora	Historical series			Most recent	
	1980	1990	2000	Values	Years
Balanced sample total	285.623	431.292	611.809	-	-
Unbalanced sample total	286.102	452.109	657.574	-	-
Singapore (residents only)	120.104	194.929	303.828	385.979	2010
Australia	31.598	72.628	78.858	92.334	2006
Brunei	37.544	41.900	60.401	60.401	2000
United States	11.001	32.931	51.510	54.321	2005
United Kingdom	45.430	43.511	49.886	61.000	2007
Canada	5.707	16.100	20.420	21.885	2006
Hong Kong	12.754	15.579	14.664	-	2006
India	23.563	11.357	14.685	14.685	2001
New Zealand	3.300	8.820	11.460	14.547	2006
Other countries	7.855	17.179	50.947	-	-

United Nations Population Department (UNPD) International Migration Database, World Bank (2005)

category. The information is presented at decade intervals, starting in 1980. Most countries have information available up to 2000 as the 2010 census is still ongoing for most countries. However, some (most notably Singapore) have already completed this and others provide intermediate data based on by-censuses and surveys. In what follows, the aggregate numbers are analyzed according to two types of country samples: the balanced sample is for comparisons over time (including only countries that have data for the full 1980-2000 period); the unbalanced sample is for analysis within a year (including all countries reporting data for that year).

Singapore has been a beneficiary of Malaysia's brain drain for the last 4 decades. In fact, its foreign talents unit has placed Malaysians as the most desirable economic migrants to the city state. Several other countries are also luring Malaysian accountants with salary offers of four times their earnings in Malaysia. With demand for skilled professionals from the field on the rise globally, Malaysia has witnessed a steady outflow of accounting experts to China, Hong Kong, Singapore and more recently, the UK.

Tomlinson *et al.* (2008) also said that Malaysian accountants are enticed by the challenges of working

abroad, an improved work-life balance and compensation packages which are more than they had previously back home. In 2009 Penang lost RM10b worth of foreign investment because it "could not commit to having 1,000 engineers" claims Penang Chief Minister Lim Guan Eng. (forum.lowyat.net/topic/1222363/+0). So, where have our professionals gone to? This means to say that brain drain has a negative impact on the sending country's economic development. Malaysia's inability to attract FDI is not tied to its incentives. EPU, MIDA and other government agencies, most recently Nusajaya are offering competitive incentives to foreign investors. Why are they not investing in the country but preferred other destinations such as Vietnam, China, Indonesia and others?

Malaysia's inability to retain brains is one of the major causes. Malaysia needs to reach out to talented people wherever they come from, apart from bringing back its own, said Malaysian Institute of Certified Public Accountants (MICPA) vice-president Datuk Johan Raslan. He said many Malaysians could be found working overseas as they were often adaptable, multi-lingual and inexpensive. The advent of globalization has made matters worse. Globalization has created a fierce competition for talent hence Malaysia must be seen by its people and by others as a land of equal opportunity to earn a good living and provide a secure, happy life for each individual and the family.

The incentives to reverse the brain drain and attract back those who are abroad must be reviewed as they are currently ineffective. Part of this lack of inflow can be attributed to immigration rules that make it difficult and arbitrary for foreign spouses of Malaysians and the children of such unions, to obtain Permanent Residency (PR), citizenship and employment. And yet adjusting these rules would be the most sensible and practical immediate solution to the brain drain problem.

What turns highly-trained Malaysians and their highly-skilled foreign spouses away? For one, the foreign spouse, whether the husband or wife is not entitled to immediate Malaysian citizenship or PR status despite adopting Malaysia as their new home. Instead, they have to go through a repeated and tiresome application process which involves the runaround with immigration authorities, endless waiting and unexplained rejections. Their existence in the country, meanwhile is validated by a renewable social visit pass that restricts their employment.

Children of a Malaysian woman married to a foreign husband also do not qualify for PR status or citizenship, until recently when the government announced a "new mechanism" to let such mothers obtain Malaysian citizenship for their children abroad. How well this is

working out is unclear given that it was just announced. There is also the inconvenience of having to travel back to Malaysia to appear in person at the National Registration Department headquarters with the baby. Foreign spouses have documented their difficulty and trauma of being left in limbo over their PR applications, much less citizenship. These stories are many and some end with Malaysians making the painful decision to uproot to settle in their foreign spouse's country.

In his last interview on the subject in September 2009, Home Minister Datuk Seri Hishammuddin Hussein offered little new insight into reasons for the lengthy and arbitrary process of approving PR and citizenship applications. But he did understandably say that vetting thousands of such applications to ensure they were bona fide cases and not "marriages of convenience" was a time-consuming and difficult process.

Efforts to innovate and create have been insufficient. The weak track record of domestic innovation in Malaysia is reflected by the comparatively low number of researchers. Low R&D expenditure results in a lack of innovation in the industrial exports. However, some of these sponsored students after completing their studies chose to remain in the host country due to job opportunities available, preferred the new life-style and social environment while those Malaysian women who married locally had to remain behind because under the Malaysian law their children born in the host country are not entitled to become citizens of Malaysia or even obtain Permanent Residence (PR) status (Onn, 2010).

CONCLUSION

Brain drain has been a subject of controversy for a very long time and past studies revealed that brain drain is more based on external factors such as better pay, more career opportunities and choices, better education system for the family members, etc. However, of late more and more complex studies are emerging which involves interactions between ethnicity, gender, job satisfaction, turnover intentions, job settings. Earlier observations on the case issue have been descriptive in nature. This study also wishes to look at social network and its impact on brain drain. The abundant previous literatures on brain drain almost never consider networks. No previous attempts have been made to look at the quantitative integration of all the earlier studies. This research thus attempts to accomplish that. More importantly, previous researches on brain drain were written in the context of other regions and not in this part of the world.

The rationale behind this is that as the world changes and demands become more complicated, employees are no

more looking at compensation and benefits as the main attractions for them to be attracted to a new job. Although, money is important to feed and keep the family, it is however not sufficient anymore to ensure loyalty among employees or accountants in particular. Immigration restrictions according to economic reports trap many millions in Third World miseries. Economists' consensus estimate is that open borders would roughly double world GDP sufficient to eliminate global poverty. Due to this belief, many capital endowed countries are opening up their borders to foreign skilled and unskilled labour. Many of the respondents of the questionnaire agreed that if immigration procedures were made easy, it would make it easy for them to cross the causeway in search of better job opportunities and better living conditions.

Individuals reckon moving abroad to fulfil their personal and professional needs as well as gaining international exposure as the right thing to do because it is a norm and most people are doing the same thing. So, individuals do not want to miss out on the international exposure and comply with the norm. As a result of social norm coupled with curiosity, the brain drain continues. To some individuals, they believe that by gaining international exposure, it will enhance their resume and thus stand a better chance for future promotions. In fact some employers prefer to hire expatriates for certain positions as they are deemed to have wider knowledge and experience.

Family members, friends, colleagues and professional contacts are considered critical in influencing migration decisions. The new economics of migration theory, argues that migration decisions are not made by the individuals alone but by larger groups of related people such as families. Chain migration is an important aspect of migrant social networks and it describes the way in which a large number of people from the same home country move to another country. The theory claims that potential migrants use their social networks with migrants who have recently integrated to help provide them with detailed information of the host country and job availabilities.

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