

The Brain Drain Phenomena in Malaysia: A Literature Review

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ABSTRACT

The brain drains phenomena occur when highly trained, qualified, and skilled workers migrate to other countries for better job opportunities and quality of life. The immigration of these highly skilled workers has significantly benefited the host countries with economic progress while leaving the home country with loss of human capital. The loss of a tremendous number of highly skilled workers might harm the ability of the home country to progressively develop the nation as most of them are coming from crucial fields. Acknowledging this, Malaysia's government has introduced various incentives and schemes to encourage skilled workers to return and contribute towards home country development. The objective of this paper is to report a literature review identifying factors of brain drain in Malaysia and pinpoint on the government's efforts in overcoming the issue of brain drain in Malaysia.

Key Words: Brain drain, Brain gain, Talent Corporation, Malaysia

1. INTRODUCTION

Brain drain is informal terminology which means the departure of professional, high skilled and educated people from one country to another country for a better pay and lifestyle (Tansel & Demet Güngör, 2003). It occurs when talented human capital migrates to favourable countries for better job securities (Fong & Hassan, 2017). Professionals in developing countries are searching for better career advancement and high paid jobs equivalent to their skills and expertise. The influx of these professionals and high skilled workers has benefitted the receiving countries while collapsing and dampening the economic progress of the country of origin (Ngoma & Ismail, 2013). Malaysia is facing a severe emigration of talented professional workers especially young adult graduates in various professional settings such as finance, engineering, and marketing (Jauhar & Yusoff, 2011). Since this may affect the aspiration of Malaysia to become a self-sufficient industrialised nation as embedded in Vision 2020, the government of Malaysia has conducted various schemes and policies to mitigate the brain drain phenomenon in the country. Hence, this study presents factors which influence the emigration of talented high skilled professionals to other prosperous countries and provides an insight of the various incentives and schemes provided by the government of Malaysia to remedy this undesired circumstance.

The objective of this paper is to report a literature review identifying factors of brain drain in Malaysia. Brain drain happens due to push and pull factors that interconnected to one another. Push factor refers to the negative variable that occurs due to the problem from within the country, while pull factors refers to the positive determinant from which the migrant would like to benefit from. This paper may further discuss the push factors of brain drain in Malaysia.

2. METHODOLOGY

The methodology following electronic databases were broadly scanned prior to more refined searches: Google Search, Scopus, and Directory of Open Access Journal (DOAJ). The keyword used for searching the literature included brain drain, push factors, and Malaysia. The selection of documents was restricted primarily to these factors; 1) published articles from 2003 to 2020, 2) those written in English and 3) Examining the push factors of brain drain in Malaysia. The primary intention of the review was to identify what causes the brain drain and whether it ceases after the implementation of the incentives introduced by the government to reduce this phenomenon.

3. LITERATURE REVIEW

3.1 Brain Drain in Malaysia: Push Factors

3.1.1 Unattractive Job Market

Malaysian job market is reported to be not attractive to retain their skilled professional workers largely due to lower pay, unfavourable working environment, lack of career opportunities and limited job offer for certain job profiles (Hoo, 2014). Most job vacancies come from traditional jobs such as engineer, accountant, and lawyer whereas job opportunities adopting high technologies and artificial intelligence are yet to be explored (Nadaraj, 2016). According to Ehambaranathan (2015), fresh graduates are facing a career dilemma when they are forced to accept a job that is not related to their study which prevents them to demand reasonable salaries caused by low purchasing power in specific industries. With lower salaries and high cost of living, they need to bear huge debt amounts in financing their daily needs. Therefore, they choose to render their service abroad with plenty of job vacancies that suit their field of expertise. This reality is so true especially among Malaysian Chinese and Indian (non-bumiputra) when they have limited employment opportunities in public agencies (Hoo, 2014) makes them opt to move abroad. Additionally, young talented Malaysian graduates are easy to get along with new environments abroad due to familiarity with multicultural home countries and their fluency in English (Jauhar, 2011). Thus, they have no issue staying abroad grabbing promising job offers instead of unemployed in the home country.

3.1.2 Political Factors

Malaysia is a multi-racial country of which Malays and indigenous groups, known as Bumiputera, are the majority ethnic group in the country. The Bumiputera group possess special rights and entitlements as stipulated in Article 153 (1) of the Federal Constitution. However, with multiple ethnic dimensions involved, the implementation of certain policy which perceived as unfavourable to the minority ethnics was reported to be one of the reasons of brain drain in Malaysia, particularly in terms of opportunity to higher education, and scholarship (Hoo, 2014, Ghazali 2015). The privilege of the university quota given to Bumiputra has consequently made the largest number of Malaysian students studying abroad are ethnic Chinese (Zigura 2006). This is supported by a study conducted by the World Bank (2011) that reported Chinese ethnic constituted 90% of the Malaysian emigrants in Singapore.

3.1.3 Economic Factors

New Economic Policy was introduced in 1971 with the purpose to improve the economic circumstances of the disadvantaged group. This policy was eventually able to reduce the poverty rate in the country while at the same time alleviate the economic status of the Malays (Tyson, et al, 2011). However, The

New Economic Policy also indirectly contributed to the brain drain phenomenon where it encouraged government linked companies to dominate the major economic sector which resulted in diminishing business opportunities to other high skilled talented entrepreneurs. This eventually led this group to find other business alternatives outside the country (Cheong et al,2019). In addition, the gross national income (GNI) per capita which was USD 7900 which is relatively low compared to other Asian countries such as Japan and Singapore creates a difficult situation for Malaysian government to provide better economic solution for high skilled talented workers to serve home country (Ridzuan et al,2018).Therefore a lack of suitable professional job opportunity due to economy instability become push factor to migrate to other progressive countries. Moreover, due to low GDP, Malaysia is not only unable to offer only professional high skill career opportunities (Wahab,2014) but also the low GDP has resulted in retrenchment of workers. This has led this group of people to migrate to other countries to get better career prospects and opportunity (La Porte,2005). Besides that, the economic downturn faced by Malaysia previously had caused a depreciation of the ringgit and thus to get a better quality of life, the professional high skilled workers were forced to migrate (Foo, 2011).

4. DISCUSSIONS

4.1. Government Incentives and Schemes to Manage Brain Drain

The Malaysian government has taken several ways through policies and programs to cater the issue of brain drain. Among government incentives, firstly is the establishment of Talent Corporations (TalentCorp) under Rancangan Malaysia Ke-10 (RMK-10). TalentCorp is one of the agencies under the Ministry of Human Resource of Malaysia (MOHR) acts as a dynamic talent hub who do collaboration with the private and public sector to attract, nurture and retain young talent in fulfilling the demand of the job market for today and future generations. Among the incentives offered by TalentCorp is offers students who received scholarships from the government to change the term from work with the government upon completing their studies to work with the private sectors in Malaysia. This is to ensure the expertise and knowledge of the students can be fully utilized within Malaysia for better productivity and economic progression in the country.

Besides that, through the Returning Expert Program (REP) the government is attracting Malaysian who are currently working abroad to return to 'Tanah Air'. For instance, REP offers tax exemption for all personal belongings brought home, permanent resident status for the spouse and children and others. The Resident Pass Talent (RPT) is a brilliant effort to retain highly skilled foreign talent that work in Malaysia to continue residing and working in Malaysia.

Furthermore, the Government Transformation Program (GTP) has launched a 1-Malaysia campaign to overcome the issue of non-inclusiveness among non-Bumiputera's. Through 12 National Key Economic Areas (NKEAs) under the Economic Transformation Program (ETP), the government took initiative to help the Malaysian experts overseas to tackle the local market and participate in local businesses. Additionally, the introduction of the Productivity-Linked Wage System (PLWS) in 2015 focuses on wages and productivity. This effort is believed to be beneficial to both employees and employers by challenging the companies in Malaysian market to provide a better wage system in attracting the returnees to work for them (Hasnan, 2019).

4.2 2020: Malaysia Brain Drain?

Plenty of studies show that countries benefit enormously when a significant group of their nationals who have international experience come back, they bring with them new technology, new ideas, new business niches, but demanding the government to make it easier to do business. Many talented Malaysians come home after being based abroad. Some of the government programs show success. REP for instance successfully brought back about 3,000 Malaysian professionals and now they are working in key sectors (Hasnan, 2019). In addition, some individuals tended to earn a wage premium in Malaysia's labour market, due to their value to employers in terms of experience and expertise. Therefore, 2020 shows that all the government's past and continuous effort is fruitful even though the issues of brain drain remain unsolved.

5. CONCLUSION

The current situation of brain drain in Malaysia has become a threat to its economic prosperity and progressive transformation. However, the government has introduced various schemes and incentives to combat this situation. A detailed and strategic plan is needed to steer Malaysia towards achieving its inspiration to become a developed nation with sufficient professionals and experts.

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