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BRAIN DRAIN TO SINGAPORE:
A CASE STUDY OF MALAYSIAN ACCOUNTING PROFESSIONALS



Thesis Submitted to the Ghazali Shafie Graduate School of Government
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In Fulfilment of the Requirement for the Degree of Doctor of Philosophy
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Kolej Undang-Undang, Kerajaan dan Pengajian Antarabangsa
(College of Law, Government and International Studies)
Universiti Utara Malaysia

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Tandatangan
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Pemeriksa Luar
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: PROF. DATO' DR. ISHAK ISMAIL

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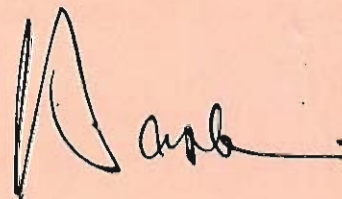
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(Date)

Nama Pelajar
(Name of Student) : JUNAIMAH BT JAUHAR

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Penyelia
(Supervisor) : ASSOC. PROF. DR. AHMAD BASHAWIR HJ
ABDUL GHANI



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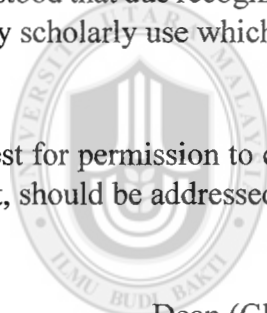


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ABSTRAK

Persaingan sengit untuk tenaga kerja mahir antara negara-negara adalah hasil tidak langsung daripada globalisasi dan ini telah membawa kepada mobiliti buruh yang pantas di seluruh dunia. Paling sering diperhatikan adalah pengaliran keluar profesional dari negara-negara membangun kepada negara-negara maju. Seringkali ini berlaku dengan membawa kesan yang buruk kepada negara-negara membangun. Malaysia merupakan salah satu negara membangun yang tidak terkecuali dari fenomena ini. Ia mendatangkan kesan negatif kepada ekonomi negara. Kajian ini didorong oleh peningkatan jumlah profesional Malaysia yang berhijrah dari negara untuk berkhidmat dinegara asing. Kajian ini menangani keperluan pakar-pakar di negara ini bagi meningkatkan ekonomi negara untuk mencapai status pendapatan tinggi menjelang 2020. Oleh itu, kajian ini mengkaji hubungan antara pembolehubah dan penghijrahan cendekiawan. Populasi kajian adalah ahli profesional perakaunan yang berpangkalan di Kuala Lumpur dan Pulau Pinang kerana ini adalah kawasan bandar utama yang menempatkan pejabat kakitangan perakaunan. Kajian ini merupakan satu kajian empirikal yang menggunakan kajian keratan rentas dan telah menggunakan kedua-dua pendekatan soal selidik dan juga temu bual bersemuka bagi tujuan meningkatkan nilai penyelidikan. Borang soal selidik telah diedarkan melalui kaedah tinggal/kutip semula, e-mel dan 'snowball' (semakin tambah). Kajian mendapati pemboleh ubah ini: Faedah yang Lebih Baik dan Manfaat, Kualiti Kehidupan Kerja, Kemudahan Prosedur Imigresen, Pendedahan Antarabangsa, Lebih Ketersediaan Pekerjaan, dan Rangkaian Sosial memberi kesan yang besar ke atas penghijrahan cendekiawan manakala Personaliti 'Big 5' dan Personaliti Proaktif menyederhanakan hubungan antara pembolehubah utama dan penghijrahan cendekiawan. Kajian ini mendedahkan bahawa selain dari wang, faktor kepuasan kerja juga harus diambil berat oleh pihak majikan kerana tanpa kepuasan kerja, pekerja akan mencari jalan keluar. Pihak kerajaan juga harus memobilisasikan pegawai mereka di luar negara untuk memastikan bahawa rakyat Malaysia di luar negara tidak terputus hubungan dengan Malaysia. Negara tuan rumah juga boleh membantu mengutip cukai bagi pihak kerajaan Malaysia. Maka ia dicadangkan bahawa Malaysia mengambil langkah proaktif supaya dapat mengawal berlakunya penghijrahan cendekiawan.

Kata kunci: Penghijrahan Cendekiawan, Profesional Perakaunan, Rangkaian Sosial, Malaysia

ABSTRACT

Fierce competition for skilled labour between countries is the indirect result of globalization and this has led to intense labour mobility worldwide. Most frequently observed is the outflow of professionals from developing countries to the developed nations. More often this happens at the expense of the developing countries. Malaysia is one developing country that is not spared from this phenomenon. This is damaging to the country's economy. This research was motivated by the increasing number of Malaysian professionals fleeing the home country to serve in foreign lands. This study addresses the need of these experts in the home country to improve the nation's economy in order to achieve the high income status by 2020. Thus, the present study examined the relationship between the variables and Brain Drain. The sample population is accounting professionals based in Kuala Lumpur and Penang because these are the urban areas that contain offices where accounting personnel can be found. This research constitutes an empirical study which utilizes a cross-sectional research design. The present study has employed both the questionnaire approach and the face-to-face interviews to enhance the value of the research. Questionnaires were administered via drop off/pick up method, email and snowball. The Partial Least Squared (PLS) Method was used to analyse the data collected from the survey. The findings of the study show that Better Perks and Benefits, Quality Work Life, Ease of Immigration Procedures, International Exposure, Greater Job Availability, and Social Network have a significant impact on Brain Drain and that the Big 5 Personality and Proactive Personality moderate the relationship between the main variables and Brain Drain. This study reveals that besides money, job satisfaction should also be an area where employers should focus since without job satisfaction, people are compelled to leave. The government should also mobilise their officials abroad to ensure that Malaysians abroad are always in touch with the home country and that relationship is not severed. Host countries also could assist in collecting taxes on behalf of Malaysia. Thus it is recommended that Malaysia take proactive measures in order to curb the Brain Drain phenomenon.

Key words: Brain Drain, Accounting Professionals, Social Network, Malaysia

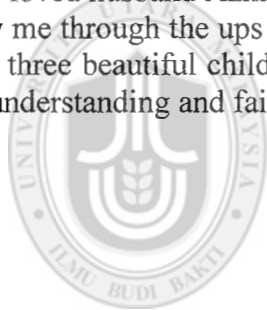
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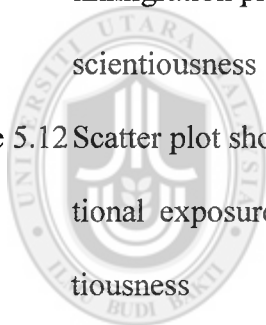
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1.0 INTRODUCTION

1.1 Background

The increase in the movement of populaces around the globe transcending physical, national and social frontiers is the result of rapid globalization. Globalization as defined by Scholte (2005) is the process of removing international boundaries that restricts movements between countries in order to create a more open climate and borderless world economy. Hence with the removal of the state-imposed restrictions, factors of production are free to move across country borders to another. This does not exclude the free movement or migration of human capital. Movements or migration of human capital are sometimes sparked by the individual's own choices while some are induced or generated by external factors such as pressures from family, society, environment itself, etc. Among the factors which appear favourable for individuals who are seeking for better life include higher salary and better job opportunities. Not of lesser importance is the availability of the individual's own social network in the host country which plays a significant part in the movement of labour (Bornat et al. 2008). These networks may vary and include family members who have become residence, professional linkages, for instance, graduates or former students (Vertovec, 2002), business connections (Ong, 1999; Campani, 1994), religion based networking (Hiiwelmeir, 2009) etc. Social linkages and the roles they play in migrants' labour market in the host country has for some time been a topic of considerable interest (Bonacich,

1973; Boyd, 1989; Poros, 2001). According to Bornat et al. (2008) the existence of social network in the country of destination has been responsible for the participation of labour in waged work, self-employment, skilled sectors including even the lesser proficient quarters of the work force.

As countries engage themselves in the fierce competition for a larger slice of the market share and battling out with one another for more profits, more investors, more operations and manufacturing outfits, etc. this has thus resulted in the more extreme scramble for talents. To attract these talents, organizations are making their packages more interesting luring talents with some offering very high salaries, better perks and benefits for the entire family, alongside the host countries' willingness to assist these foreign individuals in obtaining work permits and visas hassle free.

The most common migration trend is when migrants move to advanced nations from the lesser developed nations (Altbach & Basset, 2004; Creehan, 2001; Crush, 2002; van Rooyen, 2001). Studies have been conducted in various ways for a long time and various recommendations have been made to overcome the situation yet the problem remains unsolved. This phenomenon is made even worst by the loosening up of immigration policies by developed countries. Kapur and McHale (2006) suggested that the increasing skill-focus of immigration policy has also brought countries to enter into this global war for talents. In more recent researches, discoveries on this trend are: 1) quality of movement becomes more important; and 2) lesser developed nations are

becoming further impacted by “Brain Drain” (Docquier, 2004). It is observed that the extent of this trend increased during the 1990s, and it indicates a continuation of this trend (Docquier & Marfouk 2006). Resulting from this, policy makers of these developing countries are worried as they lose a substantial number of their most educated citizens. It is an established fact that foreign investors are only drawn to countries that can provide them with the finest talents. In their effort of choosing where in Asia should they park their commercial outfit and operations, among the important factors these foreign entities and entrepreneurs are looking for are the availability of a productive, cost-effective, and efficient workforce.

According to Malaysia Economic Monitor 2011, there were nearly 215 million people residing in countries other than their countries of birth as of that corresponding period (World Bank, 2011). These relocations of people across borders bring massive repercussions for both home and host countries whether it is economic, social and cultural. The report further added that if the rate remains the same as during the past two decades, the numbers could swell to 405 million by 2050. There are various forms of migration depending on the number of factors (Simpson & Yinger, 2013). Contemporary migration can be a result of warfare, political conflicts or natural disasters (Cooper, 2012) while modern-day exodus is primarily driven by economics (Anheier & Isar, 2007). In the microeconomic model, decision by the individual to migrate is only reached after a cost-benefit calculation has been made. Migration will take place only if there will be positive net return (Hagen-Zanker, 2008). This is

normally in the form of monetary returns that can be derived from the particular movement. The World Migration Report (2010) revealed that for the same type of work individuals receive different pays in different countries. These wide disparities in the incomes are one of the causes for the migration. More often also there is insufficient supply of appropriately experienced /qualified nationals in some of these high-wage nations (World Migration Report, 2010).

Even then, until quite recently the impact of the movements of people was lacking research. Basically the main cause is due to scarcity of data and political sensitivities (<http://econ.worldbank.org/program/migration>). Cassarino (2004) stated that there is a connection linking a country's workforce supply and its capability to advance economically. The human capital theory implies that there is a straight correlation linking human capital and economic growth. Fitzsimons and Peters (1994) maintain that the Human Capital Theory is what that impacts Western education and is observed as a vital contributing factor for economic performance. Therefore, Karthigesu (1986) advocates that it is the higher education institutions' main task to mould and design the required human capital for economic growth. In addition, in the Reserve Bank of Fiji Quarterly Review (2002), it was stated that Brain Drain hinders the government's capacity in delivering public services as reduction in income and corporate taxes and other forms of tax collections decrease the income base of the country and thus influences the government's provision for education,

health and law and order; and Brain Drain also leaves a damaging effect on the quality of public amenities.

Malaysia too is faced with an exodus of talents for some time now. In the latest report published by Hays (2015) where a survey conducted on 2,553 job applicants during the first quarter of this year revealed that 93% of the respondents would contemplate exiting Malaysia to work overseas. According to this survey, 84% would leave for better job opportunities and career progression, while 9% would leave for a better way of life (Afifi, 2015). Prior to this report was an online survey conducted on 99 beneficiaries of ASEAN scholarships in Singapore in August 2011. The sample included 95 Malaysians and out of this number, 61 chose to stay in Singapore. Out of the 95 Malaysians, 65% of them could not come up with a straightforward decision whether to return to Malaysia or otherwise (Ho & Tyson, 2011).

An obvious weakness in our education system is the lack of ability to provide the needed talents for economic growth and also the government's incapability to keep local talents from leaving the country. Not only Malaysia is unable to keep these local talents from leaving, Malaysia is also not capable of attracting foreign talents as a result of lacking opportunities and a scarcity of professional jobs (NEM, 2010). Emigration among Malaysians has been taking place since the 1960s and the predominant destination is Singapore. This is basically due to its closeness to Malaysia and also the cultural and historical similarities that are shared by both neighbouring countries (Lam & Yeoh, 2004). According to

Lim (1996), it was estimated that about 100,000 Malaysians were working in Singapore of which about 25% of them chose to commute daily enjoying cheaper costs of living in Malaysia while benefiting from the higher purchasing power across the causeway (Ho & Tyson, 2011). Besides that, Singapore appears to be very attractive due to its proximity, ease of travel and wages that are double to quadruple that of what Malaysia has to offer.

However, the real start of Malaysia's Brain Drain goes way back to 1963. It was soon after independence that marked the beginning of Malaysians seeking for overseas tertiary education. Malaysia's higher education system began with a few public universities which have now increased vastly over the last two decades. These institutions were given the task of stimulating nationwide harmony; to make available proficient and competent work force; in addition to remedying any discrepancies among racial groups regarding educational opportunities (Sharom, 1985). However Karthigesu (1986:39), posed this one key question which is "who gets access to higher education?". The Malaysian government is of the opinion that in order to restructure the society and to do away with the classification of races according to economic roles is via access to higher education. In the past quarter of a century intensive efforts were made so that Bumiputeras (Malays and the various ethnic tribes in Malaysia such as Kadazans and Dayaks) can have more access to educational opportunities.

The Malaysian Constitution spells the "special privileges" Bumiputeras enjoy as preserved in the Malaysian Constitution (see Article 152 of the 1957

Malaysian Constitution). Under this policy, the appointment of academics needs to indicate the constituents of the various ethnic groups of the country. Main administrative positions in universities also require greater Bumiputeras' representation (Jaspir, 1989). However, this practice has disintegrated the decades long practice where students and faculty staff are admitted based on merits. In addition, this has brought about a more divided people and hence defeating the original aim of the higher learning institutions rather than fostering national harmony. The quota system introduced coupled with the restricted number of seats in these public higher learning establishments caused many equally bright non-Bumiputera students to be denied of local places leaving them with no options but to go abroad seeking for further education in private colleges at very high expenses.

As if that was not enough, the May 1969 ethnic riots has also brought about the major issue of permanent emigration with most Indians returning to their homeland, while the Chinese migrated to Australia, New Zealand, Canada and the United States (Lim, 1996). Lim (1996) also added that the outflow of Malaysian professionals can be explained by their concern over the “non-bumiputera” status concerning the privileges enjoyed by the Malays under the New Economic Policy and also the relaxation of immigration rules by the long-established immigration countries such as Australia, New Zealand, Canada and the United States.

Despite countless remedies, skilled migration or equally known as “Brain Drain” still persists to happen in view of the fact that it is part of the globalization process. According to Malhotra (2009) such migration has been rising since the past few decades. One significant repercussion of the Brain Drain is that capital spending on education by a developing nation does not necessarily result in quicker economic expansion. This is a result of the departure by these highly educated people (Carrington & Detragiache, 1999).

By the end of the twentieth century, global migration had become an essential element of the structure. By the early twenty first century approximately international migrants in Asia totaled about 50 million and another 6 million in Oceania. This makes up 29% and 3% correspondingly, from the 175 million migrants universally. Excluding the refugees, estimates of International Labour Organization (ILO), from the 86,000,000 migrants globally, about 26% were actively contributing to the economy in Asia (Asis, 2005). The year 1960 witnessed 9,576 Malaysians residing abroad but just four and half decades later the number escalated to 1,489,168 as reported in the World Bank (2011) statistics. During the same corresponding period, the world recorded only an average of 919,302 per nation of exodus where else Malaysia recorded a loss of 1,479,592 logging a much higher rate as compared to other countries. A major fraction of this exodus is skillful labour. Immense migration of the highly professionals has been taking place and this has led to the scarcity of accountants in the nation.

The President of Malaysian Institute of Accountants (MIA) remarked that Malaysian certified accounting professionals are moving abroad seeking sounder prospects. This statement was made at an Accountancy Fair in September 2007 which was a collaborative effort by MIA and USM. He further added that Malaysia would fall short of 60,000 accountants by 2020 if serious measures were not implemented. This is due to the fact that the nation's accountants are in high demand by numerous nations. In Malaysia, not all accountancy degree holders can register as public accountants. Only those graduates who hold membership of the Malaysian Institute of Accountants are allowed to register as public accountants. Currently, only accounting graduates from public higher institute of learning or professional bodies such as CIMA, MACPA, and ACCA are recognised by the institute. Hence only those with appropriate academic requirements registered under the Accountants Act 1967 are accorded membership (MIA Handbook).

The MIA is responsible for regulating the accounting occupation in the country. Its obligations comprise of education and quality assurance as well as implementation which are carried out to ascertain that the integrity of the profession is preserved and that public interest is continuously maintained. Since its establishment under the Ministry of Finance more than four decades ago, MIA has been an enthusiastic contributor towards nation-building as it actively provides views and ideas for the well-being of the nation and its economy. On top of that MIA oversees international and local accounting movements and observes developments, and regularly seek advice from the

government and regulatory bodies. As at end of June 2008, the accounting body's membership totaled 24,719 with the largest concentration of membership in Selangor and Kuala Lumpur Federal Territory. Selangor had at that time 9,697 members while Kuala Lumpur Federal Territory had 6,118 members. As of 30 October 2013, the accounting body has 30,236 members (Loh, 2013).

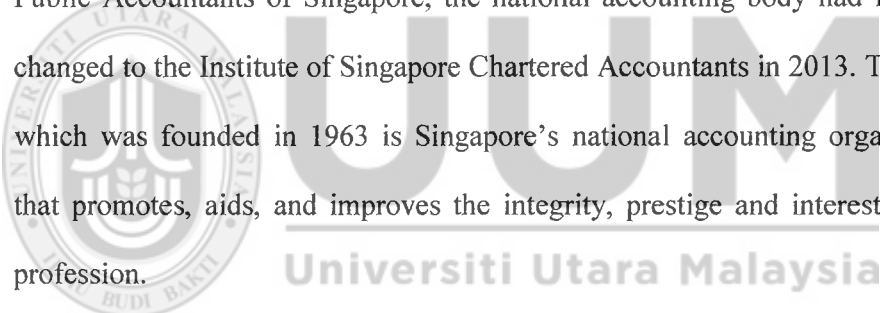
Due to the rise in global demand for skilled professionals from the accounting field, Malaysia is observing a never-ending flow of our accountants to China, Hong Kong, Singapore and the United Kingdom. The local Big Four accounting firms have suffered from talent pinching by their contending counterparts in the United Kingdom including the smaller accounting bodies overseas (World Bank, 2011). When China started opening its door, it created a high demand for accountants, auditors and tax specialists, which caused the exodus to begin. Malaysia and its neighbour across the causeway filled the demand satisfying the language requirements. Since it was observed that there was a rising trend in the outflow of their home grown professionals, researchers across the globe began studying this phenomenon and most of these were carried out prior to the 1990's, a period where there was rising demand for accountants but on the one hand a decline in college graduates (Kullberg et al., 1989). Recently there are requisites calling for the development of new procedures of registering and analysing business transactions. This has changed not only the organizational structures but also the essential competences required of a successful accountant. Therefore,

accounting firms now are facing the challenge of attracting and retaining their best talents (Reckers, 1995).

Not of lesser importance is the advancement in the Information Technology (IT) and globalisation which has transformed the business environment. With that change, the world now needs a different class of professionals who are knowledgeable and are multi-skilled. They are expected not only to excel in their specific area of specialisation but are supposed to be multi-skilled so that they are able to become management advisors, tax specialists, business systems experts and many others (Ghani et al. 2008). Malaysia supplies extremely competent, flexible and language-proficient accountants to the world market, explains the Executive-Chairman of Pricewaterhouse Coopers in Malaysia. According to Dato' Johan Idris who is the current President of the MIA, Malaysia acts as the training ground and Malaysian accountants can fit right into the spots anywhere. In the *Accountants Today*, a publication by the institute, Dato' Johan revealed that Malaysia would require at the minimum 60,000 qualified accountants in order to fulfill demand from the market and to realize the Vision 2020. Unfortunately, the total number of accountants who are registered with the institute is only 32,511 (MIA, 2015). This revelation is in accordance with the statement released earlier in *The Star* Sunday dated 4th May, 2008, where Christina Foo, President of Certified Public Accountant, Australia (Malaysia) commented that "There is a shortage of accountants in Malaysia; this is a world trend" (The Star, 2008). She further added that accountants today have a much different role to play where they now have to

take an active part in strategic business decisions. This statement was made at THE CPA Australia career market day held in Kuala Lumpur in May, 2008.

Meanwhile, in the website of Certified Public Accountants Singapore, it was expressed that “To make up for the shortfall, firms are looking overseas. Indeed, 67% of the firms surveyed indicated that they are sourcing for audit staff from overseas. Their sources of audit professionals are mainly Malaysia (34%), China (21%), Philippines (16%), Indonesia (9%) and Australia, Hong Kong, India and some less significant others (20%). As at 31st December 2014, the regulatory body for the republic’s accountants has over 28,000 members who are registered (ISCA, 2014). Previously known as the Institute of Certified Public Accountants of Singapore, the national accounting body had its name changed to the Institute of Singapore Chartered Accountants in 2013. The body which was founded in 1963 is Singapore’s national accounting organization that promotes, aids, and improves the integrity, prestige and interests of the profession.



To retain these valuable talents, the local authorities and relevant agencies have been revising compensation packages for Malaysian accountants and these have shown continued improvements with each year. However in respect of work-life balance very insignificant enhancement has been made. Johan reveals that organisations have been struggling to solve the talent retention issues and are constantly seeking to comprehend people’s wants, enhance openness of the

hiring practices and transform the systems in relating or engaging with employees (www.pwc.com/my/en/issues/outflow.jhtml).

1.2 Diaspora Is Large, Mainly Concentrated in Singapore

Malaysia, being just across the causeway has been training grounds for the Singapore's workforce. For the past 40 years or so, Malaysia has been providing skilled talents to establishments in Singapore. Malaysians is at the top of their list and most wanted immigrants. Several other nations are offering salary of four times their earnings in Malaysia to lure Malaysian accountants. As a result of the increasing demand for these professionals worldwide, Malaysia has experienced a continuous loss in this sector particularly to China, Hong Kong, Singapore and recently, the United Kingdom. Table 1.1 provides a snapshot overview of the Malaysian diaspora. The table shows eight countries and lumps the other twenty-four countries into a residual 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 on going 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).

A first observation from this overview is that the Malaysian diaspora is not only significant but also highly concentrated (Table 1.1).

Table 1.1
Worldwide Malaysian diaspora with concentration in Singapore

Size of the diaspora (age 0+), by country of destination and over time, numbers					
	Historical Series			Most recent	
	1980	1990	2000	value	Year
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

Source: United Nations Population Department (UNPD) International Migration Database, (OPSW, 2011) and National Statistical Offices

The (unbalanced) sample total for 2000—which is the most recent year where information is consistently available across countries—indicates a diaspora of 657 thousand people. As of that year, Singapore alone represented 46% of the worldwide diaspora—and this accounts for just the Malaysian-born migrants that are registered as Singapore residents. The distant second is Australia, accounting for 12 %, and the third spot is shared by Brunei, Britain and America, each with a share of about 8 %. The five top destinations alone

account for 83% of the entire diaspora. 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 in foreign investments due to its inability to commit 1,000 engineers, claimed Penang Chief Minister Lim Guan Eng (The New Straits Times, 2009). Hence, this means the departure of professionals from one country gives an adverse bearing on the home country's economic progress. Foreign investors are not enticed to put in their money in Malaysia not because of the unattractiveness of its incentives. A range of favourable incentives are being offered by the Economic Planning Unit, Malaysian Investment Development Authority together with other government bodies, and lately Nusajaya, a regional city located in Johore, to foreign investors. But yet they are reluctant to make that move which Malaysia is hoping very much. Rather than putting their money in our country they favour elsewhere such as China, Indonesia, Vietnam and others.

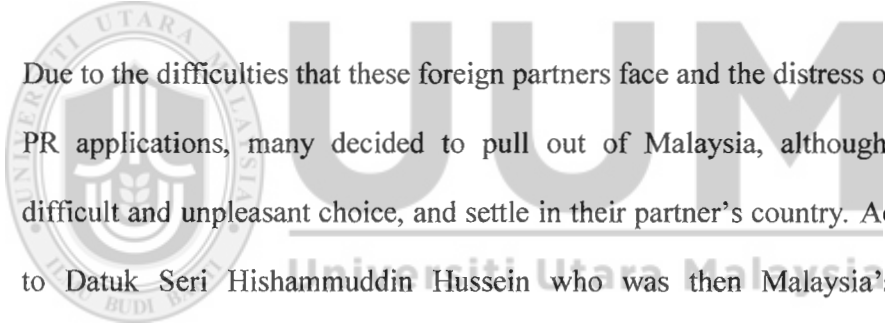
One of the main reasons behind this lack of appeal lies in its failure to maintain its brains. Hence, to make it more appealing to investors, Malaysia needs to re-strategise by not only wooing its own talented people but it also needs to get hold of other professionals regardless of their origins, as suggested by Malaysian Institute of Certified Public Accountants (MICPA) vice-president Datuk Johan Raslan. According to Datuk Johan, due to their adaptability,

ability to communicate in multiple languages and not too costly to maintain, it is very common to find Malaysians in any part of the world. The advent of globalization has made matters worse. Globalization has created a fierce competition for talents hence the country needs to have a makeover so that it can be seen as a place where equality prevails and that is able to offer a secure and happy life for its entire population. The failure to entice our own professionals who are residing abroad proves that there are weaknesses in the incentives to reverse the Brain Drain. Hence there is an urgency to relook at all these various incentives.

It was noted that a probable cause of the dearth of interest in Malaysia is her immigration procedures which may be too complicated and random for the Malaysian professionals, their foreign life partners and their offspring to acquire the status of permanent residence (PR), and occupation. Therefore a most pragmatic pressing resolution to this problem most probably, is to modify these rules to make it more appealing and friendly.

A closer look at Malaysia's immigration procedures would instantaneously reveal the root cause of why Malaysian professionals and their equally talented foreign partners shun from heading this way? The real reason behind this is their inability to immediate Malaysian citizenship entitlement or gain Permanent Residence status in spite of embracing Malaysia and converting it into their new home. The system compels them to go through repetitive and exasperating procedures, and which puts them on a goose chase with

immigration officials, never-ending delays, and denials that are not accompanied by the real reasons. To remain legally in Malaysia, meant that they had to renew their social visit pass every time but that constrains them from getting on the Malaysian payroll. Previously, offspring from the reunions of Malaysian ladies who are married to their foreign life partners were denied of Permanent Residence status or citizenship. However, recently the government revisited and revised the policy by allowing citizenship for their children overseas. However, whether this new adjustment is effective is still yet to be seen as it was only recently declared. One difficulty that applicants have to face is travelling to Malaysia in order to present themselves and the baby at the National Registration Department office.



Due to the difficulties that these foreign partners face and the distress over their PR applications, many decided to pull out of Malaysia, although a very difficult and unpleasant choice, and settle in their partner's country. According to Datuk Seri Hishammuddin Hussein who was then Malaysia's Home Minister, the long wait by the applicants is due to the tedious procedures in making sure that the applications were real and genuine cases and thus not a case of "marriages of convenience". In that interview conducted in September 2009, he revealed that scrutinizing through heaps and piles of such applications was a laborious and challenging procedure. Alongside that, Malaysia lacks in her efforts at innovating. Malaysia does not boast of domestic innovation due to the relatively small quantity of researchers. For innovation to exist, a nation has to be willing to spend a large amount on R&D expenditure.

On another note, bringing to the same undesirable effect is the situation where some of Malaysian sponsored students have decided to stay abroad even after completion of their academic program due to job opportunities available, preferred the new life-style and social environment, while the girls who tied the knots abroad had no choice but to continue staying there since their children born in the host country under the Malaysian legislation cannot become Malaysian citizens or even apply for Permanent Residency PR (Onn, 2010).

Chart 1.1 shows that for the period between March 2008 and September 2010, the Accounting/Finance sector is highly demanded well above the other four professions that is ICT, Sales, Administration and Electrical and Electronic Engineering. This is highly notable in the months between March and September 2010.

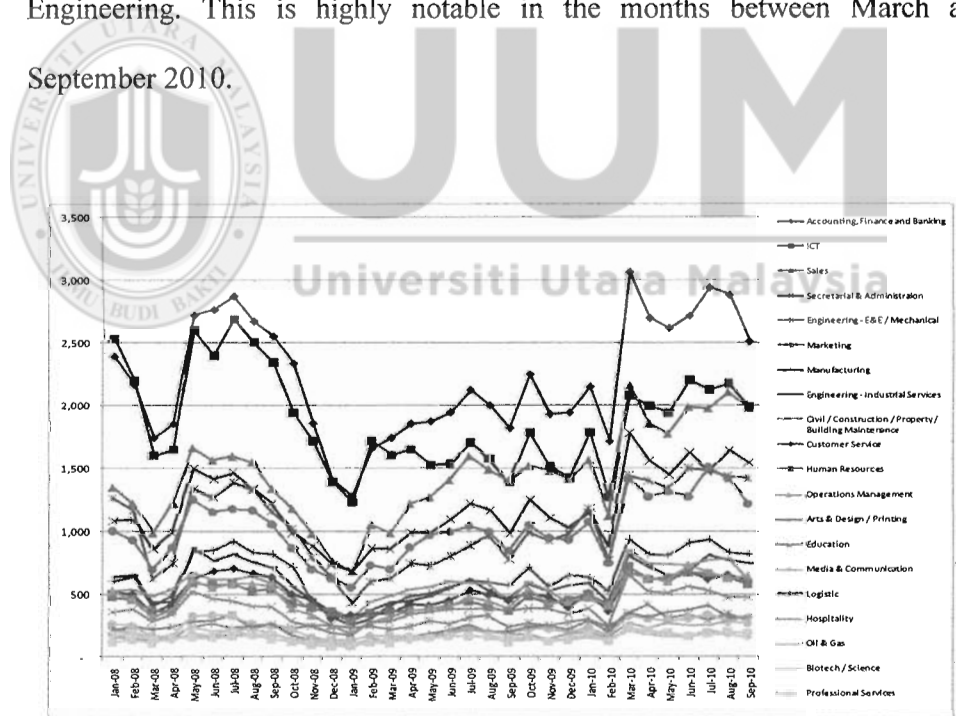


Chart 1.1: Top 5 Specialization in demand- Accounting/ Finance/ Banking, ICT, Sales, Admin and E&E/Mech Engineering (Jobstreet.com, 2010)

According to Chart 1.2, Singapore and Philippines jobs have grown extensively (more than MY). With this explosion of demand in SEA and other parts of Asia, there will likely be outflow of talents from Malaysia to other countries, bringing more competition to countries in the form of Global Talent War.

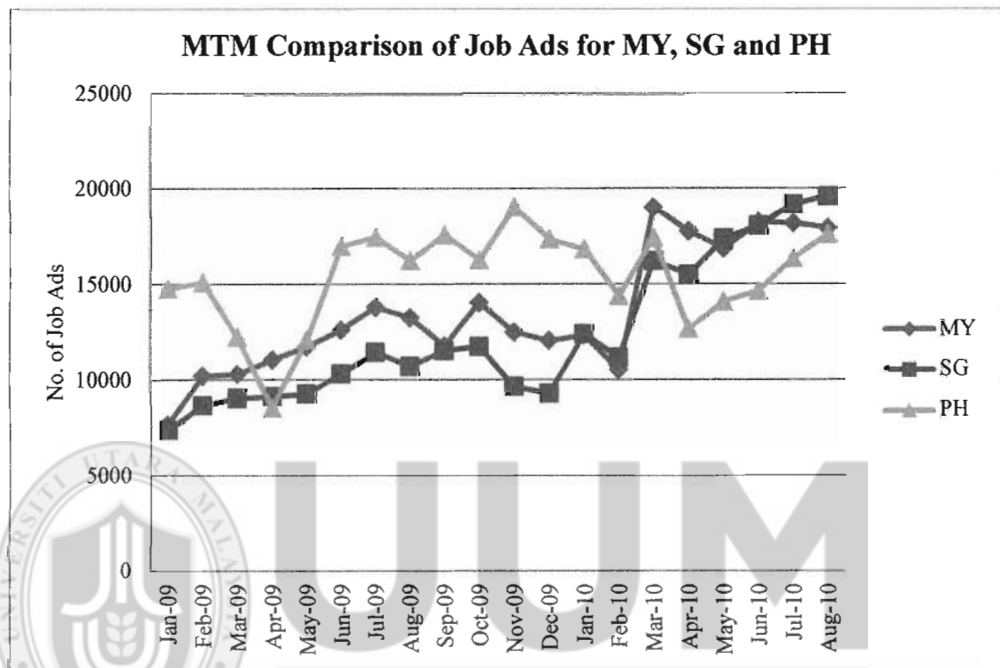


Chart 1.2: Job Postings Trends between January 2009 to August 2010 (Jobstreet.com, 2010).

1.3 How Is Our Salary Compared To Others?

As skills shortages around the world continue to be a critical area, this remains a challenge for Asia. In a survey conducted by Hays Specialist Recruitment, 94% of employers interviewed across Asia said that this has the potential of impeding the effective operations of their business and to overcome this, 68%

of these employers stated that they are prepared to engage or fund competent foreign applicants to overcome this impending problem.

Melissa Norman, the Managing Director of Kelly Services Inc., commented in June 2013, that Singapore's new entrants to the workforce are demanding an initial start pay of approximately S\$2,500 (RM6,200) while their counterparts in Malaysia are still getting somewhat between RM1,800 and RM2,000 only (The Star Online, 2012). Similarly, in an article produced by Penang Monthly, a publication by the Penang Institute stated that Malaysia's wages are falling far behind as compared to wages earned in Australia, Singapore and the United Kingdom. A manager in Singapore is earning three times the salary received by his Malaysian counterpart.

Apparently wages received in this category (managerial, professionals and technicians) in Singapore fetch even higher than those received in Australia and United Kingdom. Table 1.2 displays the salary comparisons for the different job positions across Malaysia, Philippines and Singapore in the highly demanded skills. A more recent Salary Report for Accountant @ Jobstreet.com reveals the monthly salary earned by accountants in Malaysia and Singapore which is summarized in Table 1.3.

Table 1.2

A comparison of salaries received in Malaysia, Philippines and Singapore

Finance and Accounting				
Average (RM)	Senior Manager	Middle Manager	Senior Executive	Junior Executive
MY	10,610	6,703	3,856	2,432
PH	7,692	2,473	1,413	1,015
SG	20,472	12,209	7,732	5,370
IT/Computer				
Average (RM)	Senior Manager	Middle Manager	Senior Executive	Junior Executive
MY	11,251	7,059	4,352	2,671
PH	6,154	2,857	1,688	1,010
SG	21,616	13,081	9,013	6,162
Sales (non-Technical)				
Average (RM)	Senior Manager	Middle Manager	Senior Executive	Junior Executive
MY	8,333	5,533	3,273	2,400
PH	5,692	2,220	1,531	1,058
SG	15,938	9,461	6,986	5,202
Sales (Technical)				
Average (RM)	Sr Mgr	Mid Mgr	Sr Exec	Jr Exec
MY	NA	6,150	3,700	2,820
PH	NA	2,628	1,648	1038
SG	16,396	11,555	7,980	6218

Source: Jobstreet.com 2010

Table 1.3

Position Levels and Average Pay scales

Position Level	Average (RM) Malaysia	Average (S\$) Singapore	MYR/SGD = 2.6597 @2 March, 2015
Manager	6,000	4,600	12,234.69 MYR
Senior Executive	4,500	3,900	10,372.89 MYR
Junior Executive	2,819	2,730	7,261.02 MYR
Fresh/Entry Level	1,500	2,200	5851.38.00 MYR

Source: Jobstreet.com 2010

To elaborate on the wages discrepancies between Malaysia, United Kingdom, Australia and Singapore, Table 1.4 is presented.

Table 1.4
Net yearly Malaysian wages contrasted against other countries, 2013

2013 Net wages USD	Legislators, senior officials, managers	Professionals	Technicians, associate professionals	Clerks
SINGAPORE	78,049.19	54,359.04	36,761.00	24,434.18
MALAYSIA	25,555.92	22,231.94	14,465.67	9,090.78
UK	47,321.36	43,732.30	36,714.01	26,077.60
AUSTRALIA	43,695.49	37,075.60	30,764.81	27,135.52

Source: Adapted from Ministry of Manpower, Singapore; Department of Statistics, Malaysia; Office for National Statistics, UK; Australian Bureau of Statistics, Australia

Tables 1.3 and 1.4 show that there is broad salary inconsistencies received for the same occupation in various countries. Sometimes, there is a shortage of suitably qualified candidates for these jobs in these countries that pay out high wages (World Migration Report, 2010). Due to the shortage in supply compared to the demand in some highly sought after specializations, job hopping is common (for career advancements and better salary packages). Increasingly, salary is becoming a key factor for jobseekers in looking for their next career move and comparatively job hunters across the causeway in general gross better salary basically resulting from the rate of currency exchange. Due to this too, job hunters who are able and can afford to move around and willing

to look for better prospects away from the home front, will find this very tempting.

It is estimated that approximately 35% of migrants to the OECD countries are over twenty five years of age and have post-secondary education, whilst merely 11% of the worldwide labour force possessed the comparable education (Docquier & Marfouk, 2006). This means that on the average those who left were better educated than those left behind. Generally, the remitting countries are the developing countries where these developing countries pay much lower rates for high skilled labour. The receiving countries are developed countries. This is happening due to the wage differences and the availability of opportunities in the developed countries. In addition, these developed countries are giving preferential treatment to the immigrants.

As a result of this trend, sending countries have identified three main concerns.

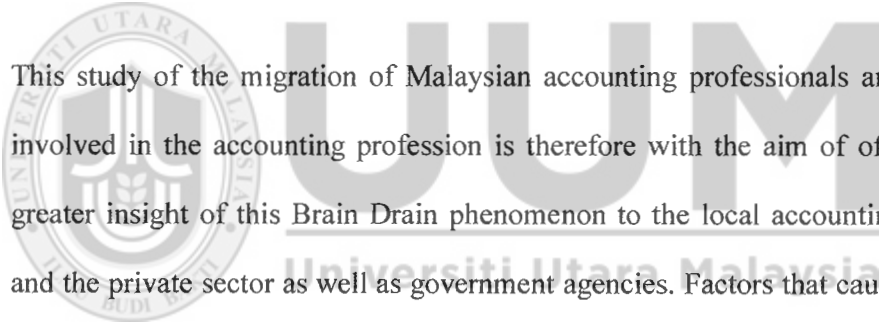
1. Remitting countries lose citizens who are significant towards delivery of vital public amenities;
2. Persons who have fled are among those most capable of contributing to the dialogue for both progressive political and socioeconomic change in the country; and
3. Training cost of these individuals were shouldered by the public and is now irrecoverable in taxes these individuals would have paid (IOM, 2005; Ozden & Schiff, 2006).

There are several definitions of Brain Drain by previous researchers. Odunsi (1996) for example, explains Brain Drain as exhaustion of the intellectual assets of a nation or region through immigration, a definition which he attributes to Webster's New World Dictionary. He argues that through this process the technologically underdeveloped and poorer countries pass on a significant part of their expert possessions every year to richer countries, which already have greater technical competence. He further explains that causes of Brain Drain can be categorized into two broad categories. On the one hand is the "push factor," the adverse socioeconomic conditions driving the professionals away from the sending countries and on the other are the "pull factors," the attractive conditions in the host country. He further states that Brain Drain is a direct result of several factors often fuelled by negative pressures imposed by the socio-political and economic climate, coupled with questionable government policies operative in the migrant's home country.

Meanwhile Baruch et al. (2007) defined it as an occurrence where people with certain talents, credentials, and competencies, depart from their countries and migrate. In tandem with the earlier discussed definitions, Kwok and Leland (1982) refer Brain Drain to the competent experts who depart from their country of birth in search of better prospects abroad. On the same note, Tansel and Gungor (2003) define Brain Drain as movement of native knowledge workers to foreign lands that offer them brighter prospects in their expertise aside of better living condition and way of life. But all these point to one common understanding that Brain Drain is a situation where a country loses its

professionals or talents to another country and usually it is from the developing country to a developed country.

This particular study on the accounting profession was chosen due to the fact that Malaysia is losing its accountants, a profession needed very much to help develop the nation's economy. The international involvement of the profession infers a coming together of international standards and practices away from national standards and procedures and national forms of regulations (Lenn & Campos, 1996). Such arrangements imply that there is a consensus across participating countries (Iredale, 2001). To Malaysia's disadvantage, this has facilitated the ease of movement by professionals across national boundaries.



This study of the migration of Malaysian accounting professionals and those involved in the accounting profession is therefore with the aim of offering a greater insight of this Brain Drain phenomenon to the local accounting firms and the private sector as well as government agencies. Factors that cause Brain Drain of Malaysians involved in the accounting profession will be identified and analysed and hence policy makers will be able to direct their efforts to these factors to retain these accounting personnel.

1.4 Background of Malaysia

Malaysia occupies an area of 329,748 sq. km. and its capital city is Kuala Lumpur. In 2013, Malaysia had a population of 30,261,700 people with the

female population representing 48.47% of the total, compared to 51.53% men (see Table 1.5) and as of 2014 Malaysia's population has grown to 30,261,700 (Malaysia, 2014). In 2012, Malaysia displays a moderate population density, with 89 people per square km (countryeconomy.com).

Table 1.5
Malaysia's Population by sex, 2014

Sex	Population
Male	15,594,300
Female	14,667,400
Total	30,261,700

Source: Department of Statistics, Malaysia, 2014

The official language is Bahasa Melayu while Chinese, English, Tamil and other indigenous languages are also practiced. Ethnic groups of the country are various, the majority being the Malays who make up 50.3% of the total population, Chinese 21.8%, Indian 6.5%, others 21.4% (Malaysia, 2014).

1.4.1 Political

Political conflicts involving Barisan Nasional and Pakatan Rakyat are likely to persist in the near term. Both conflicting parties are contending for more seats in the national and state parliaments. Dato' Seri Najib Razak is trying to establish his influence on the Barisan's alliance and is also battling

against the opposition party which is fixed at bringing about a transformation.

1.4.2 Economy

From a traditional economy, Malaysia has transformed itself to be amongst the most rapid developing nations in the ASEAN province in the 1970s. In the current century, the period during 2001–2008, the economic growth continued to be stable recording an average of 5% annually. Nevertheless, in the following year after this period, the GDP rate plunged to 1.7% caused by the global economic crisis. The following period however, Malaysia managed to pull itself out of the doldrums and it registered a remarkable growth of 7.2% much higher than 5–6% earlier forecasted growth by the government. However, in 2011, as compared to the previous year, the local economy grew at 5.1% a much slower rate. This lackluster growth rate was characterised by 5 key developments. First, the global growth rate declined after the strong recovery in 2010. This owed to mounting insecurities encompassing fiscal problems in the advanced economies, geopolitical strains and natural disasters. Second, increased volatility in the global financial markets, while the upsurge in global risk aversion pressured safe-haven currencies. Third, commodity prices rose sharply as a result of natural disasters and climatic disorders amidst sustained demand. Fourth, inflation remained high throughout most of the year, prompted by supply and demand, and lastly, monetary policies. In several countries monetary

policies shifted from policy regularisation to adaptation in order to support growth on the backdrop of the increasingly challenging economic environment. In 2012, the local economy experienced a moderate growth at 5.6% attributable to the moderate global economic growth amid a more challenging environment compared to 2011 with the United States undergoing a delicate recuperation while the euro currency nations were still deep in recession. The deteriorated economic environments in the advanced economies disrupted international trade, which consecutively had a negative influence on domestic economic activities in the emerging economies. The persistent instability in the global financial markets was led by the fragile global growth prospects, combined with the unending fiscal uncertainties in the advanced economies. In the following year, the Malaysian economy expanded by 4.7%, a rate that was even slower than what was registered in 2012. However, despite the fragile setting externally during the earlier part, local demand continued buoyant throughout the year, spurred by healthy private sector activities. The subdued performance was brought about by sluggish demand from the advanced and regional economies during the first half of the year. This led to the general weakening in real exports during the year. On the one hand, sustained growth in real imports throughout 2013 arising from the continued expansion in local investment and consumption brought about the shrinkage in net exports (BNM, 2008, 2009, 2010, 2011, 2012, 2013).

On another note, Malaysia upholds a liberal system of exchange controls. Repatriation of capital, commissions, dividends, profits, royalties, and rents is freely allowed (www.pwc.com/my, 2013). Capital gains are tax-exempted excluding profits obtained from sales of properties. The previously suspended tax is restored at a rate of 5% as from 1 January 2010 (www.pwc.com/my, 2013). Largely, an individual residing in Malaysia for more than 182 days in a year has resident status. Effective from the year of assessment 2004, income remitted to Malaysia by a resident individual is exempted from tax. Resident individuals are taxed on their chargeable income at a graduated rate from 0 % to 26% after deducting personal tax relief effective from the year of assessment 2010. Generally, non-resident individuals are liable to tax at the rate of 25% without any personal relief (kehakiman.gov.my). Employment income takes account of most employment benefits in moneys or otherwise.

1.4.3 Social

The United Nations has awarded a score of 0.829 to Malaysia on the Human Development Index (HDI). This ranks the country 66th out of 182 countries assessed. In improving infant mortality, life expectancy and literacy rates Malaysia has done well however, it still is not at par with the advanced countries in these concerns. In its “Vision 2020” agenda, Malaysia has set the goal of becoming one of the highly developed countries by the targeted year. Nonetheless, Malaysia still remains having to confront the problem of

rising inequitable growth and regional discrepancy. Malaysia's healthcare operations and educational system also require more work. However, Malaysia, being still a developing nation, is blessed with a young society and hence does not have to face the problems encountered by most developed nations such as rising social expenditure. Approximately 63.9% of Malaysia's population falls in the 15–64 age group followed by 31% in the below 14 age category and just about 5.1% in the 65 years and over category.

Disparity of income is seen both among individuals of different ethnicity and between regions. The 2009 United Nations Development Program reported that Malaysia has a Gini coefficient of 0.37, signifying that the country has to do a lot more to reduce income inequality. For instance, according to the Ninth Malaysian Plan the median household income for the Chinese still continues to be considerably higher than all other indigenous groups, including the Bumiputeras. Government programs with a change in policy direction are needed to mitigate regional and ethnic disparities in income (Datamonitor, 2010).

1.4.4 Technology

In the area of innovation and R&D, Malaysia is still lagging behind, unable to make much advancement with expenditure still remaining very low at 0.64% as a percentage of GDP. This is comparatively much lesser than the

expenditure incurred by Japan, China, South Korea, Taiwan and Singapore. However, under the 10th MP (10MP), the Ministry of Science, Technology and Innovation (MOSTI) has installed programs towards increasing R&D investments. These policies are directed towards improving talent supply. This is highly critical for the transformation of Malaysia from a production-based into a knowledge-based economy to take place. For the transformation to occur, accessibility of skilled and knowledge workers is a major pre-requisite.

In terms of social media rankings, a report by the World Economic Forum's Global Information Technology (2009–10), placed Malaysia 27th in the "network readiness index". This is the topmost position amongst the upper-middle income nations. According to a 2010 report by the International Intellectual Property Alliance, Malaysia was ranked 22nd in the world in terms of Internet penetration. Broadband penetration also continues to grow, with statistics showing that there were by the end of the third quarter of 2009, 1.4 million broadband subscribers. This translated to an increase of about 200,000 subscribers over a period of one year. This augurs well for the e-commerce-based businesses which will rightly assist in the development of the local economy (Datamonitor, 2010).

1.4.5 Legal

The Malaysian Anti-Corruption Commission (MACC) has made significant efforts to control corruption. The MACC has set up five committees so that the public has an opportunity to monitor the MACC investigation process. These developments are expected to reduce corruption levels in the country and also improve the public perception of the MACC. With this in place, it may have a positive impact on foreign direct investments.

1.4.6 Culture

Malaysia's culture bears a great resemblance to Singapore's as these two countries were once under the same rule. Both are home to various ethnic groups and both owe their achievements to the effective management of multiculturalism and multiracialism. Both countries have invested a lot in IT and news media and this has had a great impact on traditional culture and customs (Koh & Ho, 2009).

1.4.7 Safety and Security

The 9/11 calamity almost served as a wakeup call to everyone in the aspect of safety and security. After this heart wrenching tragedy that took away almost three thousand lives, academicians and practitioners started looking for ways to alleviate the negative effects. Malaysia's image of safety and

security too has been blemished recently due to the few untoward incidents. Among the unfortunate incidents were the terrorist attacks, shootings in Sabah, twin airlines incidents, unrests and illegal demos and fabricated broadcastings by international media has brought Malaysia to the forefront. This has a negative bearing and one that leaves short-term negative impact to Malaysia (Ayob & Masron, 2014).

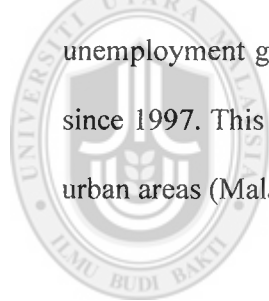
1.4.8 Future prospects

The local administration declared that upgrading the quality of workforce is the main emphasis under the 10MP. Meanwhile, Talent Corporation (TC) in its joint efforts with the relevant sectors is tackling the talent issues related to school education and training for the existing workforce, among others. Talent Corporation, an establishment set up in 2011 has been given the mandate to ensure graduates are able to partake in the local workforce, cultivate a diverse talent composition, involve Malaysian citizens who are overseas and provide assistance to foreign talents. These measures are proposed with the main intention to enhance the quality of education and of the workforce in the country.

1.4.9 Future risks

Malaysia runs the risk of shortage of skilled labour. The local education system has yet to prove that it is able to fulfill the mounting call for highly

competent experts, scientists and academics. According to the Malaysian American Electronics Industry (MAEI), Malaysia's small and medium enterprises faced a shortage in operators and engineers in the second half of 2009 and first quarter of 2010. In response, MAEI's 20 member companies requested the government to continue allowing the hiring of foreign employees. The escalating number of graduates who are unemployed coupled with the diminishing research and publications could be a clear indication that the quality of our Malaysian universities' education is deteriorating. In a period of 15 years from 1982 the number of unemployed graduates rose from 2,700 to only 8,200 persons. In the 18 years beginning from 1992, it was observed that jobless graduates have increased in numbers significantly in the urban areas. Another significant observation is the unemployment gap between the urban and rural areas has been broadening since 1997. This means that it is even tougher to enter the work force in the urban areas (Malaysia, 2011).



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According to the Malaysian Higher Education Ministry, institutions of higher learning nationwide produced 184,581 graduates in 2011 however, 24% of them were unemployed (Ahmad et al. 2014). Sources reveal that the situation is due to the courses they studied at the universities, do not have a wide market. The weak standard of education will reduce the international competitiveness of Malaysian students, thus reducing the opportunities for them in technology-intensive firms.

1.5 Background of Singapore

The island of Singapore is situated across the causeway at the southern tip of the peninsula separated only by Johor Strait. In the past, this island was a popular route among the traders travelling from the east. The island was actually discovered by these traders (CIA World Fact book). Now, it is ranked among the wealthiest Asian nations. Although smaller than Malaysia, Singapore is better known to the westerners mainly because of their trade. It declared independence on 9th of August 1963 after departing from Malaysia.

Singapore, like the rest of the global economies, is experiencing Brain Drain as well. A survey conducted in 2013 by Hydrogen, a global specialist recruitment business, reported that 81% of Singaporeans interviewed either plan to or are potentially looking to work overseas. A noteworthy piece of information is that each year on average more than 1,000 highly learned Singapore citizens surrender their citizenship. In 2003, it was approximated that 157,000 young Singaporeans were working and residing overseas in 2003 but this figure climbed to 200,000 in 2012 (Hydrogen Group, 2013).

1.5.1 Singapore's Geography

Singapore is a small island with the size of 697 square km where most of the areas are covered by flat land and tropical forest (CIA World Fact Book, 2011). Their population is estimated at 4,987,600 people based on the

number reported by the Department of Statistic Singapore (CIA World Fact Book, 2011). There is a mixture of several major races in the country such as Chinese, Malays and Indians. Their official language is Mandarin and the main religion is Buddhism.

1.5.2 Singapore's Economy

Singapore is one of the first countries in Asia that has developed its trading system efficiently. It is more known despite its miniature size due to their trading activities. Even though the world was hit by recession recently in 2010, Singapore's GDP growth was still strong at 14.5%. The service sector contributed 71.7% of the overall GDP while the unemployment rate stood only at 2.2% (CIA World Fact Book, 2011).

1.5.3 Employment in Singapore

As reported by The Research Alliance, 2012, the population of Singapore in 2011 came to 5.18 million. Out of this total, foreigners made up more than 25%. These foreign workers are defined as large group of foreigners who initially came to a host country merely in search of job opportunities with no intentions to settle there. They did not enjoy the benefits of citizenship. Some of these foreign workers were employed by the host country to supplement the local workforce for a specified time period. Some were employed on contract basis for the skills needed by the host country while

there are others who are engaged by private organizations. However, these organizations need to provide evidence that local workers with the required skills could not be found among the local citizens (<http://definitions.uslegal.com/f/foreign-worker>).

Singapore is well known for its abundance in jobs opportunities. For the year 2010, Singapore experienced an employment growth of 3.9% as compared to 2009. In comparison with all the industries, the service industry ranked at the top of the scale with 111,000 new employees. The construction industry took the limelight the previous year when the employment rate soared to 25,100. The Republic in that year underwent a few major developments such as the construction of the Marina Bay, the Sentosa Island development and Resort World Casino. The total for new employees was approximately 3,105,900 with 64% are Singapore citizens and 36% are made up foreigners. Although a drop was observed in 2010 due to completion of the mentioned projects, the number of foreign workers rose again by about 100,000 as of the end of June 2012 from 2011 (Singapore, 2011).

As stated by Mr. Simon Walker, managing director of Hydrogen Singapore in a briefing for HR managers in Singapore on May 27, 2013, (Hydrogen Group, 2013) Singapore today is no longer just a financial and legal international hub, but now ranked third globally for technology. In their survey, half of their 2,146 responses from professionals in 90 different

countries consider relocating to Singapore. It is the fourth most attractive location in the world for high flying professionals to relocate.

Table 1.6
Comparison between citizens to foreign non-residents 1980-2010

Census year		1980		1990		2000		2010	
		No.	%	No.	%	No.	%	No.	%
Total	Total	2,413,945	100	3,016,379	100	4,027,887	100	5,076,732	100
Total born in Singapore and Malaysia	Total resident population	2,282,125	94.5	2,705,115	89.7	3,273,363	81.3	3,771,721	74.3
	Citizens	2,194,280	90.9	2,595,243	86	2,985,886	74.1	3,230,719	63.6
Others excluding non-locally domiciled services personnel	Permanent Residents	87,845	3.6	109,872	3.6	287,477	7.1	541,002	10.7
	Total non-resident population	131,820	5.5	311,264	10.3	754,524	18.7	1,305,011	25.7

Source: Compiled from Del Tufo, 1949; Arumainathan 1970; Singapore Department of Statistics, various issues

1.5.4 Possible Reasons Why Companies in Singapore Hire Foreign Workers

There are various reasons as to why Singaporean employers prefer foreigners over their own home bred. It is mainly due to the flexibility of these foreign workers who are willing to fill up the job positions that the local citizens keep away from. This contradicts the often claimed fallacy or misconception that foreign workers are much cheaper to hire. Hence, it is a misconception to believe that Singapore is hiring foreign workers mainly because they are cheaper.

A JobStreet.com survey conducted involving 1,400 Singaporean jobseekers and 200 employers in July 2012 revealed that 93% of those polled disclosed that their companies' workforce consists of 30-50% non-Singaporeans. Table 1.7 depicts the survey results. It revealed that 66% of the employees deemed the main reason behind engaging these foreign workers was that they cost less than hiring locals. However, this was endorsed by 16% of the employers (business.asiaone.com/career/job.../foreigners-hired-reasons-other-cost). On the other hand 40% of employers affirmed that the principal cause was that these foreigners were willing and able to fill up those positions avoided by their citizens. Another 24% revealed that foreigners were more hard-working plus willing to work extra time. The survey also revealed that 20% of employers considered these non-Singaporeans were more competent.

Table 1.7
Result of survey why non-Singaporeans are hired

What employees say?	What employers say?
More flexible to take up jobs that locals avoid (15%)	Low cost of hire (16%)
Better skilled in areas of expertise (11%)	Better skilled in areas of expertise (20%)
More diligent and work longer hours (8%)	More flexible to take up jobs that locals avoid (40%)
Low cost of hire (66%)	More Diligent and Work Longer Hours (24%)

Source: Jobstreet.com, 2012

Singapore is also noted for its excellent amenities, setup and location for its citizens. Singapore also offers exceptional healthcare, outstanding

transportation system and entertainment amidst a steady government so that its citizens are able to experience a good quality of life (Mercer Survey, 2011). According to Table 1.8, Singapore is ranked top 25 among the countries worldwide with best quality of life in Asia.

Table 1.8
Quality of Living Worldwide City Rankings

Rank	City	Country	Rank	City	Country
1.	Vienna	Austria	14.	Ottawa	Canada
2.	Zurich	Switzerland	15.	Toronto	Canada
3.	Auckland	New Zealand	16.	Hamburg	Germany
4.	Munich	Germany	17.	Berlin	Germany
5.	Dusseldorf	Germany	18.	Melbourne	Australia
6.	Vancouver	Canada	19.	Luxembourg	Luxembourg
7.	Frankfurt	Germany	20.	Stockholm	Sweden
8.	Geneva	Switzerland	21.	Perth	Australia
9.	Bern	Switzerland	22.	Brussels	Belgium
10.	Copenhagen	Denmark	23.	Montreal	Canada
11.	Sydney	Australia	24.	Nurnberg	Germany
12.	Amsterdam	Netherland	25.	Singapore	Singapore
13.	Wellington	N Zealand			

Source: Mercer Survey 2011

As far as countries in the Asia-Pacific are concerned, Singapore certainly tops the list for its enviable and formidable human resource pool. The city's workforce is voted as the best in the world by BERI's Labor Force Evaluation Measure. The country attracts top notch professionals from various corners of the world as it not only presents attractive job opportunities (the city houses more than 7,000 MNCs) but also offers an excellent quality of life. Residing in Singapore is a unique experience as it offers a westernized living environment along with a distinct Asian character. The republic is also noted for its very low crime rate. It was stated

to have among the lowest crime rate in the world. For least corrupt country, Singapore ranked number 1 out of 178 nations in 2010 (Corruption Perceptions Index, 2007).

Singapore has a well-developed public transport system and its fares are reasonably cheap. According to Singapore's Public Transport Council, transportation costs of bus and subway rides are cheaper compared to HK, London and City of NY. In a 2006 report, its subway tickets were in the region of at less than 1/3 of London's (Singapore, 2011). Most importantly, foreign professionals and entrepreneurs can relocate to the country with ease under work permit schemes such as the Singapore Employment Pass and Singapore Entrepreneur Visa. Approximately 36% of Singapore's population comprises of foreigners. With global talent emerging as one of the world's most sought after commodities, attracting and retaining talent has become top priority for many countries.



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Singapore is favoured by a lot of expatriates mainly for two apparent reasons: health care and education besides its westernized environment where English is a widely spoken language. MNCs are also drawn to transfer their selected leading personnel enticed by Singapore's attractive tax system. Singapore's tax incentives are very attractive as the personal income tax rate is as low as 20%. Besides this, employees can enjoy many other tax incentives.

Due to its multi-cultural diversity, most foreign personnel are of the view that it is very convenient to live in Singapore. Even some of the best higher learning institutions are found here. The city is environmental friendly with low pollution levels and health-care is of international standards and reasonably priced. Public and private institutions in the city are extremely efficient while the degree of crime rate is virtually low. All these coupled with the ease of obtaining work visas has facilitated MNCs to establish their companies and to move their staff there. According to Manning and Bhatnagar (2006), the nation's immigration policy is directed at maintaining its competitiveness in the short term while accomplishing its longer-term objectives of industrial advancement and technological transformation. In order to improve its service segment, the "Lion City" initiated a human capital investment policy by intensifying the intake of professional and skilled foreign personnel (Chan, 1991). The Singapore administration has laid out several attractive incentives for its migrant professionals which includes assured permanent residence, sponsored health support, education and accommodations. Its policy has also been improved recently to also include those who are highly qualified and entrepreneurs (Kaur & Metcalfe, 2007). Majority of the nation's skilled professionals come from Malaysia, the United States, Australia, Britain, Japan, South Korea, China and India (Yeoh, 2007).

The Singapore landed PR visa is however meant only for high position executives possessing educational qualifications from top notch universities

whose area of expertise is on the list of demanded occupations in the city and whose responsibilities are highly acclaimed in foreign corporations. Singapore's Ministry Of Manpower frequently revises the Skill demand list upon discussions with the relevant business organizations and administrative bureaus (www.mom.gov.sg/Pages/default.aspx). Table 1.9 displays a listing of crucial occupations needed for Singapore's development of its principal economic sectors. It correspondingly itemizes the anticipated competencies that are going to be highly demanded.

Table 1.9
Strategic and Skills-in-Demand List: Finance Industry

Occupation	Recommended qualifications
Compliance Managers	Degree in Banking and Finance, Accountancy, Law, Economics, Business FICS Compliance
Risk Management Managers	Degree in Financial Engineering, Banking and Finance, Accountancy, Mathematics, Engineering, Computer Science, Economics, Business FICS Risk Management
Information Technology Professionals	Degree in Information Technology, Computer Science
Product Controllers	Degree in Accountancy, Banking and Finance or equivalent CPA/CA
Fixed Income, Currencies and Commodities (FICC) Sales/ Traders	Degree in Accountancy, Banking and Finance, Financial Engineering, Mathematics, Engineering, Computer Science, Economics, Business
Investment Management Professionals	Degree in Accountancy, Banking and Finance, Financial Engineering, Mathematics, Engineering, Computer Science, Economics, Business Chartered Financial Analyst (CFA)
Project Management Professionals	Degree in Banking and Finance, Accountancy, Mathematics, Engineering, Computer Science, Economics, Business
Research Analysts and Structurers in Shipping, Aviation, Commodities, Infrastructure Finance, Real Estate	Degree in Accountancy, Banking and Finance, Financial Engineering, Mathematics, Engineering, Computer Science, Economics, Business Chartered Financial Analyst (CFA)
Underwriters and Actuaries in Marine Hull, Aviation, Energy, Political Risk, Terrorism and Agriculture Insurance	Degree in Actuarial Science, Accountancy, Banking and Finance, Financial Engineering, Mathematics, Engineering, Economics, Business

Source: Ministry of Manpower, Singapore, 2015

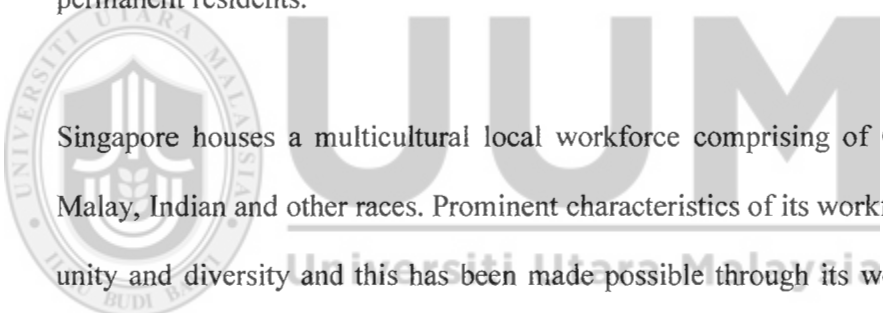
According to Lee (2010), compared to their counterparts in other countries, expatriates in Singapore are earning the highest income. He further added that close to 50% of those expatriates who are respondents of the survey conducted by HSBC Bank International, earned over US\$200,000 per annum. Even countries such as Russia, Hong Kong and Saudi Arabia were ranked lower. Singapore, as disclosed by the survey involving 4,127 expatriates from 100 countries acquired 7th place for number of expatriates having net income after taxes of more than US\$3,000.00.

A big fraction of expatriates in Singapore are enjoying high disposable incomes and this is partly due to the tax system. Singapore's personal and corporate income taxes are among the lowest. Due to this Singaporeans are able to enjoy a bigger percentage from their salary. For Singapore's residents, the individual rate lies in the range of 0% to 20% while for non-residents, 15% is levied. Meanwhile for businesses with proceeds of up to S\$300,000, the tax rate imposed is around 8.5% and those over and above S\$300,000 is levied a flat rate of 17%.

A survey by the Expat Explorer mentions that out of the 109 expatriates surveyed, 66 of them are of the view that their disposable income derived in Singapore are much higher as compared to had they remained in their home country. A high-ranking executive at Janus Corporate Solutions, Mr. Gosh stated that for those who are seeking higher earnings and wanting to retain a

big portion of their salary, Singapore is the precise location. Its tax system ensures that employees benefit from their hard work.

Singapore is one of the most appealing destinations for expatriates due to its quality of life, safety, superb health-care, education and housing amenities, abundant job opportunities, low tax system and a wide range of other factors (www.guidemesingapore.com). As at end of 2009, Singapore's population stood at 5 million, its permanent residents made up one tenth of the population. In that same year, Singapore granted permanent residence status to almost 60,000 foreigners. The advanced state of amenities existing in the island nation is the main explanation for it being home to many new permanent residents.



Singapore houses a multicultural local workforce comprising of Chinese, Malay, Indian and other races. Prominent characteristics of its workforce are unity and diversity and this has been made possible through its workplace integration policies and a common working language. Foreign employees will feel very much at home working in Singapore as there are more than 100,000 expatriates and 7,000 multinational establishments there. Many of these companies operating in Singapore are making sure that there exists distributive justice where individuals are rewarded based on merit. To encourage employment of foreign talent in its local organizations, the government of Singapore is granting additional tariff exemptions for overseas Talent Recruitment Scheme for certain groups of employees which

include Singapore citizens, PRs and certain employment permit holders. This scheme was extended to September 30, 2013 (Singapore Budget, 2008).

As the nation relies on foreign professionals in developing further their economy, its immigration policy is rather lenient in order to lure experts from overseas as well as to maintain good population growth. In the last recent twenty years, Singapore has witnessed an escalation in its population growth. The low birth rate experienced by the country in the past did not help in the growth of the nation's economy and hence realising the need to improve its human capital, the Social Development Unit of the nation in 2009 urged married partners to bear more children. An invaluable asset to a competitive economy is foreign talent and realising this, Singapore is wooing and retaining overseas professionals via numerous arrangements plus the advantage of getting a PR status. Three Main Permanent Residence Schemes are as listed:

i. Professional, Technical Personnel and Skilled Worker Scheme (PTS Scheme)

Of the three plans, the PTS is most well-liked by the PRs because under the Employment Pass, expatriates are eligible for permanent residence;

ii. Global Investor Program Scheme (GIP Scheme)

This was introduced by the nation's Economic Development Board together with the Ministry of Manpower. This particular scheme is for

foreigners who intend to participate in the local economy either by investing or by starting businesses and are about to obtain permanent residency. The attractiveness of this program is that their spouses and children are also entitled for the same status; and

iii. Financial Investor Scheme (FIS Scheme)

This third scheme which is shown in Table 1.10 is appropriate for individuals who are of extremely high net worth as revealed by Singapore's Monetary Authority. It supports these individuals together with their family members to come to be PRs. Certain expenditure items are entitled for tax reductions (Refer Table 1.10).

Table 1.10 Scheme benefits

	P1 Employment Pass and equivalent*		P2 Employment Pass and equivalent*
Relocation expenses for employee	\$15,000 (includes recruitment)		\$5,000
Relocation expenses for spouse	\$5,000		\$5,000
Relocation expenses for unmarried children under 21 years of age	\$2,500 per child (maximum of two children)		\$2,500 per child (maximum of two children)
Total cap per employee	\$25,000		\$15,000
Cap per employer per assessment year		\$275,000	

Source: Singapore Department of Statistics

* Employers of Singapore Citizens and Permanent Residents will be eligible for further tax deduction depending on factors such as employee's salary and qualifications.

In 2011, Singapore was classified as the best business setting in the world. It was also ranked most attractive location for investment. The ranking was derived from the aspect of government support, attractiveness of labour market, infra-structure and financing competence (Economist Intelligence Unit, 2011). Hence, it has become the best investment potential worldwide. Repatriation of profits and bringing in capital from abroad is not prohibited by the republic. Singapore was nominated an ideal environment to invest in based on its encouraging condition, sound diplomatic connections, and steady political and economic environment (Business Environment Risk Intelligence, 2011).

In addition, due to its hassle free approach in handling administrative matters, the nation is noted as the easiest to conduct business in the world (World Bank, 2013). This is depicted in Table 1.11.

Table 1.11
World's Easiest to Conduct Business, 2014

Rank	Economy	Rank	Economy
1	Singapore	6	Norway
2	New Zealand	7	United States
3	Hong Kong, SAR, China	8	United Kingdom
4	Denmark	9	Finland
5	Korea, Rep	10	Australia

Source: Asia Pacific News, 2014

Establishing new businesses is stress-free as the nation helps make the process easy by simplifying the incorporation of companies. Registering for tax purposes is also simplified by using the same online form (World Bank, 2013). In the latest report by Asia Pacific News dated October 29 of 2014, it was reported that the Lion City for 9 successive years has been ranked number 1 in the ease of doing business category.

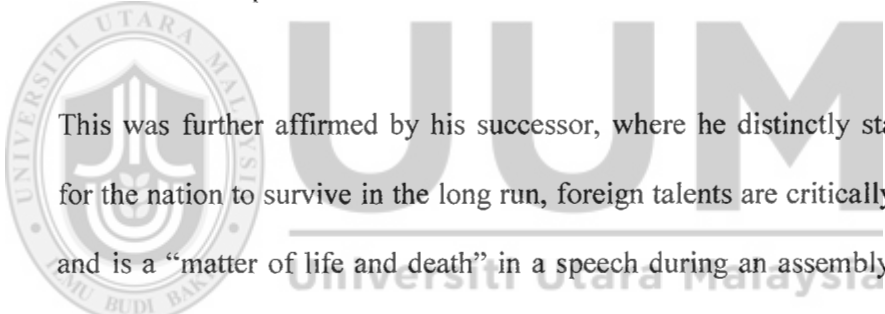
According to Business Environment Risk Intelligence (2011), what makes Singapore a favourable place for developing business is that it has a constant supply of industrious and experienced workforce. The nation has been ranked highest for its employees' productivity and general attitude in relation to the sophisticated technology and low labour unit costs pertaining to the value of produced goods and services. In the latest report released in April 2014 of the same institute, Singapore again topped the rankings from 50 top investment destinations in the world (Table 1.12).

The nation does not prohibit repatriation of profits nor does it have any limitations on importation of resources. Apart from its strong diplomatic relations, the nation's steady political and economic scene does form a perfect place for investment. In his speech for Nanyang Technology University in 2003, the nation's first Prime Minister said, "If we do not attract, welcome and make foreign talent feel comfortable in Singapore we will not be a global city and if we are not a global city, it doesn't count for much" (Chong, 2003).

Table 1.12
Best Investment Potential, 2015

Ranked by +5 years	100 = Perfect Country	Present Score	Combined +5 Years Combined Score
1	Singapore	75	76
2	Switzerland	74	75
3	Taiwan (R.O.C)	72	74
4	Norway	69	72
5	Germany	69	70
6	Austria	67	67
7	Canada	62	64
8	Netherlands	65	64
9	Denmark	58	62
10	Finland	59	62
11	United States	58	62
12	China	56	61
13	Sweden	59	61
14	Belgium	59	60
15	Ireland	57	60

Source: Beri Report 2015



This was further affirmed by his successor, where he distinctly stated that for the nation to survive in the long run, foreign talents are critically needed and is a “matter of life and death” in a speech during an assembly held in 1997. He further reiterated that if Singapore does not take heed and take any actions with regard to the shortage of the talent pool from abroad within the decade, a major move to China and elsewhere is likely to be the next scenario (Goh, 1997).

Other problems faced by Singapore are its aging population, economic reformation and recurring economic modification (Lee, 2009). This fact was addressed by the nation’s third Head of State during a National Day Speech in 2009. The nation is faced with the problem of locating professionals

particularly in the financial and accounting areas. The principal cause is that this group of professionals forms a very mobile labour force. Not more than one in six personnel in the nation will want to remain with the same employer within a two-year's tenure.

In view of its economic growth, Singapore needs to have a population growth and outstanding talent, locally and globally. Figures released by Singapore's Statistics Department revealed that its populace totaled 5.31 million as of June 2012. This represents only a small increase of 2.5% from 2011 (Department of Statistics, 2012). Out of the total population, its residents proportion make up 71% (3.81 million). Data revealed by the Ministry of Manpower, shows that its total workforce only improved marginally from 2.3 million in 2001 to 3.5 million in 2014 (over a period of thirteen years) as shown in Table 1.13.

Singapore has been importing foreign labour for many years and they are involved in various sectors (Tan et al., 2001). Chart 1.3 shows the representation of the various sectors and the breakdown. The Services sector is home to 43% of the expatriates in the Republic, and subsequently the Construction sector which is represented by 30%, Manufacturing 27% and other sectors, 0.4% (Ministry of Manpower, 2011). The services sector is made up of a list of different forms of activities including social and personal services.

Table 1.13
Singapore's Labour Force

Mid-Year	2004	2006	2007	2007*	2008	2009	2010	2011	2012	2013	2014
Total Labour Force ('000)	2,341.9	2,594.1	2,750.5	2,710.3	2,939.9	3,030.0	3,135.9	3,237.1	3,361.8	3,443.7	3,530.8
Resident Labour Force ('000)	1,733.4	1,880.8	1,918.1	1,878.0	1,928.3	1,985.7	2,047.3	2,080.1	2,119.6	2,138.8	2,185.2
Labour Force Participation Rate (%)	63.3	65.0	65.1	65.0	65.6	65.4	66.2	66.1	66.6	66.7	67.0
Mid Year	2004	2006	2007	2007*	2008	2009	2010	2011	2012	2013	2014

Source: Comprehensive Labour Force Survey, Ministry of Manpower (30 Jan, 2015)

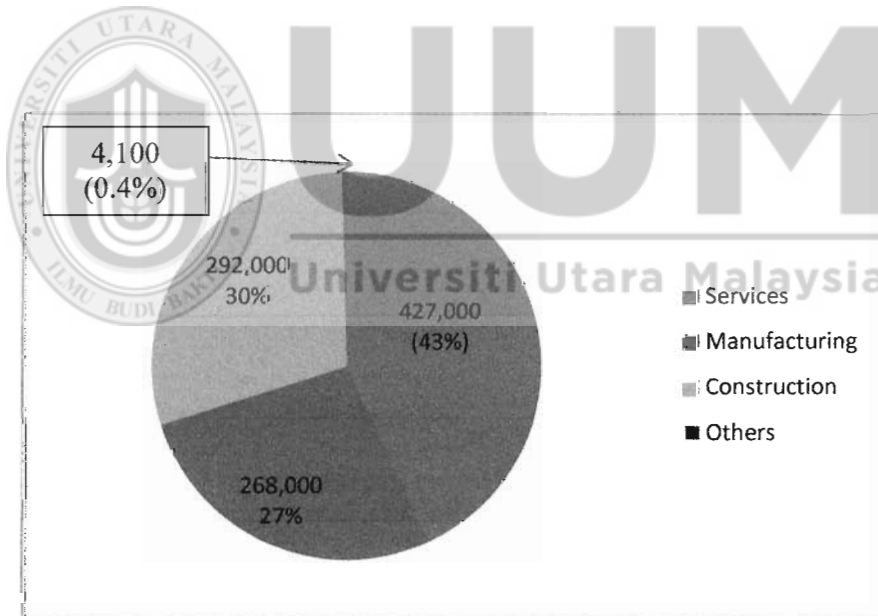


Chart 1.3: Foreign Workers in Singapore's Economy Excl. Domestic Workers (Ministry of Manpower, Singapore, December 2011)

1.6 Seriousness of the problem

The seriousness of the underlying issue is reflected by the establishment of the Talent Corporation (Talent Corp) whereby the main role is to call back some of these talents. Tan Sri Nor Mohd Yaacob, Minister in the Prime Minister's Department said that it expects to bring home no less than 70,000 of the nation's population who are abroad within a period of 10 years. It hopes to do so by proposing lucrative enticements. Malaysia has earlier attempted several efforts to entice our local talents home but these efforts have not been well received. Several programs were undertaken by the local authorities to bring back our professionals stationed abroad aside from drawing overseas experts and individuals who are really of high worth to Malaysia. The series of programs that Malaysia has embarked on are:

- i. "Returning Scientist Program" 1995. (www.mosti.gov.my/);
- ii. "Returning Expert Program" 2001. (osc.mohr.gov.my/);
- iii. "Brain Gain Malaysia" 2006. (www.nitc.my/index.cfm?); and
- iv. "Malaysia My Second Home" 2004. Re-launched in April 2006, (<http://mm2h.gov.my/>)

Despite the attractiveness of these programs, responses from those who have fled the country has been modest. For instance, the program launched in 1995, the "Returning Scientist Program" could only entice 93 researchers, scientists and engineers. Out of this small total, only 23 are Malaysians while the rest are foreign nationals (Koh, 2012). This effort was ended prematurely merely three

years after its launch. Meanwhile, the continuing “Returning Expert Program” has only attracted less than 600 returnees since its inception (Kok, 2010). Until end of March 2013, the situation has not changed much. In a briefing to reporters in March of 2014, The Minister in the Prime Minister's Department revealed that in 2013, there were only 1,242 submissions made to return home where 900 were granted. He also added that what the nation needs hugely are professionals in the business services sector like qualified accountants, to fulfill the needs of the growing number of MNCs and investors (Yeong, 2014).

1.7 How Extensive is Malaysia’s Brain Drain?

The situation does not look good for Malaysia. If not capped, the movement will remain substantial. Rough estimations for 2010 on the worldwide movement stood at one million people (World Bank, 2010). The exact number could considerably be bigger depending on how many of the Malaysian-born make up part of the non-resident population of Singapore (these data are however unavailable). This situation has heightened at a very fast pace, almost fourfold across the past 3 decades. This movement is very much focused on certain geographic regions where 57 % of the entire migration is being absorbed by Singapore with the remainder dwelling in Australia, Brunei, UK and USA. During the past 10 years, the migration of experts in Singapore has increased at a pace of 6 % per annum. At the same time the migration is also ethnically slanted where a majority of the Malaysian diaspora is made up of

ethnic Chinese. The concerned figure in 2010 stood at approximately 90% (World Bank, 2010).

Among the migrators, most of them at least hold certificates or diplomas and even degrees and are specialists belonging to the group of medical professionals, certified public accountants, or researchers. The immense depletion of these talents will definitely have a huge negative impact on Malaysia's scientific and technological competence. Unfortunately this is the era that we desperately require their presence in order to make that badly needed change of gear to high value-added economy. The problem is that the Malaysian government has been concentrating on efforts to address this prevailing issue through the Malaysia Plans and the NEM. The administrative authorities of the government disclosed that unless this outflow of talents is kept under control, Malaysia will lose its competitiveness. Hence, the goal of attaining a high income status nation by 2020 will hence be close to impossible.

1.8 Problem Statement

Human capital is critically important and essential for a country's economic development. Only with well managed talents, a country can achieve its mission, vision, goals and objectives. It will be devastating to a country's economy if good talents keep leaving the country indefinitely without any monitoring and restrictions. The surge in number of highly skilled and

educated Malaysians migrating for enhancement in their career over the years has caused what economists identify as “Brain Drain, human capital flight or human crunch”. Although financial outflows is very worrying, the outflow of human resources is more worrying because it deprives the country of the talents and skills gravely required to bring the country to a higher level of development. It would be very challenging for Malaysia to lure more Foreign Direct Investments and to set up more knowledge based industries without the presence of these skilled workers.

The importance of accountants seems to be under rated. Generally, people are not aware of the significance of these accounting experts in the establishing and upkeeping of booming ventures. In order to ensure the unperturbed management of the business, these accountants have to saddle many tasks. It is the duty of the accountants to help decide on distribution of resources in the establishment. It is their task in making sure all business transaction entries are properly documented, kept and maintained. It is also their responsibility to produce financial statements and documents required in the proper maintenance of the organization. They are also required to assist in maintaining the bank accounts, dealing with disbursements to clients and the employees’ remuneration systems. One important area of the business is the income tax. Whatever business we indulge in, it definitely needs the assistance of an experienced accountant. Accountants are able to assist business owners in providing a complete tax structure so that businesses are able to minimize their taxes therefore minimising expenditures. All these tasks are too burdensome

and difficult for someone with limited experience in handling a full set of accounts and the maintenance of business (www.allbestarticles.com). Due to the uptrend in demand for these accounting experts worldwide, Malaysia is experiencing a continuous hemorrhage in this sector especially to China, Hong Kong, Singapore and of late, the United Kingdom.

Due to the shortage in supply of some well sought after occupations, it is not uncommon for job hopping to occur (for career progression and better salary). More and more, salary is turning out to be a major factor for jobseekers in considering their next career move and comparatively jobseekers across the causeway generally earn more lucrative salary basically from the currency exchange.

Malaysian accountants, Malaysian accounting professionals as well as high quality fresh graduates from Malaysia are being lured by developed countries to fill the vacant positions of accountants in their countries. Malaysia has become the target of these developed nations because Malaysia produces accountants who are highly qualified and flexible and have the ability to work with any races. This is due to the fact that this is a nation whose population is multi-diverse and majority of its citizens are multilingual.

As stated by Joyce and Hunt (1982), when Brain Drain occurs, there is a loss to an economy. Not only Malaysia suffers from loss of human capital resources as a result of the migration but also its loss is in the form of taxes which is crucial

for the local economy. Needless to say that the quality of public services offered by any nation is dependent on the amount of funding allocated and basically this would be derived partly from private investments and consumption expenditure. Emigrants would also normally take all their savings/investments when they leave the country. This usually has broader implications on all sectors of the economy.

Therefore, this research attempts to explore the factors that have brought about the intention to leave by many Malaysian accounting professionals and accountants to Singapore. Malaysia needs these professionals to spur the local economy to greater heights in order to achieve its high income status as envisioned by the Prime Minister.

1.9 Motivation of study

This study was chosen most importantly because of the current astounding rate of Malaysian professionals migrating to other foreign lands. In a survey by Jobstreet.com (2010) conducted between March 2008 and September 2010, the accounting/finance sector is highly demanded well above the other 4 major professions i.e. (ICT, Sales, Administrative and Electrical and Electronic Engineering). This is a worrying fact as these are the professionals that are needed to drive our nation's economy out of the middle income trap. The government is not only unable to attract talents but losing whatever talents that it has needed to drive the economy to greater heights. The government of

Malaysia has a very tall order in achieving the high income status by 2020. Currently Malaysia is trapped in the middle-income stage and it is only 5 years away before the deadline.

1.10 Research Objectives

Given the staggering numbers of professionals especially those engaged in the accounting industry leaving the country, it is therefore necessary to give first hand attention to this problem. The main objective of this study is to therefore unearth the central factors influencing Brain Drain among these professionals and those involved in the accounting profession in Malaysia. It was found that no earlier in-depth research has been conducted in this area. Therefore, it is also our goal to expand the local literature available in this area. Specifically this study intends to:

- i. Determine if better pay have a significant positive impact on Malaysian accounting professionals' intention to leave for Singapore;
- ii. Investigate if Quality Work Life have a significant positive impact on Malaysian accounting professionals' intention to leave for Singapore;
- iii. Examine if ease of immigration procedures have a significant positive impact on Malaysian accounting professionals' intention to leave for Singapore;
- iv. Determine if desire for international exposure have a significant positive impact on Malaysian accounting professionals' intention to leave for Singapore;

- v. Examine if the promise of more challenging job scopes have a significant positive impact on Malaysian accounting professionals' intention to leave for Singapore;
- vi. Ascertain whether social network have a significant positive impact on Malaysian accounting professionals' intention to leave for Singapore; and
- vii. Ascertain if personality plays a moderating role in Malaysian accounting professionals' intention to leave for Singapore.

1.11 Research Questions

From the above objectives the researcher has derived at the following research questions:

- i. Does better pay offered have a significant positive impact on Malaysian accounting professionals' intention to leave for Singapore?
- ii. Does QWL have a significant positive impact on Malaysian accounting professionals' intention to leave for Singapore?
- iii. Does ease of immigration procedures have a significant positive impact on Malaysian accounting professionals' intention to leave for Singapore?
- iv. Does desire for international exposure have a significant positive impact on Malaysian accounting professionals' intention to leave for Singapore?
- v. Does the promise of more challenging job scopes have a significant positive impact on Malaysian accounting professionals' intention to leave for Singapore?

- vi. Does social network have a significant positive impact on Malaysian accounting professionals' intention to leave for Singapore?
- vii. Does personality play a moderating role on the impact on Malaysian accounting professionals' intention to leave for Singapore?

1.12 Conceptual Definition of Key Terms/Concepts

The *Big Five Personality* actually describes the character of humans. There are five dimensions that can describe the character or personality of the human beings which include extroversion, emotional stability, agreeableness, conscientiousness, and openness to experience.

Brain Drain, as defined by Kwok and Leland, (1982) this term stands for the skilled professionals who depart from their country of birth looking for better or greener pastures in other countries.

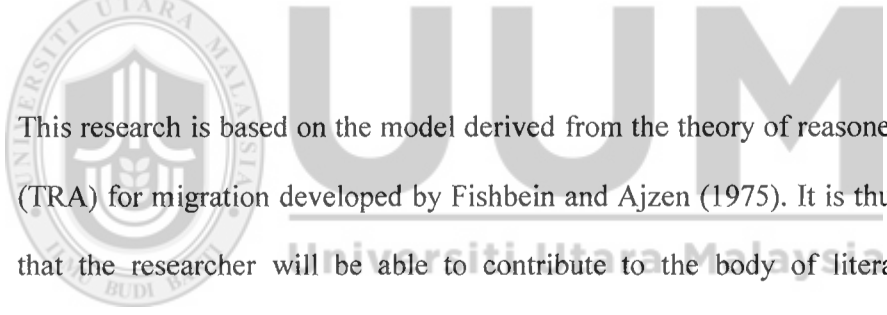
Proactive people, according to Crant (2000) are those people who will search and look out for prospects.

Social Network is any network that may take the form of either family, kinship (Raghuram, 1999), hometown associations (Henry & Mohan, 2003), professional networks such as alumni (Vertovec, 2002), entrepreneurial networks (Ong, 1999; Campani, 1994), religious networks (Hiiwelmeier, 2001).

1.13 Significance of the Study

This research was conducted with the intention of providing significant theoretical and practical contributions. With this research it is with the intention of making a meaningful impact to the theory of Brain Drain among the accounting professionals in Malaysia. There has been limited research conducted on this profession, in particular, i.e. Malaysian accounting professionals fleeing to Singapore. The current study will help Malaysian firms more specifically the accounting firms, to devise efforts directed to factors in retaining the accounting personnel.

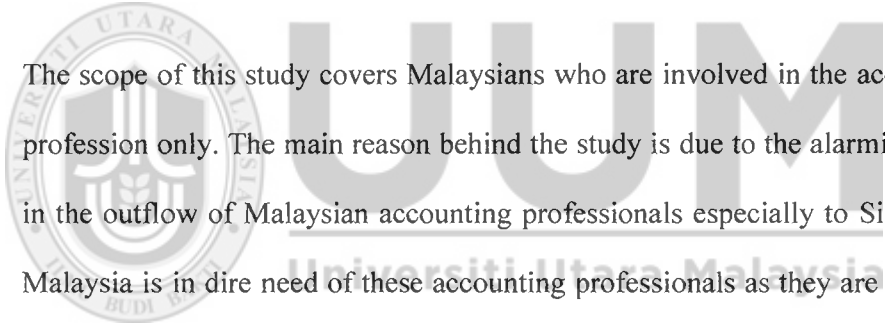
1.14 Theoretical contribution

- 
- a) This research is based on the model derived from the theory of reasoned action (TRA) for migration developed by Fishbein and Ajzen (1975). It is thus hoped that the researcher will be able to contribute to the body of literature by extending this model to include The Big Five and Proactive Personalities as the moderating variable that will lead to Brain Drain; and
 - b) To the researcher it would bring about a deeper sense of understanding on the factors affecting Brain Drain among the Malaysian accounting professionals.

1.15 Practical contribution

- a) It is hoped that this research will enable the learning institutions and the government to review the education system, government policies and to implement measures in order to curb this phenomenon; and
- b) This research studies the Big Five personality traits and proactive traits. The research thus reveals which personality traits will likely have an impact on the intention to leave by the Malaysian accounting professionals.

1.16 Scope of the Research



The scope of this study covers Malaysians who are involved in the accounting profession only. The main reason behind the study is due to the alarming trend in the outflow of Malaysian accounting professionals especially to Singapore. Malaysia is in dire need of these accounting professionals as they are the ones who are responsible for the maintenance and upkeep of business accounts and of late their roles have expanded to strategic business decision making.

Thus in order to eradicate or at least minimise the numbers, it is of utmost importance to study the factors that lead these professionals to leave or to have the intention to leave the country.

The major area of interest in this study is to find out why Malaysians particularly those in the accounting profession, are enticed to move and serve in Singapore. The study involved primary research whereby questionnaires were distributed to Malaysian accounting professionals, interviews with accounting experts, and also secondary research.

1.17 Summary and Arrangement of the Dissertation

The dissertation is organized into six chapters. The first gives the general idea of the study, the problem statement, research objectives and questions. Chapter 2 presents the Malaysian Development Policies while the literature review and theoretical development of the study and hypotheses together with the theoretical framework are presented in Chapter 3. The ensuing chapter presents the data collection methods and Chapter 5 deliberates on the data and outcomes of the analysis on the statistics based on the questionnaires distributed to the respondents and a summary of the actual interviews. The findings interpretations, constraints and recommendations for further study and subsequently the conclusion are provided in the last chapter.

2.0 MALAYSIA'S DEVELOPMENT POLICIES

2.1 Introduction

This chapter begins with the circumstances surrounding the impending concern, followed by a brief history of Malaysia's development policies, the Tenth Malaysia Plan, a summary of the New Economic Model (NEM), a short analysis on how policies can address the worrying present issue, the impact of the policies, The Talent Corporation, the Malaysian Education Blue Print, and the summary of the expected impact of the development policies on the Brain Drain issue in Malaysia.

2.2 Background

To portray the exodus of "scientists and technologists" from Europe after the war to North America, the expression "Brain Drain" was developed by the Royal Society (Cervantes et al., 2002). In the United Kingdom, where it was originally used, a different source suggests it is used to refer to the inflow of Indian scientists and engineers (Spring, 2009). Even though this word initially represented technology personnel departing a country, over time it has encompassed: "the departure of educated or professional people from one country, economic sector, or field for another, usually for better pay or living conditions" (Merriam-Webster Dictionary, 2010). This movement has a negative impact as it is seen as an economic cost. When they depart from their

home country, these emigrants normally bring their experience and knowledge with them. These valuable knowledge and experiences they obtained were usually sponsored by either the government or other establishments and this is often linked to the drawing out of experts from the country of origin.

This issue of Brain Drain from developing countries has been a matter of great debate for a very long time. Occurrences rampantly found are the movement of the knowledgeable and cultured individuals or experts from the less developed countries who are lured by the attractiveness of the perks and benefits offered by the more developed countries. Apart from that is the ability of these developed nations in offering desirable or lucrative salary and living conditions. An infrastructure system which is better than what the home country can provide is also an added advantage for these developed countries. Carrington and Detragiache (1998) established the fact that migration from 61 developing countries makes up for approximately 70 % of the whole population. There is a dire need for policy makers to address the concern as the seeping away of the well-educated is a very obvious trend in developing countries. It has been noted that the tendency to move away from the country of birth tends to be greater for those who are more educated. This reflects that those with little or no education have very little chances of migrating.

Malaysia is also shackled by this phenomenon and policy makers have been working very hard to find ways to curb this situation over the last few decades. Earlier researches discovered that Malaysia's Brain Drain stemmed out from

the early days when the country came under the British rule. During this time period, the Malays received certain advantages more than their non-Malay equivalents. Benefits that they enjoy include quotas for scholarships and occupation in the public sector. This favouritism practice has led to the emigration of the non-Malays. One other possible reason for this observable fact could be due to the scholarship under the Colombo Plan. This plan started in July 1951 as a cooperative effort for the economic and social advancement of South and Southeast Asia. This program offers post-graduate scholarships and is made available by the Malaysian government at the Institute of Diplomacy and Foreign Relations (IDFR), Universiti Sains Malaysia (USM), University Putra Malaysia (UPM) and International Islamic University of Malaysia (IIUM). For those who want to further their education at the KDI School of Public Policy and Management in Korea, the Republic of Korea also grants scholarships to successful candidates. Another aid can also be obtained from Singapore where it is offering scholarships to those intending to study at National University of Singapore, Nanyang Technological University and the Singapore Management University.

When the Federation of Malaya declared its independence, the Reid Commission, an independent body, was given the responsibility for drafting its constitution. Comprised in this Constitution is a provision called Article 153 where it contained a special position for the Malays. Hence, aside from the main purpose of this research, this article wished to tackle the economic disparity between the Chinese and Malays. With this being on the main agenda,

huge amounts of funds were allocated for qualified Malay students to pay for their fees and living expenses in order they can pursue their education in leading institutions of higher education in Australia, the United Kingdom and in the United States of America. This situation in Malaysia now has reached a critical stage. Our neighbouring countries seem to provide greener pastures to our citizens so much so as to the extent of offering permanent residence. Among the major attractions abroad are better job prospects and attractive benefits. While there are factors luring our professionals abroad, in the home front there exists negative elements such as corruption, social and educational opportunities inequality that are causing our skilled nationals to leave. In 2011, The Malaysian National News Agency or more commonly known as Bernama stated that there are a million skilled Malaysian citizens working abroad (Bernama, 2011). Lately the Brain Drain situation has amplified with 305,000 Malaysians migrating during the period beginning from March 2008 to August 2009. This statistic has somewhat rocketed as compared to only 140,000 in 2007 (Asia Sentinel, 2010) with non-Bumiputeras specifically the Indians and Chinese making up the majority. Countries favoured by most migrants include Australia, Singapore, the United States of America and the United Kingdom (Hydrogen, 2013).

It has been understood that for a country to prosper it needs its highly skilled professionals to improve the economy. However, as mentioned in the NEM, Malaysia is not only incapable of attracting talents but whatever talents that Malaysia already has are leaving. With the constantly growing in intensity and

the severity of the decades old problem, the Malaysian government implemented a number of policies. One of the earliest of the policies is the Draft Development Plan of Malaya, 1950 – 1955 followed by General Plan of Development 1956-1960 Interim Review of Second Five Year Plan 1961-1965, and the First Malaysia Plan, 1966 – 1970. This was revised every 5 years right up to until the most recent, the Tenth Malaysia Plan (MP10) which was tabled on Thursday 10 June 2010. The MP10 contains a national transformation framework which aims to drive the country toward an advanced nation by 2020. Three pillars of the framework, the New Economic Model (NEM), the Economic Transformation Program (ETP), and the MP10 (2011-2015), have highlighted the critical role of a highly skilled, creative and innovative workforce in achieving a high income economy that is both inclusive and sustainable. This most recent plan sets the stage for a major structural transformation that a high-income economy requires, states the Prime Minister of Malaysia (MP10, 2011-2015). Presently, the talent base of the workforce of Malaysia is lagging behind the standard of high-income nations. The country suffers from a shortage of skilled workers, weak productivity growth stemming from a lack of creativity and innovation in the workforce, and an over-reliance on unskilled and low-wage migrant workers (National Economic Advisory Council, 2010).

2.3 A Brief History of Malaysia's Development Policy

Before 1970, the main focus of the nation's development policy was

stimulating growth, stressing on the importance of the export market. This was a commendable effort as it was proven when the economy flourished at 6.0 % annually on the average during this period. However, there was insufficient emphasis on the aspects of distribution and this resulted in inequitable distribution of income between the ethnic groups. This inequity resulted in negative social circumstances when a racial riot broke out in 1969 (Hassan, 2013).

The inequities included certain privileges enjoyed only by the Malays such as quotas for public scholarships (Karthigesu, 1986). When it was drafted out, the intent of Article 153 contained in the Constitution was to address economic inequality between the two major ethnic groups. It stated that "in due course the present preferences should be reduced and should ultimately cease" (The Constitution of Malaysia, 1957). This Article was retained when Malaya joined Sabah, Sarawak and Singapore in 1963 forming the Federation of Malaysia by which time the expression Bumiputeras encompassed all natives of Sabah and Sarawak in East Malaysia. However, this political union proved to be short-lived because of the worsening situations between the federal and state governments. Disagreements ensued brought about by the privileges given to the Malays which later caused the separation of Singapore from the Federation in 1965 (Ganesan, 1991). Despite the special rights given, the Bumiputra's share of the economy did not really show a substantial improvement. As late as 1970, the estimated Bumiputra's share of the nation's wealth was only 2.4% while the rest remained in the hands of the Chinese and

foreign hands (www.academia.edu/.../The_Impact_of_Ethnicity_on_Regi...). While some quarters blamed the May 13th 1969 riot was because of the racial based dissatisfactions, others claimed it was the outcome of incitement by the rival parties, following their substantial wins in the elections held in 1969. Nevertheless, this allegation could not be substantiated (Malaysia Factbook).

Resulting from the riot which erupted in the capital city of Kuala Lumpur, a state of emergency had to be declared and subsequently the House of representatives was suspended. In its efforts to restore law and order, the government formed a National Operations Council (NOC) or MAGERAN (Majlis Gerakan Negara). This council, which was established in 1969, is an emergency administrative body. The council was at that time led by the then second Prime Minister of Malaysia. Then in 1971, Parliament resumed formally placing Tun Razak as the second Prime Minister of Malaysia. Soon after his appointment, several announcements were made by the newly appointed Prime Minister including the New Economic Policy (NEP) and several revisions to the Seditions Act. This revision does not allow any discussions to be held regarding the abolishment of several clauses of the Constitution, not excluding Article 153. The newly announced NEP was drawn up with the main aim of accomplishing congruence and unison in a multi-diverse nation through accomplishing socio-economic goals together with ensuring that economic growth is met. Hence, the main objective was to attain national unity (www.epu.gov.my).

In 1990, the time period of the NEP came to an end and it was superseded by the National Development Policy (NDP). This NDP that lasted beginning 1991 to 2000 was expected to be taken over by the National Vision Policy which presumably was to ease off the forceful measures of the NEP and NDP. Nonetheless, UMNO later decided to re-establish the NEP. As such, the NEP was prepared as a concerted effort to reduce poverty and restructure the society and economy in 1970. The NEP also included a policy on fostering a fair deal on talent for all the ethnic groups (www.epu.gov.my).

Various strategic restructuring initiatives were put forward targeted at bringing to a healthier, wealthier and more united nation. More schemes and programs were established to arrive at human capital with improved skills and better knowledge base and infrastructure among many other actions drafted out. Table 2.1 shows the various economic plans of the nation since its beginning.

2.4 The Tenth Malaysia Plan

Encompassed in the MP10 are the goals and objectives of the transformation plan and the New Economic Model (NEM). This was proposed by Dato' Seri Najib Razak, the current Prime Minister in Parliament on June 10, 2010 (www.epu.gov.my). This MP10, a blueprint for the period of 2011 to 2015 draws out the policies, strategies and schemes that will facilitate the country to achieve the high income status. Through this blueprint, the focus is

concentrated on 12 national key economic areas (NKEAs) where through this it is expected to enhance the growth of the nation's economy and thus help transform Malaysia into a progressive nation.

Table 2.1
List of Malaysia's economic plans

Eleventh Malaysia Plan	2016-2020
Tenth Malaysia Plan	2011-2015
Ninth Malaysia Plan	2006 – 2010
Eighth Malaysia Plan	2001 – 2005
Seventh Malaysia Plan	1996 – 2000
Sixth Malaysia Plan	1990 – 1995
Fifth Malaysia Plan	1986 -1990
Fourth Malaysia Plan	1981 -1985
Third Malaysia Plan	1976 - 1980
Second Malaysia Plan	1971 - 1975
First Malaysia Plan	1966 - 1970
The Second Five Year Malaya Plan	1961-1965
The First Five Year Malaya Plan	1956-1960
Draft Development Plan of Malaya	1950 – 1955

Source: www.epu.gov.my

These development programs are aligned to the 6 National Key Result Areas (NKRAs) summarized in the Government Transformation Program (GTP), the National Key Economic Areas (NKEAs) of the Economic Transformation

Program (ETP) and the strategic transformations in the NEM. It features approaches in the direction of a much further concentrated part for the government as a monitor and stimulus whilst supporting the philosophies of “1Malaysia: People First, Performance Now” to make sure of efficient services delivery. The following outlines the summary of The MP10. This MP10 is built on 5 key strategic thrusts (refer Figure 2.1).

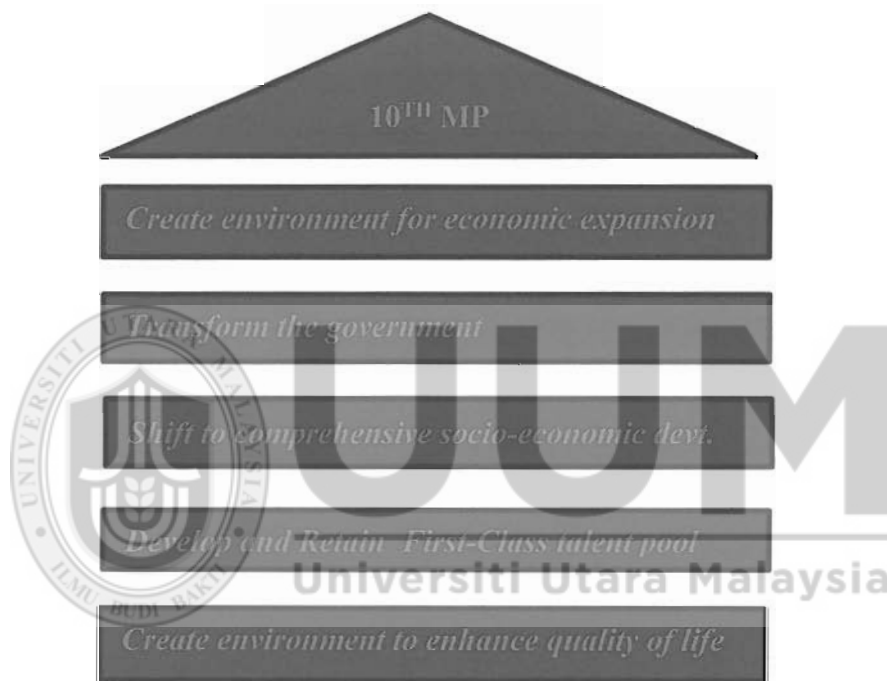


Figure 2.1: Summary of 10th Malaysia Plan (www.epu.gov.my)

The (GTP) and the (NEM) formulate what is necessary to boost the local economy. The strategies and policies laid out will then be converted into action of which the main aim is to realize a high income and developed country within a time period of 10 years. Areas of weakness identified are: declining private investment, dwindling productivity rates, ineffective resource usage, loss of experts, shortage of skilled workforce, heavy

bureaucracy and out-dated policies.

2.5 The Government Transformation Program (GTP)

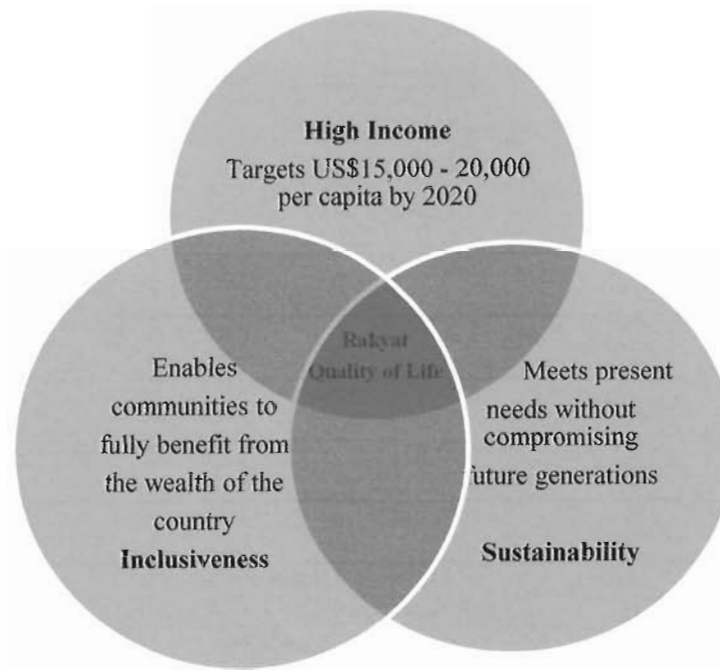
The GTP is a draft which is separated into 3 different scopes. Every single scope has its own central theme. The first scope began in 2010 after the recognition of the National and Ministerial Key Results Areas. As a preliminary for the GTP on the overall, the GTP's main attention was directed at checking and preventing the deterioration in the NKRAAs and to introduce transformation of the way of thinking that will form the basis or foothold for the rest of the transformation program.

The Second is called the Enhancing Change phase where it tries to improve the programs that were introduced in the previous phase. This particular phase develops and improves the earlier phase's initiatives that are successful, and proposes additional programs.

The Third or last phase is called the "The future and beyond". This phase of the program will run from this current year into 2020. What it will do is to institute new reforms that are people-focused derived from the modifications from two earlier phases. This will aid all other economic movements towards bringing Malaysia out of the middle income trap (<http://www.pemandu.gov.my>).

2.6 The New Economic Model (NEM)

This economic model was announced on March 30th 2010 by Dato Seri Najib Tun Razak. Its aim was to substitute the NEP. Dato Seri expressed his disappointment at how the policy had been executed for the past 4 decades. He argued that in the past, actions taken were much left to be desired and that the new NEP moves should be more focused. Thus with this replacement, focus is shifted to what kind of manpower, skills and knowledge are needed by the economy rather than based on ethnicity. With this in the pipeline, it is envisaged that Malaysia will become more competitive globally and attractive. Dato Seri Najib was quoted as saying that the main aim of the NEM is to transform Malaysia and lift it into a nation with high-income status supported by excellent development" by 2020 (Chin, 2010). The transformation is expected to enable Malaysia to more than double the per capita income of Malaysians of RM23100 (US\$7,000) in 2010 to RM49,500 (US\$15,000) by 2020. For the 10 years period from 2011 to 2020 the targeted annual growth rate is 6.5% (NEM, 2010). In order to achieve this main objective other transformations include giving more authority to the private sector and also to narrow down the financial gaps of Malaysians. Figure 2.2 depicts the New Economic Model and its interaction with each other and where the focal point of these strategies is people.



Characteristics of Malaysia in 2020



Figure 2.2: The NEM: Goals and Characteristics (NEAC, 2010)

Fundamentally the NEM is an outline that draws out a plan on how to pull the country out of the present income situation, and launch it to an elevated income economy status. The way to achieve this is by means of implementing eight Strategic Research Initiatives (SRIs) which comprise of giving new roles to the private sector, nurturing labour force with quality, and establishing a competitive home surrounding. Growth will take into account both improving the sources and the sustainability of growth (NEAC, 2010). Meanwhile, the public sector will not be alienated. There are other initiatives that have been laid out for this particular segment of the economy. Moves are also taken to

ensure the forming of Malaysia's knowledge-base and infrastructure. In brief the NEM is really a charter of a new approach of conducting business in Malaysia.

Dato Seri Najib in his address mentioned that the NEM's aspiration is mainly to enable the country to be part of the high-income economies of the world. Hence, growth process will have to be both all-encompassing and maintainable. These measures are necessary so as to enable the entire population of the country to enjoy the gains while at the same time not detrimental to the future generations (NEM, 2010). Briefly the NEM signifies the modification of various aspects. A summary version is presented in Table

2.2.

Table 2.2
Summary of emphasis changes

Refocus to quality-driven growth	More reliance on private sector moves	Bottom-up decision making	Allowing unbalanced regional growth	Providing selective, smart incentives	Reorienting towards emerging markets	Welcoming foreign talent including diaspora
Malaysia needs to focus on quality and quantity investment in physical and human capital to boost productivity	Involves rolling back government's presence in some areas, promoting competition and exposing all commercial activities (incl that of GLCs) to the same rules of the game.	Involves decentralized and participative processes resting on local autonomy and accountability	The need to promote clustered growth, while ensuring good connectivity between where people live and work.	Transformation of industrial policies into smart innovation and technology policies will enable Malaysia to concentrate scarce public resources on activities that are most likely to catalyst value.	Malaysia can leverage on its diverse manpower and by strengthening linkages with Asia and the Middle East.	Foreign skilled labour to fill the gap while Malaysia develops the pool of talent domestically Opportunities are not taken away from the locals instead it generates positive spill-over effects to everyone

A clearer illustration of the change in the emphasis is displayed in Table 2.3

Table 2.3
Approach to economic development: the Old versus NEM

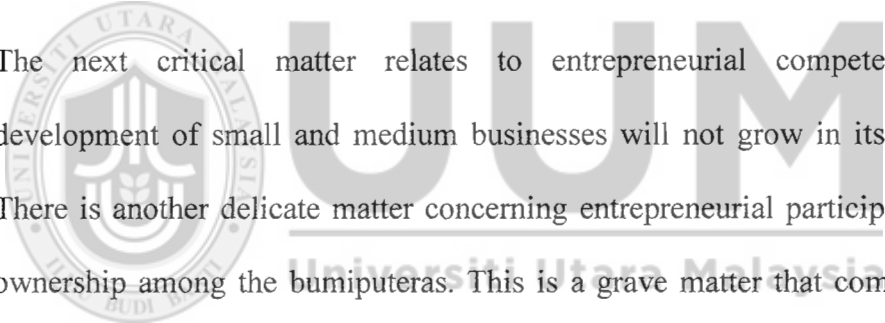
OLD NEM						
Growth primarily through capital accumulation . Focus on investment in production and physical infrastructure	Dominant state participation in the economy	Centralised strategic planning	Disperse economic activities across states to spread benefits from development	Favour specific industries and firms	Export dependence on US, Europe and Japan	Limitations on foreign skilled workers for fear of local workers being displaced
NEW NEM						
Growth through productivity. Focus on innovative processes and cutting-edge technology	Private sector-led growth.	Localised autonomy in decision making Empower state and local authorities	Cluster- and corridor-based economic activities	Favour technologically capable industries and firms	Asian and Middle-East orientation	Retain and attract skilled professionals

Source: www.neac.gov.my

With these policies in place, Malaysia is expected to be a better place to live in and be the place of choice to work and hence is envisaged that the problem of Brain Drain will be curtailed if not eradicated.

According to Mr. Nambiar who is Head of Policy Studies Division at the MIER, education, entrepreneurial skills and institutional reforms are three critical concerns for the NEM. The success of the NEM actually hinges on technology enhancing, formation of knowledge-economy and enhancement of a labour force that is extremely skilled and thus raising the importance of the previously mentioned three key concerns. In the hopes of ascending the

value-chain, the NEM proposed to place the importance on methods that are technology-intensive for the manufacture and by placing reliance on innovation and Research and Development (R&D). All these can only be achieved through a good education system. In lieu of the poor command of the English language, schoolchildren will need to put extra effort in picking up the language effectively. Even educators need to be trained to educate the language appropriately. Presently, the government is focusing too much of their attention on maintaining ethnic interests. It is too concerned with this challenging mission that it does not have sufficient time to look into such concerns.



The next critical matter relates to entrepreneurial competencies as development of small and medium businesses will not grow in its absence. There is another delicate matter concerning entrepreneurial participation and ownership among the bumiputeras. This is a grave matter that compromises racial balance. Unless the underpinning problem is dealt with, the NEM is far from reaching its objectives.

The last but of utmost importance is the need to re-orient the Malaysian institutional structure; way of interactions in the society, hopes and beliefs, and the standards and principles that regulate this need to be altered. The framework must not give way to sluggishness and unresponsiveness (Drysdale, 2010).

2.7 How can policies address Brain Drain?

The report by World Bank (2010) pointed out that Brain Drain is only a symptom of underlying factors, and not a problem in itself. Thus in addressing the Brain Drain at its root, the productivity and inclusiveness agendas are key elements. Targeted policies to facilitate the flow of talents can complement but not substitute. Despite the hype and the publicity given to the NEM, the report by the World Bank (2011) further mentioned that over 1million Malaysian citizens are residing overseas, asserting that preferences given to the Malays is the cause and thus for the lack of growth in the nation's economy. The preferences or bias has led to the Brain Drain phenomenon and hence discouraging investments by our foreign partners (Malaysia Economic Monitor, 2011).

Phillips Schellekens, World Bank senior economist stated that "Migration is very much an ethnic phenomenon in Malaysia, mostly Chinese but also Indian," (Liang, 2011). He further added that authority issues and meritocracy deficiencies are major restraints to Malaysia's growth. There has to be healthy competition in existence for it is that what can spur creativity and innovation. To prove his point, he pointed out that the nation did not fare well in the past decade with growth falling to an average of 4.6% per year. Previously Malaysia's growth was at 7.2%. Singapore however, saw its economy growing at 5.7% in the same corresponding period and has been able to lure more than

50% of its neighbour's foreign inhabitants, according to the World Bank (2011).

In an online survey conducted by the World Bank (2011) on Malaysians living abroad, it was mentioned that their main motivations for the departure was sounder job potentials and better remunerations overseas and the presence of social inequality in the homeland. The World Bank (2011) in its report added that the Lion City has attracted 57% Malaysia's foreign citizens, of which approximately 90% are ethnic Chinese. "If everything is implemented as they say, Malaysia is going to be a star economy," Schellekens told Bloomberg (Malaysian Insider, 2011). "The problem is implementation."

2.8 The impact of the policies on Brain Drain

In the NEM executive summary report, 8 Strategic Reform Initiatives were determined to boost the Malaysian economy's transformation. Strong political support and the willingness of Malaysians joining forces and work as one will determine the effectiveness of these initiatives.

With the successful implementation of the above measures, the researcher believes strongly that Brain Drain issue could be curtailed. The Malaysian policy makers and the relevant authorities will need to focus on putting in place a complete wide-ranging restructuring program in order to develop a framework that is comparable and in line with worldwide progressions. This

model ought to bring down costs and difficulties of businesses at the same time improving Malaysia's production efficiency and global competitiveness. By accelerating the application of Broadband, the NEAC is confident that it will form as a valuable instrument for the conception of new growth and income for the SMEs and the rural areas. With this, it will enable Malaysia to be back on track to a robust growth.

The Council (2010) also suggests the elimination of any bias in both government and Government Linked Companies (GLCs) purchasing procedures. The NEM also is looking at intensifying human capital development and thereby upgrading the workforce, and parallel to that to the creation of an inspiring workplace. The government also has adopted many broad measures in addressing educating talents and low skilled-foreign labour issues. The government is already implementing measures to effectively transform education over time aimed at meeting the imminent workforce required by a high income economy. The government also has recently implemented the Goods and Service Tax (GST), which allows room for lowering of corporate and individual income taxes in line with regional countries.

2.8.1 Transforming the Malaysian Workplace

Successful performance of the organization can be achieved if several of these important components are set in place. Such fundamentals as labour

laws and up-to-date Human Resource Management practices and systems need to be present and practiced. Besides directing their attention to strengthening human capital development and improving the labour force, the NEM is also looking into creating a workplace that is conducive and motivating (SRI, 2012)). The atmosphere has to be favourable for both employers and employees so that they will willingly and openly welcome and support new technology and innovative processes. Other necessities which are of no less importance are the strong commitment on the part of the workforce and their superiors to increase the worth of the end goods or facilities and effective and transparent communication between all parties related (refer Figure 2.3)



Figure 2.3: Workplace Transformation Measures (NEM, 2010)

2.8.2 Transforming the Malaysian Workforce

Malaysia is plagued with the problem of declining quality of workforce. While this is occurring, the new batch of work force is not equipped with the right skills and expertise needed by the industry. Investors pointed that Malaysia's manpower is lacking in the areas of analytical and problem solving. Other drawbacks are poor command of language and social networking incapability of which are hindrances to the implementation of advanced technology and modern teamwork practices required for high-value added activities. Hence to obtain a better quality of the workforce, certain transformations need to take place (refer Figure 2.4).

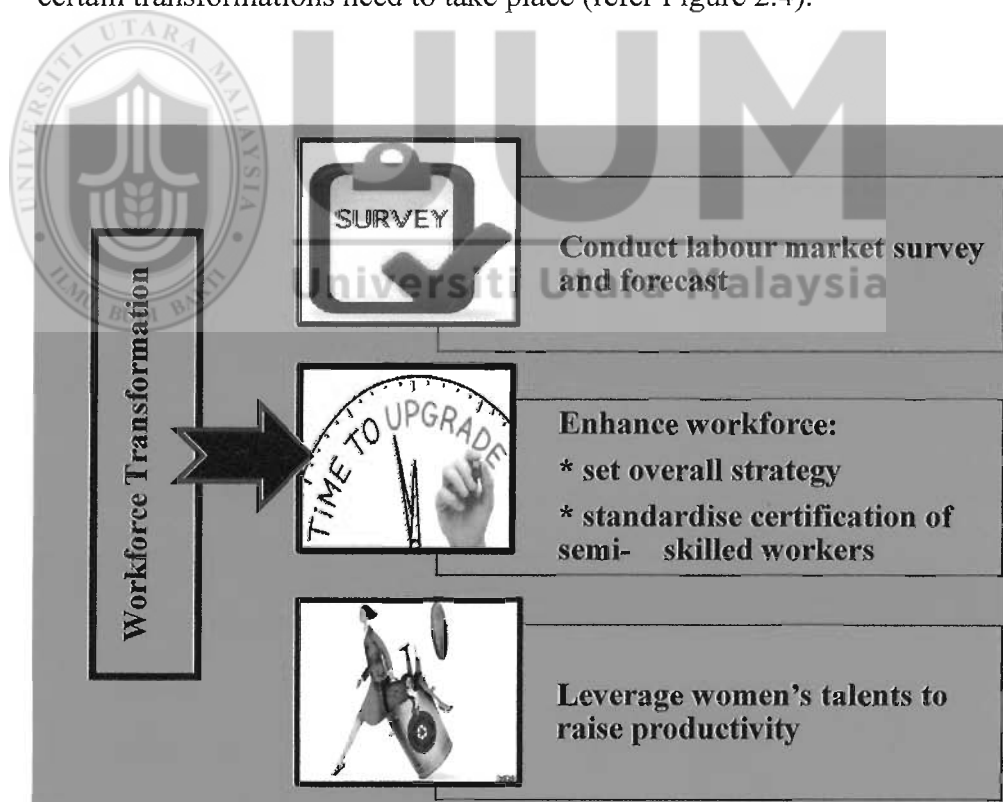
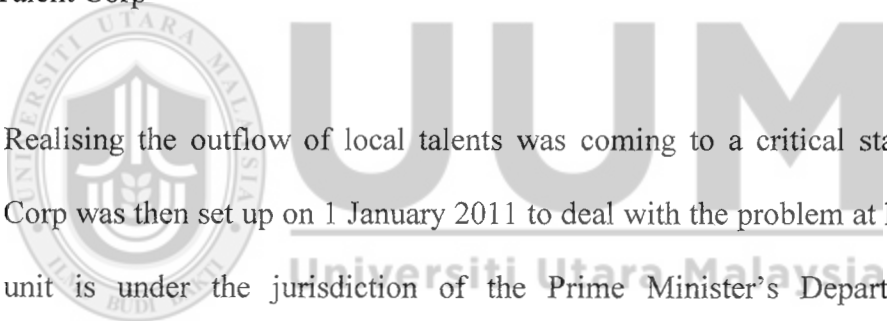


Figure 2.4: Workforce Transformation Measures (NEM, 2010)

2.8.3 Income Disparities

In its efforts to reduce income disparities and regional differences, there is a need to establish additional social assistance programs on transportation and housing, which constitute the bulk of low-income household expenditure. Among other measures is to increase the mobility of the bottom 40% for better employment opportunities. In addition, the Talent Corp was established under the Prime Minister's Department and given the task of attracting and retaining talents.

2.9 Talent Corp



Realising the outflow of local talents was coming to a critical stage Talent Corp was then set up on 1 January 2011 to deal with the problem at hand. This unit is under the jurisdiction of the Prime Minister's Department and comprises of a group of consultants and advisors headed by Encik Johan Mahmood Merican. They have been entrusted with the task of bringing back local talents who have fled the country and also to lure foreign talents. It is hence their duty to come up with programs to focus on talent availability needed to transform the nation's economy. In its efforts to woo back our foreign based nationals, Talent Corp is working together with related Government parties in priority economic sectors. Its initiatives are concentrated on 3 strategic pillars, mainly (i) Improve local capacity, (ii) Lure

and Simplify International Talent; and (iii) Develop Linkages of Top Talent. Programs by Talent Corp are listed in the following sections.

2.9.1 Returning Expert Program (REP)

The process of returning home from a foreign engagement can be quite tedious and involve a lot of paperwork and other arrangements including transporting all personal belongings which have been accumulated during years of overseas stint. This program however has been established to ease the burden of returning experts to take on a significant part concerning the nation's expansion. Not only does this program give assistance to returning professionals but their role is also to lure, assist and maintain those who come home.

Benefits of the scheme are tabulated below:

- a. For five years, returnees' income tax will be at an optional flat rate of 15%;
- b. All personal items brought home will not incur any tax;
- c. No tax will be levied on 2 locally assembled/manufactured CKD vehicles; and
- d. Foreign partners and their offspring are entitled for PR citizenship within 180 days after applying to the immigration office (aside from East Malaysia).

2.9.2 Scholarship Talent Attraction and Retention (STAR)

This program is a collaborative effort between Talent Corp and the Public Service Department (JPA). STAR enables JPA scholars to serve their scholarship bond in the private sector. Participants who take part in this program will be given opportunities to serve at key Malaysian companies that support the ETP.

2.9.3 Structure Internship Program (SIP)

The Structured Internship Program incentive is a collaborative effort between Talent Corp and the Ministry of Higher Education. Companies qualify for these incentives from January 2012 onwards. The program provides practical experience and emphasises the development of specific knowledge or skills for students of higher educational institution. The incentive offers tax deductions to companies that offer Talent Corp endorsed structured internship programs to Malaysian students pursuing a degree program or equivalent.

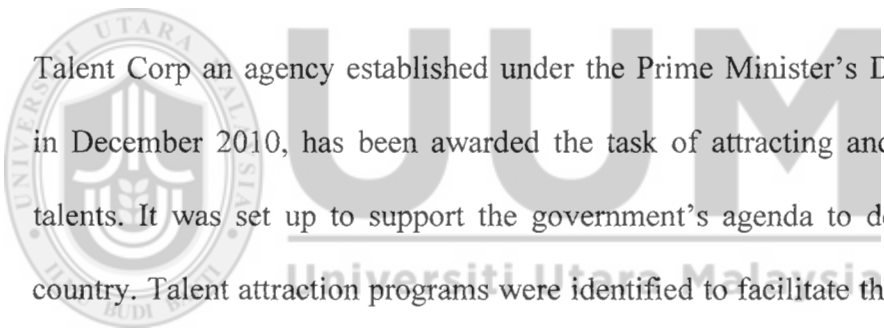
2.9.4 Residence Pass Talent (RPT)

This is an incentive by the Malaysian Government, with the main objective of luring and maintaining eminent foreign talents in the country. This pass

is a ten-year renewable pass for top qualified expatriates to enable them to stay in the country so that they can continue working here.

2.9.5 Career Fair Incentive (CFI)

The Career Fair Incentive is a Talent Corp initiative which provides companies that take part in overseas career exhibitions organized and recognized by Talent Corp, tax allowances. These carnivals are supposed to aim at Malaysian students and professionals working and living overseas (Talent Corp Malaysia).



Talent Corp an agency established under the Prime Minister's Department in December 2010, has been awarded the task of attracting and retaining talents. It was set up to support the government's agenda to develop the country. Talent attraction programs were identified to facilitate the return of Malaysia's Brain Drain. In its efforts, Talent Corp is also communicating with the Public Services Department (PSD) scholars overseas and local establishments for the "Talent Acceleration in Public Service (TAPS)" and STAR Program. It was reported that its Returning Expert Program which commenced in April 2011, registered approximately 700 Malaysian returnees as at the end of the same year. The Residence Pass Talent has had about 482 applicants only approved between April 2011 and December of that same year.

At the Northern Region MNC Women's Leadership Summit held at Equatorial Hotel, Penang on August 26, 2013 Johan Mahmood Merican disclosed that it had only successfully brought back 2,105 Malaysian professionals from overseas through Talent Corp since 2011. However, he is confident that the government-owned organization will be able to widen the scale in years to come. In its attempts to move forward, Talent Corp will work harder in order to obtain more of RE, RP and E Pass (Category II) recipients by way of business procedure enhancement ventures.

On the development of local talents, Johan said that Talent Corp was allocated a sum of RM15 million to introduce the FasTrack program for fresh graduates in the E&E sector in Penang and working jointly with Penang Skills Development Centre (PSDC). In his Welcome Keynote speech, Johan further added that about 400 local talents would be on the fast track to go into R&D of the E&E sector. He elaborated that all these measures were with the idea to support the country's economic transformation as there is a need to nurture local talents so that they are proficient and industry-ready in a knowledge economy (Northern Region MNC Women's Leadership Summit, 2013).

With the proper and adequate implementation of the NEM (2010), Malaysia was envisaged to be able to achieve much improved economy where its citizens will have better quality of life and income by 2020. However, the model states that "we are not developing talent and what we have is

leaving”. Malaysia is losing its talent at a very fast pace and it is seen to be increasing. An equivalent worrying fact is seen in the declining statistics of expatriates in Malaysia. To add to these elements is also the upsetting unfound reports on the Malaysian education system which seems to be producing graduates with skills that are not required by the firms. Hence, to address this issue, the Malaysian education blue print (2013-2025) is drawn up with the intention of introducing measures that will grow in tandem with all the other government measures to place Malaysia steadily on the route to development. The blue print provides an all-inclusive scheme for a quick and sustainable change of the Malaysian education system for the period from 2013 to 2025.

2.10 Malaysia’s Education Blue Print

Common grievances by employers in the Malaysian front are lack of fluency in English (55.8%), poor traits (37.4%), too demanding for salary/benefits (33%), skills mismatch (30.2%), fussy in job/company (27.7%), poor aptitude (25.9%) and poor skill knowledge (23.8%) (MEB, 2013). Meanwhile the Malaysian industries emphasized skills needed when applying for a job are hard skills and soft skills. Hard skills are skills that are normally connected to professional knowledge, tools, or techniques that are useful for the profession. Soft skills or sometimes termed as “people skills,” refer to interpersonal skills and can include how they communicate with colleagues, network, professionalism, and ability to think out of the box to tackle the issues.

According to the Ministry of Higher Education of Malaysia (2012), certain hard and soft skills that have been identified and emphasised should be integrated into the Institute of Higher Learning syllabus. These skills are needed to boost the rate of employment and hence increase the possibility of graduate employability. Among those that are identified are reading ability, good control of time, research skills and computer skills. Similarly among the soft skills demanded are esprit de-corps, presentation skills, decision making skills, communication skills, and career path preparation (MEB, 2013).

Realising these flaws and weaknesses, the local government now has to relook into the education system. The Malaysian education system needs to address the current weaknesses of students. They currently are lacking in critical and creative thinking skills needed for problem solving, fluency in English, and effective networking skills all of which are vital for the creation of knowledge and innovation (MEB, 2013).

Malaysia does not fare well in several critical areas as reported by the OECD's Program for International Student Assessment 2009 Plus assessment. The nation was placed at the third bottommost in "reading, mathematics and science". In these three subjects Malaysia fell too far-off from the international and OECD average. Hong Kong, Japan, Korea and Singapore were at least 100 points above Malaysia. In Mathematics, about 60% of students could not score even the minimum requirements. Likewise, in reading 44% and science 43% of them failed to meet the minimum proficiency levels (MEB, 2013).

To address these weaknesses, the Malaysian government has instituted new reforms. To be comparable to international standards Malaysia needs to take several courageous moves in the area of its human capital in order to reach the high income nation status. Several measures have been initiated and implemented to bring down the issues of lacking in and mismatches of skilled manpower and the deteriorating quality in our education. One of the initiatives is the implementation of the High Order Thinking Skills (HOTS) in Malaysia's education system (MEB, 2013). The framework of the human capital and talent development can be found in the 10th Malaysia Plan. The MEB (2013) indicates the seriousness and the government's most recent proposal to overhaul Malaysia's system of education. The MEB (2013) draws out policies and initiatives undertaken in order to achieve these goals of which there are five outcomes that it aspires. A summary of the outcomes are shown in Table 2.4.

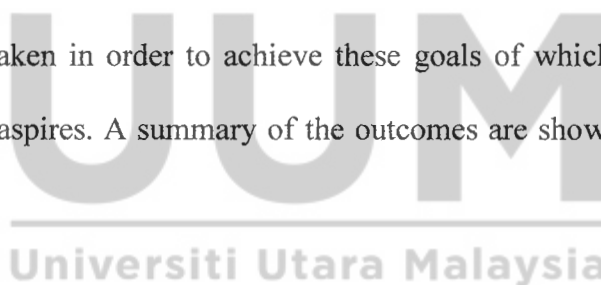
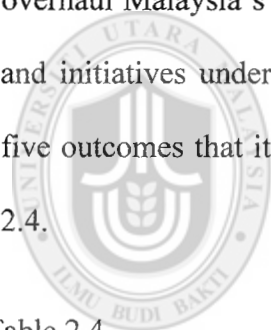


Table 2.4
Outcomes aspiration

1.	Access	Each child will have accessibility to education from preschool through to upper secondary school level (Form 5) by 2020.
2.	Quality	Each child will be assured of excellent education equivalent to the best international systems. Malaysia aspires to be in the top third of countries in terms of performance in international assessments within 15 years.
3.	Equity	All schools will deliver top performing systems to each child regardless of geography, gender, or socio-economic background. The MOE aims to halve the stated achievement gaps by 2020.
4.	Unity	On the average, each child will devote 10 years of their growing up life in school and hence the school is an institution where unity can be fostered right from the tender age of 7. As they come from multi-diverse background each with their own set of experiences and aspirations, they can begin to learn, understand and embrace the differences that form the foundation for unity.
5.	Student outcomes	Matching the improvements in student outcomes with the resources channelled into the system. The Government's aspiration is to further maximise student outcomes within the current budget levels.

Source: MEB 2013-2025

2.11 Summary

Overall, the NEM (2010) and all other Malaysia's development policies and remedial measures demonstrate that in order to enhance development and provide a jumpstart to its economy, Malaysia obviously has to institute serious structural transformations. All these efforts signify a substantial move towards this direction. What is more important and crucial at this juncture is converting those into real workable policies and the obligation to carry them out.

It is envisioned that once all these measures are put in place and have been implemented adequately and fittingly, Malaysia will be the best place for all and it is anticipated that this will be able to keep in check Malaysia's Brain Drain issue.



3.0 LITERATURE REVIEW

3.1 Introduction

This chapter provides a detailed review of the literature which includes a discussion on the Malaysian Brain Drain scenario, literature gap, the supporting theories, formulation of hypotheses and finally the theoretical framework of the present study.

3.2 Background

Malaysians leave for a variety of reasons and this issue has been debated frequently in numerous seminars. The problem is made even worse when the migration is dominated by a one-way flow which shows emigrants overly exceeding immigrants. Adding to the prevailing state of affairs is the unpleasant fact that our neighbouring countries have been successful at attracting proficient talents via their immigration-friendly procedures, alluring remunerations and open atmospheres while Malaysia is just capable of attracting low-skilled foreign workers. Nearly 20% (2.2 million) of Malaysia's workforce are foreign workers and another 2.2 million foreign workers who are illegal (AmnestyInternational, 2010). Most of them are holding unskilled jobs in agriculture, manufacturing, construction and low-paying service sectors. Lee (1966) looks at causes of migration and divides it into two groups: push and pull factors. In tandem with Lee (1966) is Adams (1968) who came up with a

listing of aspects that makes a developed country very attractive and the factors causing the unattractiveness of emerging countries. This includes:

- a. Salary differentials between the developed countries and the developing countries;
- b. Professional opportunity;
- c. Lack of receptivity to change in the home country-so students trained abroad find that their newly acquired skills a misfit;
- d. Relevance of foreign training;
- e. Lack of realistic manpower. Is there an overinvestment in the production of top level manpower without regard to the absorptive capacity of developing countries?
- f. Technology gap. Is the gap causing the primary cause for emigration?;
- g. Political balkanization (fragmentation). To what extent is the absence of political integration a force for limiting the size of the market, thus obviating the possibilities of specialization?
- h. Discrimination on non-economic grounds. What is the impact of discrimination because of nationality, caste, tribe, political affiliation, family etc.?; and
- i. Monopolistic restrictions in advanced countries. Are the cartel-like guild restrictions of such organizations such as the American Medical Association an important factor contributing to a dynamic and persistent shortage of doctors in the United States? Does the existence of such shortages, given prevailing salary differentials between countries, set up an irresistible pull factor making for the Brain Drain?

Chang (1992) who conducted a study on scholars originating from Taiwan and who are in the United States, reveals the causes of attractiveness of the United States of America: superior teaching/research amenities, brighter job potentials, attractive remuneration, great career contentment, and family matters. One other aspect is the general perception that the country is able to cater for innovation and job progression. In addition Shumba and Mawere (2012) suggest that push factors in the home country are conditions of service subjugated by inferior rewards and the scarcity of inducement and also overall poor living conditions that have driven these intellectuals out of their home countries. In the Malaysian context, our Brain Drain situation appears to be appalling. A special report on Brain Drain in April of 2011 in the Malaysia Economic Monitor reported that Singapore is the main pulling source for skilled migrants out of Malaysia. It was further elaborated that out of every ten skilled Malaysian born in Malaysia, one will opt to leave the country. Further, it is testified that since Malaysia's skill base is narrow, the impact of person leaving should also be higher in Malaysia than elsewhere.

Table 3.1 shows that in 1981, there were 31,598 Malaysians living in Australia. By 2007 however, the number had multiplied to 92,337. Similarly, Malaysia's neighbour across the causeway, Singapore has also absorbed 120,104 Malaysians in 1981 and by 2001 there were already 303,828 Malaysian in Singapore. Additionally, as reported by World Bank (2007) in 1990, there were about 72,649 Malaysian citizens with post-secondary education dwelling in the Organisation for Economic Co-operation and Development (OECD) countries.

Australia ranked first with 34,716 Malaysians, United States 12,315 and the United Kingdom 9,812 (World Bank, 2007) (See chart 3.1).

Table 3.1
Malaysian residents overseas

	Australia	Japan	New Zealand	Singapore	United Kingdom	United States
1981	31,598	Not available	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	Not available	61,000	Not available

Source: United Nations Global Migration Database, 2010

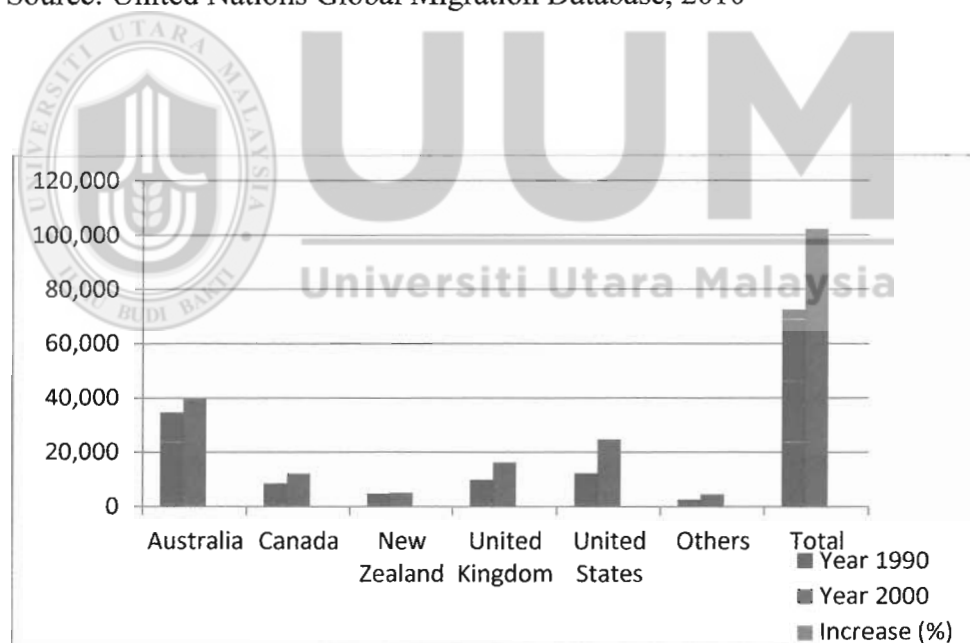


Chart 3.1: Number of Malaysian migrants with tertiary education in OECD Countries (Docquier and Marfouk, Brain Drain Database, World Bank 2007).

Recent statistics indicate that in 2000, the number of Malaysians with post-secondary education dwelling in OECD countries rose by 40.84%. Out of the total 132,468 Malaysians who have settled in these countries, 102,321 are

Malaysian graduates representing 0.44% of the total Malaysian population (See Table 3.2).

Table 3.2
Migrants with tertiary education in OECD countries in year 2000

Countries	Tertiary educated migrants	Total migrants	Tertiary educated migrants to total migrants (%)	Tertiary educated migrants to country population (%)
Malaysia	102,321	132,468	77.24	0.44
Singapore	50,019	67,560	74.04	1.24
Thailand	92,794	222,550	41.70	0.15
Indonesia	109,612	281,802	38.90	0.05
Korea	652,894	885,885	73.70	1.39
India	1,037,626	1,503,780	69.00	0.10

Source: The World Bank, 2011

Estimated number of Malaysian Brain Drain (tertiary-educated Malaysian born migrants, aged 25+): 335,000 (year 2010)

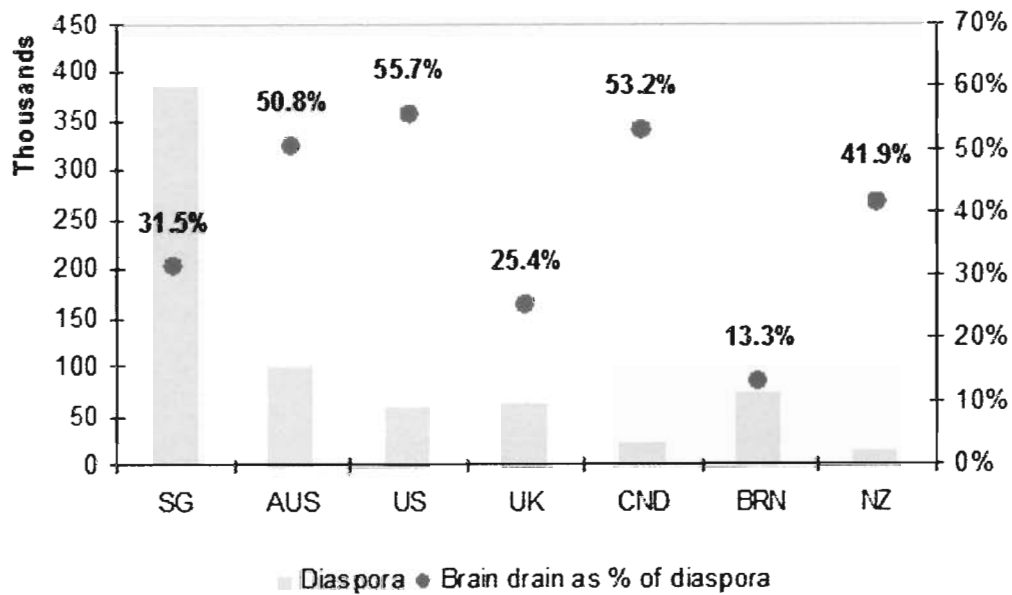


Chart 3.2: Estimated Malaysian diaspora and Brain Drain (25+), 2010 (The World Bank, 2011)

Table 3.3
Distribution of Malaysian citizens in top 10 destination countries, 2010

Country	Population
Australia	101522
Brunei Darussalam	76567
Canada	24063
People's Republic of China	9226
Hong Kong	16123
India	18179
NZ	15995
Singapore	385979
UK	65498
US	61160

Source: Docquier et al. (2010), Docquier et al. (2007), and World Bank staff calculations and simulations.

Brain Drain is almost viral world-wide. Singapore, although a very small country as compared to Malaysia but nonetheless wealthier, witnessed 67,560 of its citizens fleeing to the OECD countries in the year 2000. Unfortunately out of that figure, 74% are graduates from universities making Singapore falling very close behind Malaysia (Onn, 2010). In comparison to Malaysia, the Lion City seems to be suffering a bigger loss looking at the ratio of graduate emigrants to its whole population. While Malaysia's post-secondary educated migrants stood at 0.44% as compared to the country's total population, Singapore's ratio stood at 1.24%, a much greater figure compared to ours. This element reasons their persistent attempts in drawing bright Malaysians over the Causeway. As stated much earlier, the top 3 professions that are badly hit by this phenomenon are lawyers, engineers and accountants. The latter has a very significant function in various establishments. Accountants are in charge of producing financial reports and records and offer support in keeping records of bank accounts of the business, handling the payment system and salary system for employees. Accountants provide the business with a comprehensive tax plan, to maximize business tax exemptions (thus maximize profits).

It is evident that Brain Drain has been occurring and this scenario is causing a shortage of accountants in Malaysia. This can be justified by the fact that Malaysia's highly qualified accountants are able to adapt and work with any races due to the multicultural origins and fluency in a few languages as well. Validating this point is CPA Australia (Malaysia) President Christina Foo where she revealed that "There is a shortage of accountants in Malaysia; this is

a world trend". Singapore too is experiencing a shortage of accountants and hence "To make up for the shortfall, firms are looking overseas". This was stated in the CPA Singapore website. Indeed, 67% of the firms surveyed indicated that they are sourcing for audit staff from overseas. Their sources of audit professionals are mainly Malaysia (34%), China (21%), Philippines (16%), Indonesia (9%) and others (20%) like Australia, Hong Kong, India, etc." (ICPAS, 2008).

3.3 Brain Drain and the Old Perspective Model

The Brain Drain of developing countries was initially detected in the early 1960s and when this was observed, many scholars began to conduct research on this phenomenon, on why this was happening and the impact it leaves on the remitting and receiving countries. The Old Model constructed by these early researchers concluded that when Brain Drain occurs, it would have a negative impact on the economy of the remitting country, and that this is fundamentally damaging to the economies of the migrants' home countries (Beine et al., 2003). Quintessentially, this long-standing viewpoint interpreted this occurrence as a "zero-sum game" where in the already developed "brain-receiving" nations the winners while the developing "brain-remitting" nations were the losers (Beine et al., 2003:3). Despite the fact that it has been characterized as an ancient approach, this school of thought remains still in force. An important observation on the flight of these professional workers is that it brings about a damaging effect on the public resources. This is true in the

case where they have received some form of financial assistance from the public or government through aids like scholarship or grants to help them through their education. Academics of the basic model of the outcomes of Brain Drain, "treat the demand side—for emigrants—as exogenous and have a range of assumptions regarding education costs, with a public subsidy to education commonly assumed" (Commaneer et al., 2002:244).

As proposed by theories and research, Brain Drain causes a decline in the build-up of human capital or knowledge (Straubhaar, 2000). A loss in human capital is much worse and felt than just the loss of investment in educating them. This is observed immediately in the decline in economic development of developing countries. Carrington and Detragiache (1999) are of the view that the loss of post-secondary educated personnel is extremely noteworthy. The departure of these highly skilled professionals has been more rampant especially during the period where the 21st century was looming a period when the age of ICT was flourishing. In a study conducted on 111 nations between 1960 and 1990, Barro and Sala-I-Martin (1995) and Topel (1998) propounded that with an increase of one year in the average education of a country's labour force the output per worker increases by 5 to 15 %. Therefore if a substantial number of a country's skilled work force, which is a vital resource for growth is lost, it can disrupt the incomes of its low-skilled workers, worsen hardship, and further broaden inequity.

Current point of view on economic growth is that for the nation to grow, most importantly, it needs human capital assets. In fact, an increase in human capital has a positive relationship on the productivity of its society. According to Barro and Lee (1993) and Barro and Sala-I-Martin (1995), the higher a country's average level of education, the greater is its economic growth. Not only the cost of production will be much lowered, competitiveness will be increased when a nation has more professional employees, they also will be able to produce knowledge that propels economic growth.

3.4 Networks and migration

It is rather a commonly accepted fact that human beings tend to move to where we have established connections and these networks give us the accessibility to the appropriate avenues for exodus to take place. Studies conducted earlier on international migration perspectives on social networks have frequently been applied. Among the commendable works are those produced by Brettell (2000); Grasmuck and Pessar (1991); Kearney (1986); Massey et al. (1999); Portes (1995); and Vertovec and Cohen (1999). On a similar note, Boyd (1989) added that networks make it possible for migrants to stay in touch with one another anytime and anywhere and once the network has been created it will be able to maintain itself. This means that the networks provide a channel for information, assistance and obligations to flow between the sending and receiving countries may it be through relatives or friends and that these migrations are boundless and short-lived.

Looking for jobs, searching for a place to stay, psychological assistance, social and economic information can be made easy only in the presence of social linkages. It is also through social linkages that migrants can gain access to certain areas and employments usually through recommendations and word of mouth. Poros (2001) brought up that the local labour markets can be connected via specific personal linkages or organizational relations. Factors such as who migrates, how they migrate, where they migrate to, where they will stay, what jobs will they get are all affected by the pre-migration networks that have been established. These pre-migration networks also have a bearing on future prospects for physical and occupational (Vertovec, 2002). Potential migrants can use their connections with the earlier migrants to reduce the risks and costs of migration as the earlier migrants would be able to provide them with resources such as information on procedures, financial assistance, job opportunities, administrative assistance, physical attendance, emotional solidarity (Meyer, 2001:93). According to Shah and Menon (1999), there are a variety of networks that are being used by different occupational classes. Professional groups depend on a great deal on networks made up of colleagues or even establishments and not so much on family ties networks as compared to unskilled workforces.

3.5 Earlier Researches on Brain Drain

Previously, there were researches and works conducted on this Brain Drain and a brief summary of some of them has been presented in Table 3.4.

3.6 Literature Gap

Although Brain Drain has been a subject of controversy for a very long time, past studies have revealed that Brain Drain is highly based on external factors such as better pay, more career opportunities and choices, better education system for the family members, etc. Quite recently more complicated studies have gradually emerged involving correlations between ethnicity, sexes, career contentment, turnover intentions, job environment and the personality characteristic termed Type A (Dole & Schroeder, 2001).

Undoubtedly as mentioned in the earlier paragraphs, there have been previous researches on Brain Drain but these studies are descriptive in nature. Such research examples were by Carr et al. (2005); Docquier et al. (2007); Hart (2006); Martineau et al.(2004); Oberoi and Lin (2006); Rosenblatt and Sheaffer (2001); Tansel and Gungor (2002); Saint-Paul (2004) and Zweig (2006).

Another gap that the researcher wishes to fill up is the Social Network variable. Previously the abundant literatures on Brain Drain practically seldom refer to networks. Gaillard and Gaillard (1998) reveal that in the last forty years there were barely 8 citations in this area of networking out of a total of 1816 on the topic of Brain Drain. Even then, these citations hardly deliberate directly on networks people use for migration but more on the involvement of overseas students in host countries.

Table 3.4
Selected earlier researches/works (refer appendix I)

Author/year/Title	Abstract/Items	Conclusion/Findings
Carrington and Detragiache (1999) How Big is the Brain Drain?	This paper presents estimates of emigration rates from 61 developing countries to OECD countries for three educational categories constructed using 1990 U.S. Census data, Barro and Lee's data set on educational attainment, and OECD migration data. These estimates expose extensive Brain Drain from the Caribbean, Central America, and some African and Asian countries.	The paper finds that persons with little or no education have limited access to international migration, and migrants tend to be much better educated than the rest of the population.
Rosenblatt and Sheaffer (2001) Brain Drain in declining organizations: toward a research agenda	Brain Drain (BD) is one of the more detrimental implications of organizational decline and crisis, yet it has only been fleetingly addressed in organization studies. This paper introduces a conceptual framework of BD model featuring both BD antecedents (predictors) and consequences, including an analysis of leavers' behavioral characteristics and concludes with directions for future study.	Employees endowed with market-valued personal attributes, which are critically needed by their declining organizations constitute a threat of Brain Drain. Such employees are often motivated to leave by decline-triggered organizational forces pushing them out.
Carr et al. (2005) From global careers to talent flow: Reinterpreting 'Brain Drain'	<ol style="list-style-type: none"> 1. Intent to return to NZ (amongst expats N Zealanders), 2. Intent to leave against remain in NZ (among New Zealanders resident in NZ) and 3. Intent to remain in New Zealand (amongst migrants). 	Talent flow is governed by human choice, and is constituted from borderless global careers. This will flow frequently between countries. Individuals may be able to retain a sense of national identity, but more and more will become dual or multiple citizens, or even conceptualise themselves as citizens of the world, with careers that are not just international but truly global.
Docquier et al. (2007) Brain Drain in Developing Countries	This article seeks to characterize the distribution of the Brain Drain from developing countries in 1990 and 2000 and its main determinants using the new harmonized comprehensive data set on migration stocks and rates by educational attainment recently built by Docquier and Marfouk (2006). Generalizing the pioneering work of Carrington and Detragiache (1998), their method consists of collecting census and registry data on the structure of immigration in all Organisation for Economic Co-operation and Development (OECD) countries.	Unsurprisingly, the Brain Drain is strong in small countries that are close to major Organisation for Economic Co-operation and Development (OECD) regions, that share colonial links with OECD countries, and that send most of their migrants to countries with quality-selective immigration program. Interestingly, the Brain Drain increases with <i>political instability and the degree of fractionalization at origin and decreases with natives' human capital</i>

More interestingly, there has not been an attempt to look at the quantitative integration of all the earlier studies which the researcher has employed in the present study. Another gap that the researcher wishes to close is the usage of

not only the Big Five Personality as the moderating variable but also Proactive Personality.

Most importantly, previous researches on Brain Drain were written in the context of other regions and not in this part of the world. This would be a very interesting area to unveil as according to Hofstede (1993), societies differ on five values, which he calls power distance, individualism, masculinity, uncertainty avoidance and long term orientation. Markus and Kitayama (2001) also suggest that people of diverse societies, backgrounds, and civilisations hold markedly dissimilar approaches to analysis and understanding of oneself, of other people and the interdependence between the two selves. In the United States, for instance, parents would say "think of the starving kids in Ethiopia, and appreciate how lucky you are to be different from them" to persuade their children to have their meals ". While that is happening in the United States, parents in Japan would say "Think about the farmer who worked so hard to produce this rice for you; if you don't eat it, he will feel bad, for his efforts will have been in vain" (Markus & Kitayama, 1991:224). An American firm in Texas would tell its workers to look in the mirror before they leave for work and chant 100 counts of "I am beautiful" with the intention of enhancing productivity among its employees. Meanwhile, workers of a Japanese supermarket in New Jersey were directed by the employer to start the day by clasping each other's hands while saying to one another that "he" or "she is beautiful" (Markus & Kitayama, 1991:224). Narrations such as these suggest that people in these two different lands have different principles and

understanding of the self, others, and the inter-reliance between the two. While the American places utmost importance on oneself, the understanding of one's dissimilarity from others and asserting oneself, the Japanese illustrations highlight focusing and suiting in with the rest of the community and the significance of harmonious interdependence with them. The analysis of oneself and the rest of the community are attached to the embedded, normative tasks each different culture embrace in their lives (Cantor & Kihlstrom, 1987; Erikson, 1950; Veroff, 1983). The assumption by anthropologists and psychologists are that such comprehension is able to guide and determine the kind of individual experience.

In addition much has been written on engineers, graduate students, medical doctors and nurses but none has covered on Malaysian accounting personnel/professionals fleeing to Singapore in particular. Dole and Schroeder (2001) have attempted to study the association between personality, job satisfaction and turnover intentions however the finding was that a Type A personality did not show a relationship with neither job satisfaction nor turnover intentions. Although there have been previous researches conducted, very limited studies have been conducted on internal factors such as personality, and as such none were conducted in Malaysia. However, there is one study by Khoo et al. (2009) which investigated the causes of Brain Drain in Malaysia. Nonetheless this was carried out on 150 accounting students and professionals. The findings of the research revealed that better remuneration

and benefits program and international exposure relate positively to Brain Drain.

Although the interest in Brain Drain is increasing, empirical research on causes of Brain Drain among architects and accountants are still inadequate and thus more of such research is required. Only very few studies have illustrated the trend in the Malaysian context. The reason for this call is that Malaysia is experiencing Brain Drain and this has been a trend since the 1960s. Malaysia is in dire need for experts, especially in the accounting field currently. Malaysia is experiencing a shortage of these professionals as revealed by the MIA president Dato' Johan Idris. Fascinatingly, Bolino (2009) also reveals that several characteristics are also likely to have a bearing on Brain Drain. Bolino (2009) stated that features such as cultural intelligence, commitment, careerist orientation, proactive personality and behaviours are likely to have bearings on expatriate adjustment.

3.6.1 Cultural Intelligence

Bolino (2009) stated that according to Thomas et al. (2008:8) “cultural intelligence is a system of interacting knowledge and skills, linked by cultural metacognition (psychology) that allows people to adapt to, select, and shape the cultural aspects of their environment.” Bolino (2009) adds that expatriates with this skill are more likely to effectively function in the host country and develop social relations with other host country

individuals. In this case, the individual becomes adapted to the living and working conditions in the host country, able to effectively communicate with the host country individuals, at ease with the business practices, work values and standards of the host country (Black et al., 1991). In addition, it is easier for individuals with high cultural intelligence to understand unfamiliar cultures compared to individuals who do not possess this skill (Kim et al., 2006). Individuals who own this skill have the ability to seek relevant information about the host country, adjust quickly and establish meaningful relations and exchanges with the host country nationals (Brislin et al., 2006).

3.6.2 Careerist orientation

Careerist individuals are individuals who only remain with the organization until they can find a better one (Mano-Negrin & Kirschenbaum, 1999). Those individuals with this attitude often believe that their individual goals are not in alignment with the organizational goals and thus will look out for their own self-interest/development (Chay & Aryee, 1999).

3.6.3 Expatriate proactivity

Proactive individuals are those who seek to find out on their own answers to their questions and solutions to work problems (Crant, 2000). Individuals with proactive personality tend to be less constrained by their own

environment and situational forces and seek to actively identify opportunities (Bolino, 2009). As suggested by Bolino (2009), proactive behaviours should be especially important. These behaviors are; information seeking (Miller & Jablin, 1991; Morrison, 1993), social network building (Morisson, 2002; Ostroff & Kozlowski, 1992) feedback seeking (Ashford, et al., 2003), positive framing (Taylor & Brown, 1988; Wanberg & Kammeyer-Mueller, 2000) and negotiation of jobs changes (Ashford & Black, 1996). Hence, the researcher is going to take into consideration the above behaviours which are more pertinent to the issue at hand except for negotiation of jobs changes.

3.6.4 Information seeking

This illustrates the degree to which one will ask on how to perform a task, what is expected of them and also appropriate social behaviour at work (Morrison, 1993). Earlier researches reveal that this is related to positive socialization outcomes, including job satisfaction, performance and intention to remain on the job (Morrison, 1993).

3.6.5 Social network building

This term explains the extent people nurture relationships. Previous research reveals that network building often enables individuals to learn faster about their assigned tasks through their mentors, colleagues or other

knowledgeable individuals (Ashford & Black, 1996; Grant & Ashford, 2008, 2008; Morrison, 2002).

3.6.6 Feedback seeking

This expression describes the extent an individual actively seeks to find out how well they are performing their tasks (Ashford et al., 2003). Feedback is very important because it provides data, information and facts on progress towards achieving organizational goals, without which an individual is performing without guidance and hence will not be able to correct oneself (Ivancevich et al., 2011). Feedback is also important as it is able to motivate individuals (Hackham & Oldham, 1976).

3.6.7 Positive framing

Having a positive attitude was listed as one of the ways to be retained in times of layoffs and downsizing (Donna, 2009). Those individuals with positive outlook tend to be more satisfied with their jobs (Wanberg & Kammeyer-Mueller, 2000) and if this is so, they will be willing to remain with the organization. Positive framing should be able to assist individuals to live and cope with the host country environment and help them understand and adopt the local values and hence will be successful in their assignments.



Hence, the researcher wishes to close several gaps that were found in the earlier researches:

i. Past studies on Brain Drain were more based on external factors. Such research examples were by Carr et al. (2005); Docquier et al. (2007); Hart, (2006); Martineau et al. (2004); Oberoi and Lin (2006); Rosenblatt and Sheaffer (2001); Tansel and Gungor (2002); Saint-Paul (2004) and Zweig (2006). Thus in this study, the researcher intends to employ not only the Big Five Personality, but also Proactive Personality as the moderating variable. Individuals with proactive personality tend to be less constrained by their own environment and situational forces and seek to actively identify opportunities (Bolino, 2009).

ii. Another gap that the researcher wishes to fill is the Social Network variable. Previously the abundant literatures on Brain Drain practically seldom refer to networks.

iii. More interestingly, there has not been an attempt to look at the quantitative integration of all the earlier studies which the researcher has employed in the present study.

3.7 Theories Underpinning the Brain Drain Issue

Previous researchers have postulated various theories to explain why emigration or in this case, Brain Drain occurs. Migration has been seen as a

way of escaping from current unsatisfactory living conditions which is a natural human behaviour as a means for survival and also for most everyone to upgrade current situations at home. The early theories of migration amongst them are the Neoclassical Migration Theory, Dual Labour Market Theory, Human Capital Theory, Theory of Reasoned Action (TRA) and Theory of Planned Behaviour (TPB). Other lesser known but just as important theories include the New Economics of Labour Migration (NELM), Relative Deprivation Theory and the World Systems Theory. The present study will also look into a number of motivation theories that will help to shed some light on the movement of labour from one country to another so that appropriate efforts and actions can be taken by the relevant agencies to address this troubling issue.

3.7.1 Neoclassical Migration Theory

This is the newest of the theories of migration (Jennissen, 2007). The theory expresses that the key motive for movement of labour is the differences in wages that exist between two geographic locations. These disparities are frequently associated with the differences in the demand for and supply of labour that exist in different geographical locations. Regions with inadequate labour but excessive capital can afford to pay relatively higher wages compared to locations with high supply of labour but short of capital (Jennissen, 2007). Individuals respond to structural differences between countries and engage in migration and the reason is presented by the micro-

version of the neo-classical theory (Todaro, 1969). Migration is seen as a consequence of the individual's decision to pursue enhancement in their well-being by relocating to where the remunerations will be much more than what they receive in their home country. Thus this is seen as an individual's intentional act as a result of the comparison of what is being received currently as against what can be gained in the host country.

The conservative neo-classical theory states that transfer of capital should replace the movement of labour between countries. Inward movement of capital or in other words foreign investment policies have made possible the creation of numerous jobs for the local residents and this has managed to stop them from leaving the country. However, the three biggest investors in Malaysia: Taiwan, Japan and Singapore are also the three favourite destinations for Malaysian emigrant workers. The scenario created by these policies is that foreign investments and international trade create passages that stimulate the movements of labour, whether legal or otherwise between certain countries (Lim, 1994).

Quite a number of theoretical frameworks have been suggested by earlier researchers in their attempts to clarify the reasons for international migrations. In their effort, each employed various conceptions, suppositions, theories and frames of reference. The Neoclassical economists pay much attention on the inequality in remunerations and the differences in the environment of the employment between the different countries. Another

area of concentration is cost of migration. It can be summed up that movement occurs as a result of individual's decision to move in order to maximize income. Where else, the new economics of migration takes into consideration the conditions in the various markets. The neoclassical economists consider this relocation as a decision made by and for the entire family factoring into the risks to family income or to overcome capital constrictions on family production activities.

This current theory involves two complementary aspects in explaining why labour movement across national borders takes place: macro-level and micro-level. It proposes that those countries with an abundant supply of work-force will direct these individuals who are seeking for better remunerations to countries that can offer higher salaries. The underpinning assumptions for the micro-level neoclassical model of international labour movement are somewhat comparable to those of the macro level theory. However, this standpoint recognizes personal differences by each individual's capabilities. Each individual will have different levels of skills as well as different prospects to develop their skills by relocating in a foreign country. Being no less different from the macro-level theory this standpoint postulates that without the attractive remunerations and employment opportunities, still this movement of labour across national boundaries will not occur.

Teitelbaum (2001) stated that government authorities will be able to leave an impact on the flows of labour movement through policies that affect earnings/employment differentials. Such economic development programs are those that can affect both material and psychological costs. This would include taxes, limitations, or absolute prohibitions on emigration, and elements that will tie the individual to his or her native land (country loyalty and/or domestic unit (family unison)). There is no divergence in the suppositions of the "new economics" standpoint from the neo-classical theory. Nevertheless, they still differ in certain few aspects. Firstly, the basic migration decision-making unit is the household, and not the individual. Second, wage differentials are not necessarily the primary determinant of migration and there are strong incentives for households to engage simultaneously in both works abroad and in sending countries. Third, the new economics of labour migration model implies that labour outflows may not end even if wage differentials between sending and receiving nations are reduced or even equalized. In this model, governments can influence outward migration through measures that extend beyond the domain of labour markets *per se*, including policies that affect earnings insurance (unemployment payments) and futures/credit markets, e.g., encouraging the development of private lending institutions (Massey et al., 1993). Nevertheless, like the dual labour market theory with which it is coupled by Massey et al. (1993), world systems theory yields the conclusion that there is virtually nothing that sending country governments can do to

influence/curtail outward labour migration effectively as a whole or "Brain Drains" in particular.

3.7.2 Dual Labour Market Theory

This theory states that movement of labour is essentially the result of the pulling influences from developed nations. It presupposes that their labour markets comprise of two sectors, primary and secondary. The former is one that commands high-skilled labour, while the latter is very labour-intensive that only needs low-skills. The assumption of this theory is that the movement from the lesser developed economies into the better developed economies is due to the pull generated by the secondary sector of the more developed economies. These developed nations usually find it hard to attract the locals to work in the lowest rung of the market sector. Filling up these vacancies by the native workers would presumably be at the expense of their own mobility. Hence, to fill up these positions migrant workers are badly needed. Therefore with the shortage in existing labour, (law of demand and supply) wages are being pushed up, causing the outflow to appear more appealing (Jennissen, 2007).

Consistent with the dual labour market and world systems perspectives on the reasons for this movement, the Institutional Theory claims that movements of human capital across boundaries are able to remain mostly because of the existence and role of the middlemen. These middlemen or

mediators are able to gain from the activity itself. They consist of legal workers enrolling organisations, illegal entrepreneurs, like groups bringing immigrants across national borders, or agencies that fix marriage plans between foreigners and nationals of the importing countries (Massey, 1993).

In effect, the cumulative causation model points out that, independent of social network influences *per se*, the impact of prior migration upon the propensity of individuals to leave their homelands is generally self-perpetuating. Once initiated, outward labour migration affects the sending nation's economy and society in a manner that tends to enhance the perceived benefits and to reduce the perceived costs of migration. The emergence of the concept of livelihood has brought about the view that migration flows and patterns can be explained not by just at the level of the individual workers and their economic incentives but also that the social entities around the workers should also be considered. Migration can be viewed as an approach to risk aversion on the part of the household that has insufficient income. The extra capital needed by the household can be obtained through remittances sent back by family members who participate in migrant labour overseas.

3.7.3 Human Capital Theory

This initial theory was put forward by Schultz (1961) and later it was significantly developed by Becker (2009). The theory was developed in the

1960s having realised that the growth of physical capital only makes up a small part in the growth of income. The advent of education and skills training in military technology somewhat also is an integral part towards the development of this theory.

Human capital, as defined by Baron and Armstrong (2007), is the human factor in an organisation, the human components that comprise of the ability to read and write, or in specific terms, such as the acquisition of a particular skill with a limited industrial application. The human capital theory posits that the efficiency of workers is increased through education or training. When useful knowledge and skills are disseminated and taught, it raises workers' future income by increasing their lifetime earnings (Becker, 1994). The theory proposes that cost of training and education are very expensive and therefore must be regarded as investment since this will bring about increase in earnings. This approach is frequently applied in clarifying variances in remunerations.

Becker (1994) is of the view that human capital is similar to "physical means of production", e.g., manufacturing plants and machineries: one can invest in human capital via education, training, medical treatment and the outputs rest partially on the rate of return on the human capital. Therefore, human capital is a factor of production where additional investment generates additional output but unlike land or fixed capital, it is substitutable but cannot be transferred.

Bontis et al. (1999:21) in Baron and Armstrong (2007) defined human capital as follows:

Human capital represents the human factor in the organization; the combined intelligence, skills and expertise that gives the organization its distinctive character. The human elements of the organization are those that are capable of learning, changing, innovating and providing the creative thrust which if properly motivated can ensure the long term survival of the organization.

Baron and Armstrong (2007) further added that human capital cannot be owned by the business but it can be captured during the course of the employment relationship. This explains why human capital is mobile.

3.7.4 Theory of Reasoned Action (TRA)

The Theory of Reasoned Action (TRA) was established to understand the interactions between attitudes, intentions and behaviours (Fishbein, 1967). It stemmed out from the Expectancy Value Models. It was initially developed by Fishbein (1967) and consequently perfected by Fishbein and Ajzen (1975). This was further improved by Ajzen and Fishbein (1980).

A very notable theory of human behaviour is the TRA; nevertheless it is only a common model with no specific belief for a particular behaviour (Davis et al., 1989). The TRA propounded that the intent to carry out a

certain conduct is influenced by the attitude and subjective norm and that a person's approach towards behaviour is shaped by the beliefs and assessment of the aftereffects of executing the behaviour. On the other hand, subjective norm concerns the effect of the people around them on conducting a particular act (Davis et al., 1989).

According to the TRA, the behavioural intention measure forecasts the actual conduct of the act, save intent changes before the conduct or lest the intention measure is not linked to the behavioural criterion in terms of action, target, context, time-frame and/or specificity.

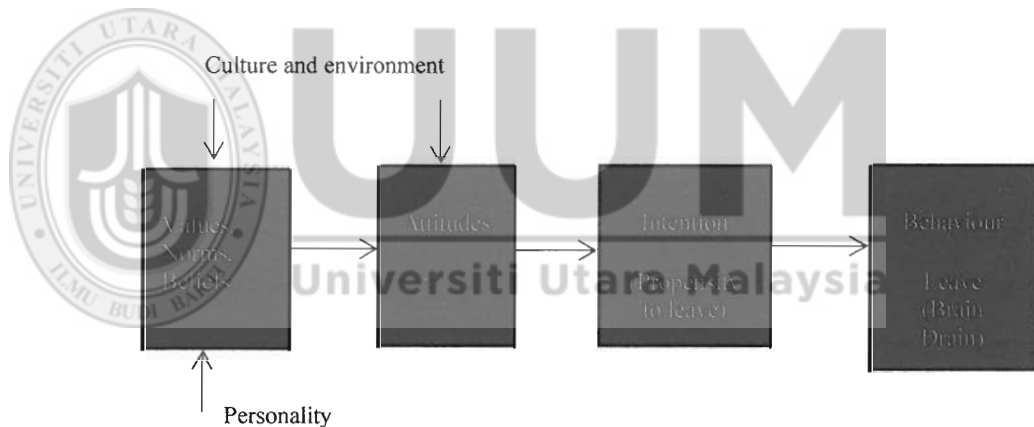


Figure 3.1: Fishbein and Azjen TRA for Migration (Fishbein & Azjen, 1975)

3.7.5 Theory of Planned Behaviour (TPB)

The Theory of Planned Behaviour (TPB) is the expansion of the TRA. The TPB was suggested by Ajzen (1985) in his article. The TRA suggested that if the proposed behaviour is assessed as positive (attitude), and if they

perceive that their special partner wants them to conduct the act (subjective norm), this leads to elevated intention (motivations) and they will tend to carry out the conduct. Ajzen (1985) introduced a new component to the TRA resulting in the TPB. This new component "perceived behavioural control" includes behaviours that are not under the control of the person for predicting intended behaviour and the actual behaviour. This was because some studies on the TRA reveal that due to conditional circumstantial restrictions, behavioural intention may not often lead to the actual conduct. As behavioural intention cannot be the absolute determining factor of behaviour where an individual's control over the behaviour is incomplete, Ajzen (1991) then established this new theory by inserting this new element. (Refer Figure 3.2).

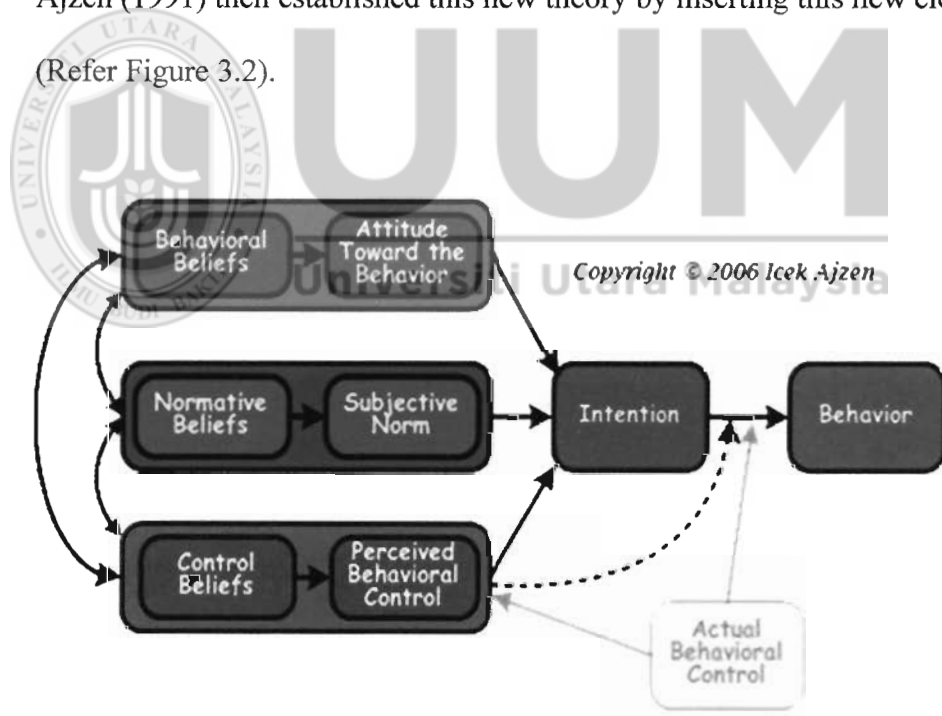


Figure 3.2: Model of the Theory of Planned Behaviour
 Source: <http://people.umass.edu/ajzen/pdf/tpb.measurement.pdf>

In summarising the above two related frameworks, Ajzen and Fishbein (1975) first devised the TRA to assess the discrepancy between attitude and behaviour. This theory was linked to intentional or voluntary behaviour. They then discovered that behaviour is not 100% voluntary and under control hence this led to a new component being added to the framework i.e. viz. “perceived behavioural control.” The new component led to the evolution of this TRA into another theory called TPB. This latter theory predicts deliberate actions, because behaviour/actions can be deliberative and planned.

3.7.6 The New Economics of Labour Migration Theory

Other than the earlier mentioned theories, the new economics of labour Migration Theory (NELM) also tries to explain the motivation of Brain Drain. Before the emergence of the NELM in the 1980s, scholars of migration basically were separated into two main theoretical factions, via the neoclassical and historical-structural approaches to migration. However, the emergence of the NELM is to provide a link or reconcile these two latter approaches in a way previously unachieved by either of them (Abreu, 2012). The NELM theory postulates that it is not sufficient to just take into consideration at the individual level and their economic motivations in order to explain the flows and patterns of movements. The broader social units must be taken into consideration as well. Such unit is the family in which

case the family is the one that needs extra income to sustain and hence migration is viewed as a result of risk aversion.

3.7.7 The Relative Deprivation Theory

The Relative Deprivation Theory (RDT) which was developed by Samuel A. Stouffer and his colleagues during World War II was employed by Davis (1966) to explain the tendency for students to evaluate their academic ability by comparing with their colleagues on the same campus. The RDT advocates that realisation of income difference among neighbours or other families in the migrant remitting society is a significant issue and hence the encouragement to move out of the country is more prominent where there is a high level of economic inequalities. In simple terms, it means that if an individual feels that he/she is being deprived of high income, the individual will leave in search of better rewards. This explanation can be further expanded by examining the following situation. This perception of being deprived becomes more apparent when a person (A) feels entitled to higher income but could not obtain the preferred higher income compared with that of another (B) who possesses higher income, and thinks that previously it was attainable, but currently is of the view that it is not possible anymore in the future. This shows that several particular prerequisites, act jointly in affecting judgments of felt deprivation. An example is the presence of a comparison. Self- control on preferred consequences also seems imperative for this theory (Bernstein & Crosby, 1980).

3.7.8 World System Theory

This World System Theory (WST) is another theory that looks at migration from a worldwide standpoint. The theory proposes that when there are dealings involving various societies, this can have a significant influence in social exchange within societies. Business dealings with another nation may induce an individual to move to where the economy is more vibrant. This theory states that movement of workforce is a usual consequence of disturbances and displacements that happen in the process of capitalist development. As factors of production in outlying areas are influenced by markets, migration flows are unavoidably engendered, most of the time they move abroad (Massey et al., 1993). Capitalist countries' organisations frequently move into developing countries to establish factories to gain benefit from the cheap labour. Normally much of the labour demanded is female, hence restricting opportunities for men. Being a new setup, although the workload is heavy, these women labourers are poorly paid. After a while they tend to look for better and new opportunities elsewhere. While employment opportunities for men are limited due to the preference over women labourers, the subsequent effect of this is a population that is susceptible to migration.

The same capitalist economic processes that create migrants in bordering regions simultaneously magnetise them to developed countries. Although some move to cities, leading to the urbanization of developing societies, many are also drawn abroad. Globalization creates material and ideological

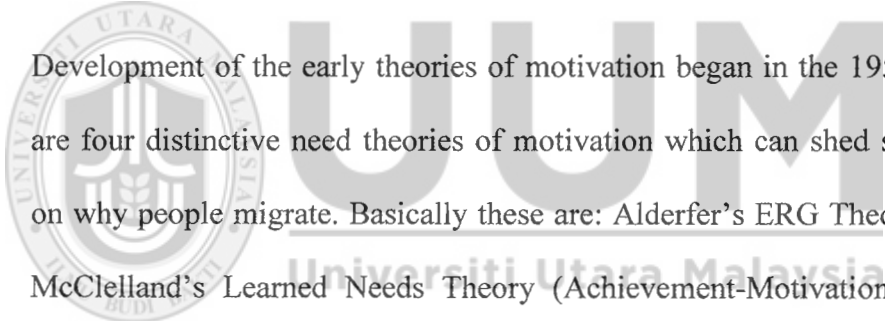
links to the places where capital originates. The foreign investment that drives economic globalization is managed from a small number of global cities, whose structural characteristics create a strong demand for immigrant labour (Massey et al., 1993).

3.8 Motivation Theories

Ivancevich et al. (2011) stated that theories on motivation consist of two types. They are classified into process and content approach to motivation. The process approach will look at how behaviour is motivated while the content approach focuses on specific motivation factors. Each individual is attracted to some type of goals and each individual will have a different set of goals that they wish to achieve. Cullen and Parboteeah (2013) mentioned that trends today reveal that the best motivator at least for the Chinese worker is not salary anymore. Multinational companies now need to be more creative and innovative and go beyond pay to motivate employees. Some companies have engaged in providing adequate and appropriate training for their employees while others are improving their performance management systems, encompassing stronger pay-for-performance philosophies. Cullen and Parboteeah (2013) further added that latest developments propose that multinational companies need to be sensitive as to what workers seek in their environment and adjust rapidly to satisfy those needs. It is also critical that in order to motivate people, we need to first know about their perception of work in their lives. Two basic questions that

need to be answered (i) How important is work in their lives; and (ii) what do they value in work?

Motivation is defined as a drive that takes into account of intensity, direction, and persistence of effort by an individual in order to achieve a certain goal (Robbins, 2005). In congruent, Cullen and Parboteeah (2013) is of the opinion that motivation is a mental process that leads to goal-directed behaviours in order to fulfill needs. A need is explained as a feeling of deficiency. To satisfy the need hence people will strive to attain it by exercising goal-directed behaviours to satisfy unfulfilled or unsatisfied need.



Development of the early theories of motivation began in the 1950s. There are four distinctive need theories of motivation which can shed some light on why people migrate. Basically these are: Alderfer's ERG Theory, David McClelland's Learned Needs Theory (Achievement-Motivation Theory), Frederick Herzberg's Two Factor Theory (Motivator-Hygiene Theory) and Maslow's Hierarchy of Needs (Robbins, 2005). The Vroom's Expectancy Theory (VET) is also scrutinised in this present study. However, the most well-known need theory of motivation is the one offered by psychologist Abraham Maslow.

3.8.1 Hierarchy of Needs

Maslow's Hierarchy of Needs (Hodgetts et al., 2006) postulated that all individuals have five basic needs. (Refer Figure 3.3)

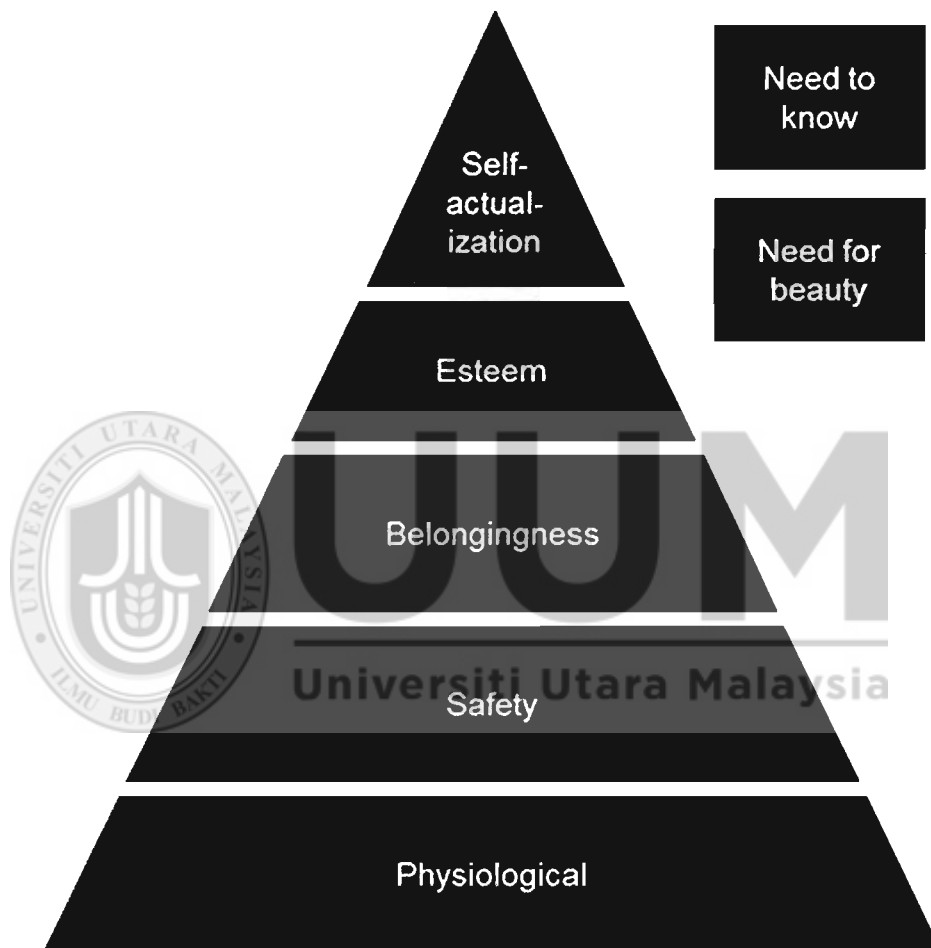


Figure 3.3: Maslow's Need Hierarchy Source: Adapted from Maslow's Needs Hierarchy, *Organizational Behavior Emerging Knowledge, Global Reality*, McShane and Glinow (2015).

Maslow's (1943) explanation of this theory is that before the higher level needs can be the motivating element, the lower level desires need to be

satisfied first. When the need has been fulfilled it no longer will be a motivator.

The Brain Drain phenomenon can be related to the Hierarchy of Needs. For instance, once an accountant has satisfied the basic needs for clothing, food and shelter, he or she will proceed to desire for security and stability. From there, he or she will long for social interactions with others and then, he or she will seek for power and rank. The idea put forth by Maslow (1943) is very useful in comprehending employees' needs and the necessary steps that should be taken to fulfill these needs. The advice from his proposition is that it is very important for managers and employers to understand and realise that dissatisfaction may bring in undesirable thoughts and actions (Schermerhorn, 2005).



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Esteem needs emphasise on respect, recognition and feelings of self-worth. The desire for authority and position also falls under this category of esteem needs (Cullen & Parboteeah, 2014). According to Cole et al. (1992) higher levels of income denote higher status and thus explain the race against time to reap greater wealth.

Many are spellbound by the charm that comes with cash. Due to that, as well as natural human greed, individuals are lured by higher salary offers abroad. Other than the need for esteem, individuals do crave for self-

actualization more and more. The means to achieve this esteem need are via education, religion, maturity, experience and so on. Therefore, individuals are exploring foreign lands to look for a new home with better environment that can foster enhanced wellbeing. It could be the consequence of the perception that things will always appear more attractive elsewhere except home.

Kapur and McHale (2006) made two assumptions which are:

- i. The world consists of locations that do not have institutional uniformity, providing differing opportunities for well-being.
- ii. Notwithstanding the mental attachment of individuals to their places of origins, different prospects in different settings will bring these individuals to depart their homelands if migration regime is totally free.

From these assumptions, the reasons for why Brain Drain occurs in Malaysia can be explained. Our accounting professionals emigrate to seek for better environment and to improve their standards of living overseas; to ultimately become more cultured individuals. Although this theory is very popular due to its ease of understanding, research does not generally validate the theory.

3.8.2 Existence, Relatedness and Growth (ERG) Theory

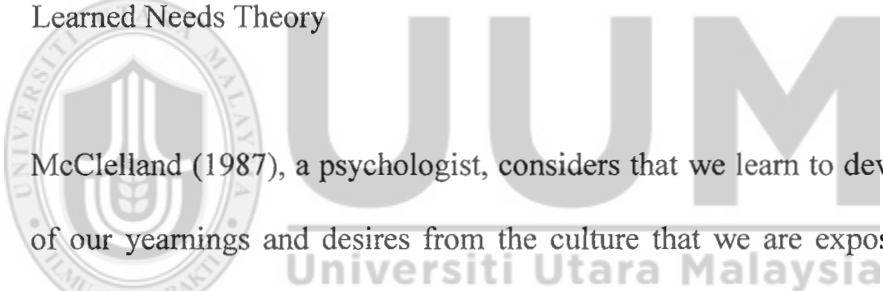
Alderfer (1969) revised Maslow's need hierarchy and he regrouped Maslow's needs into three groups of core needs i.e. Existence, Relatedness and Growth (ERG). The Existence group is concerned with providing our basic material existence requirements. In association with Maslow's Needs Hierarchy theory, it will relate to the first two levels that are: physiological needs and safety. The second group, Relatedness, is the desire for maintaining important interpersonal relationships. These social and status desires require interaction with others if they are to be satisfied. Finally Growth needs is the intrinsic desire for personal development (Robbins, 2005). Alderfer's (1969) theory postulates that work is motivating only as and when it provides the opportunity for personal growth. In his ERG theory Alderfer (1969) suggested that the frustration of a need motivates the behaviour to satisfy the need and in addition a person who cannot satisfy a higher-level need will seek to satisfy lower-level needs.

3.8.3 Two-Factor Theory (Motivator-Hygiene Theory)

Herzberg (1974) presented the two-factor theory in relation to motivation. The two factors are called hygiene (dis-satisfiers) and motivators (satisfiers) whereby he suggested that both the factors need to be present in order for employees to feel motivated. Hygiene factors are those factors that are extrinsic conditions from the job context. These include salary, job security,

working conditions, status, company procedures, quality of technical supervision, and quality of interpersonal relations among peers, superiors and subordinates. When present, employees are not dissatisfied with their job, but these extrinsic conditions are not sufficient enough to motivate them to perform better. Motivators are intrinsic conditions from job content that make the job meaningful and satisfying. Examples of motivators include achievement, recognition, responsibility, advancement, the work itself and the possibility for growth. When present, it makes the job satisfying (Ivancevich, 2014).

3.8.4 Learned Needs Theory



McClelland (1987), a psychologist, considers that we learn to develop most of our yearnings and desires from the culture that we are exposed to and also through these three needs that are: the need for achievement, the need for affiliation and the need for power. McClelland (1987) emphasizes that when a need is strong in a person, its effect is to motivate the person to use a behaviour that leads to its satisfaction. For example having a need for achievement encourages an individual to set challenging goals, to work hard to achieve the goals and to use the skills and abilities needed to achieve them. The need for affiliation reflects a desire to interact socially with people. For a person with a high need for affiliation, social relationships take precedence over task accomplishment meanwhile a person with a high

need of power concentrates on obtaining and exercising power and authority (Ivancevich, 2014).

3.8.5 Expectancy Theory

This theory was developed by Vroom (1964) who sits on the board of Directors of The Chief Executive Leadership Institute and is also a Professor of Organization and Management at Yale School of Management. This theory postulates that employees would be more inspired and stimulated if they sense that their efforts will lead to successful performance which finally leads to expected rewards and outcomes. This theory has been subjected to various investigations to examine its accuracy in forecasting employee behaviour and have hence proven supportive. The expectancy model is demonstrated in Figure 3.4. The vital factors of the ET are expectancy, instrumentality and valence.



Figure 3.4: Vroom's (1964) Expectancy Theory Model

The (E→P) expectancy refers to the probability that an employee's effort will result in a desired level of performance. This expectancy represents the employee's perception of how hard it will be to successfully perform a task or assignment. The (P→O) expectancy refers to the probability that an employee's performance will lead to desired outcomes while valence refers to the preference for outcomes as seen by the individual. Hence, by moving to Singapore, individuals expect an outcome that would be rewarding viz. better pay offered in Singapore and hence it is hypothesized that:

H1: Better pay offered in Singapore has a positive relationship to Malaysia's Brain Drain to Singapore

3.8.6

Quality Work Life (QWL)

Earlier researches have confirmed that there is the need to have a balance between family and work life in retaining talents in the home country but very few have incorporated personality. Essentially the present study aims to inspect the influence of quality work life on the accounting professionals and how this impacts the Brain Drain. Management can always claim that new recruits may be able to fill up job openings but their competency may be questionable and may not be up to the same or equivalent level to the ones that have left basically because of their inexperience as well as lacking in knowledge. When employees depart they bring together with them

valuable company knowledge and the cost of this loss can be significant (Lockwood, 2003).

As the world changes and demands become more complicated, compensation and benefits do not become the main attractions anymore for new hires to be attracted to a new job. While money is still important to feed and keep the family, it is not sufficient anymore to ensure loyalty among employees or accountants in particular (Taylor & Cosenza, 1998). It is proposed that companies offering enhanced quality work life and supportive work conditions will likely have more influence in recruiting and preserving talents (May et al., 1999). Though a number of researches have shown the significance of having the right balance between family and work life, however in the accounting field there is hardly any literature involving Quality Work Life (QWL) and job-related attitudes (Fields & Thacker, 1992; Grover & Crooker, 1995; Landauer, 1997 and Nadler & Lawler, 1983).

In a study, Huang et al. 2007 define Quality Work Life as encouraging surroundings and conditions of work and life for instance family/work life balance, self-actualization, rewards and supervisory behaviour. In congruent with Fields and Thacker (1992); Grover and Crooker (1995); Landauer (1997) and Nadler and Lawler (1983), Huang's et al. (2007) earlier findings revealed the significance of family and work life balance however not many have incorporated QWL and job-related attitudes. Findings indicated that

various facets of QWL lead to different consequences on organizational and career obligations and turnover intention. In this thesis, the researcher intends to study QWL's impact on Malaysian accountants' Brain Drain.

Staff leaving the organization or country is not a new phenomenon in public accounting firms (Larkin, 1995; Roth & Roth, 1995). Taylor and Cosenza (1998) added that in order to be successful firms, it is imperative for the firms to look for approaches to keep experienced accountants from leaving the organizations as these firms are extremely reliant on their staff's expertise. Taylor and Cosenza (1998) further added that even though money plays a crucial role, this element alone is insufficient to motivate loyalty among these professionals. The revolutionizing beliefs of the workforce signify that today's workforces are not so much into pursuing material wealth but rather in improving the quality of life.

As mentioned previously May et al. (1999) commented that companies offering enhanced QWL and encouraging work conditions will probably be better off in recruiting and keeping talents because better job characteristics and work conditions have a positive relationship with organizational commitment. This would hence lessen the intention of turnover (Steers & Mowday, 1981).

Previous studies on the precursors of organizational commitment were focused on variables of job characteristics and work experience like work scope, challenges, extent of autonomy, number of skills, feedback (Bamber

& Iyer, 2002; Dunham et al. 1994; Steers 1977) involvement in decision making and management support (Zaffane, 1994), communication with superiors (Belgan, 1993) quality of job, income (Andolsek & Stebe, 2004) and recognition fairness (Parker & Kohlmeyer, 2005). Hence the current study describes QWL as encouraging situation and conditions of work life facets such as family/work life. Better QWL will be an attraction to employees looking for a better quality of living and hence it is hypothesized that:

H2: Better Quality Work Life in Singapore has a positive relationship to Malaysia's Brain Drain to Singapore

3.8.7 Ease of immigration procedures



A great number of individuals are trapped in Third World miseries due to Immigration limitations. However, Clemens (2011) mentioned that estimates made by economists that if borders are kept open, the world Gross Domestic Product would approximately double, which would be adequate enough to eradicate worldwide poverty. Due to this belief, many capital endowed countries are opening up their borders to foreign skilled and unskilled labour.

Pertaining to this phenomenon, one main reason why Brain Drain is rampant today is because of immigration policies of the rich countries.

According to Kapur and Mchale (2006) their immigration policies are skills focus and hence, has become the main attraction among those individuals with expert skills. This development implies that governments are seeing positive results from employing skill-focus hiring strategies and that the nations can reap several advantages. Australia and Canada were among the early innovators and implementers of this strategy. In the period between 1960s and 1970s, these rich countries practiced the skills-based point mechanisms to aim at those talents who may have the potential of succeeding in their employment markets.

Recently, both Australia and Canada have increasingly multiplied their portion of the skill-focus immigrants and have restructured their existing mechanisms, to better improve their intake of the most skilled professionals. Germany, for fear that it would lag behind in this fierce battle for the worldwide mobile IT workers, introduced a program called the “green card” program. Under this mechanism, Germany is willing to provide temporary visas for professionals/experts, and also prospects for permanent migration. Likewise, the United States of America also has her own “green card” practice. Bearers of these cards are acknowledged as the nation's ‘Lawful Permanent Residents’ (‘Immigrants’). This ‘Green Card’ is issued to qualified foreigners by the US Immigration Service (USCIS) allowing them for permanent residence in the country, to live and work there. Officially it is called Form I-551, the Permanent Resident Card (Green Card, US Immigration, 2000-2015). Europe is now following close at its heels and has

introduced its "Blue Card" program. The 'Blue Card' program was initially approved in October 2007 by the European Commission when it decided to adopt this controversial approach to attracting high skilled workforce from third world countries (Gumus, 2010). This program is a European Union (EU) instruction which was established two years after the approval by the EC and is targeted at luring the most qualified nationals of the non-EUs by making entry procedures a lot simpler and offering residences' rights. With this in place, it puts the EU at an advantage to better compete against the United States Green Card scheme. However, among the 28 member states of the EU, Germany did not adopt the system until April 2012. A few debates and resistance within the country led to the delayed adoption of the blue card system. However, later in March 2012 the federal government of Christian Democratic Union/Christian Social Union in Bavaria (CDU/CSU) and the Free Democratic Party (FDP) proclaimed its agreement on transferring the Blue Card directive and further measures into German law (Laurethal, 2012)). This scheme offers highly educated and skilled non-EU candidates the chance to reside and work in Germany as well as the rest of the European Union and is well received.

The initial step towards working legally in Germany for the non-EU skilled employees is that they need to get their qualifications recognised by the government. Hence to simplify the procedure, the German authorities have initiated several measures. As announced by the Association of German

Engineers (Verein deutscher Ingenieure-VDI, every month since the middle of 2011, the country is said to have been reporting a shortage of more than 70,000 engineers. There is an abundance of job openings in the country's major auto manufacturing and electronics sectors. In 2011, despite the number of permits that have been issued, in the high-tech sector itself it was estimated that there was a deficiency of approximately 6,000 engineers. (Refer Table 3.5). This shortage figure was projected to increase progressively as the country heads towards becoming an all-electric nation (Verein der Elektrotechnik Elektronik Informationstechnik-VDE). This difficulty is experienced by Siemens, a mammoth German engineering organization which finds it really challenging to fill 3,000 job openings in its electrical engineering, machinery, and informatics (Schäfer, 2010).

Table 3.5
New Permits for High Skilled Employment issued in 2011

New Permits for High-Skilled Employment Issued in 2011	
Country	Number of Permits
India	3409
US	2037
China	2354
Japan	1418
Croatia	865

Source: Central Foreigners Register, Germany and OECD

Faced with the extreme war for talents which is a problem for countries globally, Singapore is ready to receive and welcome any foreign nationals with the proviso that these talents are equipped with the right knowledge,

skills, abilities, proficiency, qualifications and traits, and are very much into contributing to the nation's Singapore's wealth. Making it more attractive is the ease in obtaining a PR. An applicant needs only to acquire an Entry Permit which is a request for Permanent Residency. According to the ICA, foreigners who hold the P, Q and S Pass are eligible to apply for PR status for a fee of only S\$100 (RM258.00). Hence based on the literature, it is hypothesized that:

H3: Ease of immigration procedures in Singapore has a positive relationship to Malaysia's Brain Drain to Singapore.

3.8.8 International Exposure

Revealed by Hays (2015) first quarter Quarterly Report of 2015 is that senior finance experts possessing international and regional exposure with valid multinational companies remain well sought after (<http://www.hays.com.my/>). Studies conducted in the past proposed that leaders who have been exposed in the global arena, are more efficient than those lacking in the global experience in leading Multi-national Corporations (Carpenter et al., 2001); Daily et al. (2000); Roth (1995). Carpenter et al. (2001) reasoned that officials who have had global experiences are probably valuable, uncommon, and unique resource for Multinationals. As exposed by Hays Managing Director (Asia), Christine Wright, the top reason for sending Malaysian talents abroad is the chance to obtain exceedingly regarded global exposure. She further added that they

would be better regarded compared to expatriates since they come home with westernised thinking and exposure to how business is conducted abroad while having the local cultural knowledge (<http://www.hays.com.my/>). Suggested by the resource-based view, a resource that is as valuable as described earlier can provide a competitive edge to the organization possessing it (Barney, 1991; Coff, 1997; Wernerfelt, 1984). Similarly, Edstrom and Galbraith (1977) proposed that through their international exposure, managers can increase their international linkages. For example, employees' work experiences will help form their skill-sets and distinct world opinions, together with linkages of personal and professional connections (Hambrick & Mason, 1984). Thus their skills, opinions, and linkages may generate value when all these can be employed in the effective administration of the organization or in managing the outside environment.



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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. As a result of social norm coupled with curiosity, the Brain Drain continues. Wickramasekera (2002) agreed that some individuals were lured by family or friends who were the source of information as they were already working abroad whilst

a portion was passionate in exploring for a sense of adventure and also to fulfill their curiosities. From this literature, it is hypothesized that:

H4: Desire for international exposure has a positive relationship to Malaysia's Brain Drain to Singapore.

3.8.9 Two-Factor Theory

Based on the Two Factor Theory (TFT) (Luthans & Doh, 2009), two factors which are hygiene factors and motivators shape job satisfaction. **Expanded job scope and opportunities** for advancement are categorized as motivators, whereas higher salary that was mentioned in the earlier section should be included in the hygiene factors. If hygiene factors are not fulfilled, they will bring about dissatisfaction to the individuals experiencing while the existence will not bring about satisfaction. Instead, motivators bring satisfaction but the absence will not lead to dissatisfaction. Therefore, we can understand that Brain Drain strikes us because accountants in Malaysia are not entirely satisfied with their jobs; hence leading to their decision to emigrate.

To support the point made in Herzberg's Two Factor Theory earlier where he proposed that salary or money is a hygiene factor, Heathfield (2000) mentioned that the main reason why individuals want to have a job is to

earn money. To underplay the importance of money and benefits to people who work is a mistake". Hence, it is hypothesized that:

H5: Promise of more challenging job scopes has a positive relationship to Malaysia's Brain Drain to Singapore.

3.8.10 Social networks

Formal as well as informal social relations have 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 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 (Stark & Bloom, 1985; Taylor, 1999; Robinson & Carey, 2000; Raghuram, 2004; Ackers, 2004; Ley & Kobayashi, 2005).

Factors other than economic such as family, friends, co-workers and professional contacts are considered to have a great impact on decisions pertaining to migration. The new economics of migration theory, for example, argues that these decisions are not made alone by the individual,

but by bigger groups of people who have strong connections such as families (Palloni et al., 2001). Chain migration is a very essential aspect of migrant social linkages and it describes the way in which a large mass of people who originate from the same country migrates to another. This theory put forth that potential migrants will obtain detailed information about the host country through their connections with migrants who have settled down in the host country. The social capital theory envisages that individuals having connections with existing or previous migrants will have access to social capital. With this linkage there is a strong likelihood that they too will migrate. This hypothesis has been sustained in a large number of studies in large and diverse settings (Palloni et al., 2001). It is hypothesised that:

H6: Social networks have a positive relationship to Malaysia's Brain Drain to Singapore.

3.8.11 Personality

This issue of personality is now slowly appearing in researches on Brain Drain and has been receiving considerate attention. It was discovered earlier that personality type would be a determining factor on type of occupation chosen by an individual (Holland, 1964; 1968; 1973) and which is connected with culture and gender (Hofstede, 1980; Henning & Jardim, 1978). Meanwhile, Mynatt et al. (1997) discovered that personality and

hierarchical position have a positive relationship with turnover intention. An individual's personality is a distinctive mixture of psychological features that influence a person's reactions and how they interact with people and their surroundings. Similar to attitudes, personality has an impact on how and why individuals behave in a manner they do. According to Hofstede (2011), the Big Five Model illustrates the five personality traits of individuals:

- i. Extraversion: The degree to which someone is sociable, talkative, and assertive;
- ii. Agreeableness: The degree to which someone is good-natured, cooperative, and trusting;
- iii. Conscientiousness: The degree to which someone is responsible, dependable, persistent, and achievement oriented;
- iv. Emotional stability: The degree to which someone is calm, enthusiastic, and secure (positive) or tense, nervous, depressed, and insecure (negative); and
- v. Openness to experience: The degree to which someone is imaginative, artistically sensitive, and intellectual.

Early researchers have claimed that proactive individuals or individuals who partake in proactive behaviours, like information-seeking (Grant & Ashford, 2008) would have a tendency to adjust easily to new work surroundings. From the turnover literature, it can be derived that the model proposed in the dissertation advocates that characteristics of the expatriate or personality

(such as commitment, cultural intelligence, careerist orientation), together with the expatriate's proactive orientation and behaviours, moderate the relationship between the expatriate's desire to work with another company in the host country and his/her intention to seek employment with a local company of the host country. Specifically, works on voluntary turnover examines how individuals arrive at the decision to make an exit from the organization on their own free will, that is, a departure made on their own accord (Mobley et al. 1979; Shaw et al. 1998). Voluntary turnover occurs when employees choose to leave their organizations/home country although they could have just continued their tenure (Maertz & Campion, 1998). Bolino (2009) argues that intentions to accept assignments in the host country are preceded by the individual's cross-cultural adaptation and perceived opportunities for career advancement.

Mitchell and Lee's (2001) unfolding model of voluntary turnover, depicts that individuals who develop relationships outside company boundaries are very likely to be more alert of job prospects. Extracting from earlier works on expatriate turnover, the researcher proposes that an expatriate's characteristics/personality will moderate the association between the desire to work in that host country and intention to find a job there. It is hypothesised that:

H7: Personality has a moderating role to Malaysia's Brain Drain to Singapore.

3.8.12 Brain Drain

Earlier researchers found that intention to leave the job is a significant determinant of actual turnover and hence the researcher intends to employ intention to turnover (intention to leave the job) as the dependent variable. Turnover intentions have been found to be a sound forecaster of actual firm departure (Bluedorn, 1982; Steers & Mowday, 1981).

3.9 Theoretical Framework

The present theoretical framework is constructed based on the review of previous literatures of the study's variables and also the recommendations of previous related efforts. Hence, the research model is illustrated in Figure 3.6 which represents the investigation of the relationships expected in this study. The focus of this framework is Brain Drain of Malaysian accountants to Singapore. The independent variables comprise of six (6) major predictors and one (1) moderating predictor:-

- i. Higher salary and benefits program
- ii. QWL
- iii. Ease of immigration procedures
- iv. International exposure
- v. More promising job opportunities and more challenging job scopes
- vi. Social network
- vii. Personality/characteristics

From the hypotheses and theories discussed, the following conceptual framework is developed (Figure 3.5).

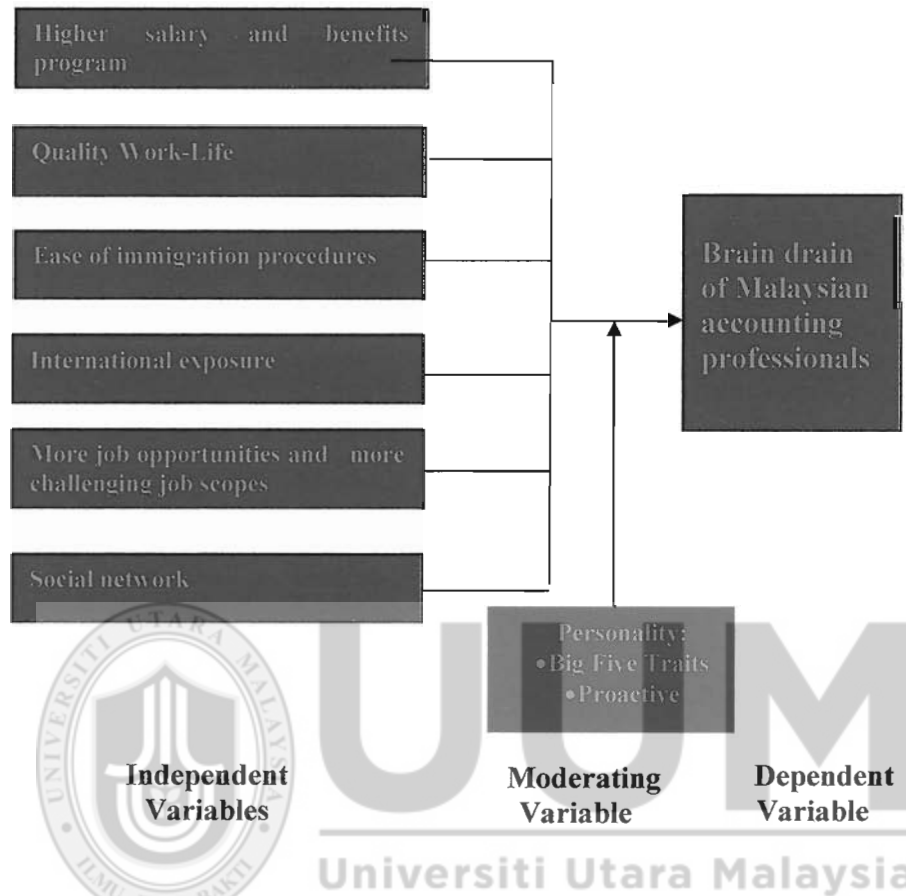


Figure 3.5 Conceptual Framework

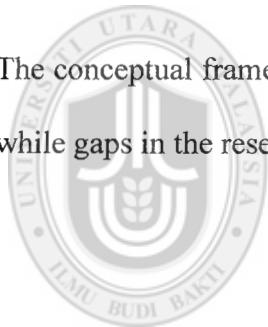
3.10 Summary

In the current chapter, the researcher has clarified and justified the theories engaged in the study. The literature review presents six main constructs of the current study, specifically higher salary and benefits program; quality work life; ease of immigration procedures; international exposure; more job

opportunities and more challenging job scopes and social network and one moderating variable explicitly personality which is categorised into two: Big Five Traits and Proactive.

These constructs are explored to determine if they present a significant impact on Brain Drain. Established on the literature, it is evident that the Brain Drain phenomenon is an adverse trend that needs immediate and particular attention. It is a matter of great concern especially to policy makers of nations as these talents are needed to be retained to spur the development of the home economy.

The conceptual framework and hypotheses explored in this study are presented while gaps in the research were identified and highlighted.



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4.0 RESEARCH METHODOLOGY

4.1 Introduction

This chapter presents details on the research methodology used in this study. The topics discussed cover area of study, research design, sampling design, population and sample size, questionnaire design and the overall research scheme, sampling technique, variables and their measures, data collection and analysis procedures used to test the relationship between antecedents and outcome (Brain Drain to Singapore).

4.2 Area of Study



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For the purpose of this research, the area of study was confined to the major cities of the West Coast of Peninsular Malaysia, Penang and Kuala Lumpur, basically because these are the urban areas that contain offices where accounting personnel can be found. Since the research involves distributing questionnaires to this group of people and while most accounting workshops, seminars, and conferences are most commonly held, thus the reasons for the two states Kuala Lumpur and Penang were being selected for the area of study.

4.3 Research Design

Firstly, this research constitutes an empirical study which will utilize a cross-sectional research design. A cross-sectional study means that the data for the research undertaken are only collected once (Sekaran, 2003), hence representing a snap-shot of one point in time (Cooper & Schindler, 2008). This design was considered appropriate since the study is intended to obtain data on Brain Drain in Malaysia in the present decade. Secondly, this present study is conducted to test the hypotheses that seek to understand the relationships among factors of interest. Thirdly, the present study is correlational of which the intention is to see if a relationship exists among the variables investigated. Fourthly, this present study was conducted whereby there was no intrusion of the normal work flow by the researcher. Fifthly, the quantitative method is employed in the current research basically because previous researches on Brain Drain are mostly descriptive in nature. Such research examples were by Carr et al. (2005); Docquier et al. (2007); Hart (2006); Martineau et al. (2004); Oberoi and Lin (2006); Rosenblatt and Sheaffer (2001); Tansel and Gungor (2002); Saint-Paul (2004) and Zweig (2006).

Quantitative research method means explaining the underlying occurrences through collection of statistical information after which analysis is conducted (Aliaga & Gunderson, 2000). Particular questions suited to being answered employing the quantitative methods are “how many percent of the population are males/females, highest attained education level, ethnicity, and job

positions.” These are all questions we can look at quantitatively, as the data we need to collect are already available to us in numerical form.

However, to strengthen the research study further, the researcher conducted three interviews with top ranking officials from three major races of Malaysia: Chinese, Indian and Malay who are members of the Malaysian Institute of Accountants. They are Mr Ooi Kok Seng, a partner of the KPMG Group based in Penang, Mr Suresh Kaliaperumal, Vice President, Operations of Collaborative Research in Engineering, Science and Technology Centre (CREST) whose office is based in Bayan Lepas, Penang and Encik Shaharudin Abu Hassan Group Chief Financial Officer of Advanced Ceramics Technology (M) Sdn Bhd in Bukit Mertajam, Penang. Interviews were conducted to get a clearer insight of the current study and also to obtain their inputs and opinions on the Brain Drain phenomenon. A visit to the Malaysian High Commissioner office in Singapore was also made in 2011 to interview Puan Kamsiah Kamaruddin, the Deputy High Commissioner of Malaysia to Singapore on the status of our Malaysian professionals who are based in the country. Another interview was also conducted with a CPA Australia based in Singapore. He has however requested to remain anonymous.

Therefore the purpose of the study was to ascertain if there is a relationship between the 6 major constructs: i) higher salary and benefits program, ii) QWL, iii) ease of immigration procedures, iv) international exposure, v) more promising job opportunities and more challenging job scopes, and vi) social

network and the Brain Drain phenomenon and to test the hypothesis if personality moderates the relationship between these 6 major constructs and Brain Drain.

4.4 Sampling

Sampling is the process of selecting a sufficient number of elements from the population, so that the study of the sample and an understanding of its properties or characteristics would make it possible for us to generalise such properties (Sekaran, 2003). The methodology used to sample from a larger population will depend on the type of analysis being performed and the sample should be a representation of the general population to enable a conclusion to be drawn.

There are two major types of sampling designs: probability and nonprobability sampling. In probability sampling, the elements in the population have some known chance or probability of being selected as sample subjects. In nonprobability sampling, the elements do not have a known or predetermined chance of being selected as a subject. Hence, non-probability sampling was employed in this study.

4.5 Literature Exploration and Initial Studies

In the current research work, the aims of the literature are to discover a deeper understanding of why we are losing our professionals, in this case, accounting

personnel or professionals to our neighbouring country Singapore, specifically to find a solution to this towering problem.

A preliminary survey was conducted in Adelaide, Australia in 2010 to obtain a general idea of why Malaysian professionals have opted to move from the home country to serve in that part of the world. This was conducted to get a general view of why this problem is rampant among Malaysia's professionals. Results from the survey were then used to establish the basis for research precursors' expansion as well as the dependent variables. Respondents to this survey included lecturers, doctors, engineers, pharmacist, biotechnologist, and dentist. A total of 40 sets of questionnaires were distributed mainly through the researcher's own contacts who are lecturers of the University of Adelaide, an engineer based with an oil and gas firm and doctors. However, only 9 were received by the last day of the researcher's attachment with the university. Out of this 9, 1 could not be used as some parts were missed out by the respondent.

4.6 The Population

In this present work, the population chosen was firms and organizations in Kuala Lumpur and Penang with accounting personnel on their payroll in Malaysia. Since most firms and organizations would have accounting departments or sections in their organizations, the specific data of these firms are unavailable and hence the researcher does not have the actual figures.

However, the top 10 accounting firms in Kuala Lumpur and Penang are:

(i) **Deloitte Touche Tohmatsu Limited**, normally identified as Deloitte, which hires around 182,000 workforces that are dispersed throughout 150 nations. Its functions are providing audit, tax, consulting, enterprise risk and financial advisory services; (ii) **Ernst and Young**, of which the services include assurance, advisory, tax and transaction advisory services.; (iii) **PwC** or previously known as PricewaterhouseCoopers is the world's largest audit and accounting firm. The organization is also one of the Big Four auditing firms. Its total workforce is more than 169,000 rendering services on tax and advisory services; (iv) **KPMG**, with its total workforce of about 140,000 people is globally dispersed. The Malaysian wing which was established in 1983 is KPMG DesaMegatand Co. It now has 66 partners with more than 1,600 staff; (v) **BDO**, a member of BDO International, today boasts of approximately 48,800 staff members servicing clients in 135 countries; (vi) **Grant Thornton** with its member firms operating in more than 113 countries across the world, its Malaysian arm has four offices with the main office situated in Kuala Lumpur. It has 13 partners, directors and principals and more than 250 personnel; (vii) **Crowe Horwarth International** has offices in over 580 offices worldwide; (viii) **Baker Tilly MonteiroHeng** with its 572 offices hires more than 26,000 staff in 114 countries. Its local offices are located in Kuala Lumpur, Penang, Melaka, Seremban and Batu Pahat; (ix) **Halim and Lee** established in 1983 is a firm of chartered accountants providing accounting, payroll, insolvency, advisory, tax, auditing and corporate services. Situated in Damansara, the firm is helmed by its two partners – Kevin Lee Chew Yam and

Hasan bin Husin; and (x) **DFK International** has been offering its services to the public for more than 50 years. DFK has 202 member firms and 308 offices worldwide with a total of 1,179 partners and more than 10,040 staff in its offices across the world. In Malaysia, the independent member of DFK International is Folks DFK and Co. All the other organizations include private and public agencies, businesses, manufacturing concerns, factories, research centres, audit and accounting firms.

4.7 Unit of Analysis

In this study, the unit of analysis is the individual accounting personnel attached to the firms and are categorized according to their level in the management; top management which includes directors, CEO, senior managers, partners and junior accountants.

According to an interview with an MIA Northern regional committee member (Haron H., March 2013), migration is very common and rampant among practicing auditors rather than those engaged in the government departments. In addition, Glover et al. (2000) suggest that higher turnover intentions are more noticeable in public accounting rather than in industrial or government occupational settings. Hence the units of analysis for this research were accounting practitioners, executives, and managers in public occupational settings.

Additionally, interviews were conducted on members of the MIA to obtain additional inputs which could otherwise not be obtained via the questionnaires.

4.8 Sample size

With regards to the sufficient number of participants for this study, Roscoe (1975) suggested that the sample size should be several times (preferably 10 times or more) as large as the number of variables in the study (Sekaran, 2003). Additionally, Hair et al. (2006) suggested that the sample size for factor analysis should be 100 or larger. As a general rule, the minimum sample size is to be at least five times as many observations as the number of variables to be analysed (Hair et al., 2006). Specifically, in most research situations, for multiple regression analysis, in order to maintain power at 0.80, a minimum sample of 50 and preferably 100 observations is needed (Hair et al., 2006). A minimum ratio of observations to variables is 5:1 is recommended for multiple regressions (Hair et al., 2006).

According to Green (1991), if the number of predictor is 6, then the sample size should be 97 (Refer Table 4.1). However, the rule of thumb is equivalent to saying that the minimum sample size should be 10 times the maximum number of arrowheads pointing at a latent variable anywhere in the PLS path model (Hair et al., 2013). The maximum number of arrowheads pointing at a latent variable in the current model is six arrows;

therefore the minimum sample size required is (6 arrows × 10 = 60 respondents).

Table 4.1
Initial Sample Size Requirements for a Power = 0.80 and Alpha = 0.50

Number of predictors	Effect size		
	Small	Medium	Large
1	390	53	24
2	481	66	30
3	547	76	35
4	599	84	39
5	645	91	42
6	686	97	46
7	726	102	48
8	757	108	51
9	788	113	54
10	844	117	56
15	952	138	67
20	1066	156	77
30	1247	187	94
40	1407	213	110

Source: Adapted from Green 1991, pp. 503

While the 10 times rule offers a rough guideline for minimum sample size requirements, PLS-SRM like any statistical technique requires researchers to consider the sample size against the background of the model and data characteristics (Hair et al., 2011). Specifically, the required sample size should be determined by means of power analyses based on the part of the model with the largest number of predictors (Hair et al., 2013).

Following Cohen's (1992) recommendations for multiple OLS regression analysis or running a power analysis using the G*Power program, while the maximum number of arrow heads pointing at latent variable in the current model are 6, the minimum sample size is 80 observations to achieve a

statistical power of 80% for detecting values of at least 0.25 (with a 5 % probability of error).

4.9 Data Collection Methods

The present study has employed both the questionnaire approach and the face-to-face interviews in order to enhance the value of the research. Questionnaires were initially administered via email and electronically administered. Since no responses were received during the time frame intended, the researcher had to switch to the options of drop off/pick up method, emailing and snowballing.

4.10 Questionnaire Design

The survey form is categorised into 4 parts: Section “A” contains the honest thoughts and sentiments of the respondents on the various factors that might influence accounting personnel or professionals to leave the home country. Such factors are discussed in the following section. Section “B” measures the personality traits of the respondents while Section “C” examines the attitudes of the respondents towards Brain Drain. Lastly is Section “D” where it covers the personal background of the individual respondents. The questionnaire can be found in Appendix A.

Responses to the statements in the questionnaire were measured using a 5-point Likert scale. The responses range from 1=Strongly Disagree to 5=Strongly Agree. The structure of the questionnaire is in Appendix H.

The design of the interview transcript used in this study took into consideration the background of the interviewees, their experience and their important opinions and suggestions on how to address the pertinent issue of Brain Drain. Hence the questions were self-constructed and structured in the manner to enable the researcher to obtain honest opinions of the respondents who are top ranking officials of the accounting profession. The respondents are Mr Ooi Kok Seng, a partner of KPMG, one of the Big 4 Accounting firms, Encik Shaharudin bin Abu Hassan, the Group Financial officer of Advanced Ceramics Technology (M) Sdn Bhd (Crest Ultrasonics) and Mr Suresh Kaliaperumal, Vice President, Operations of Collaborative Research in Engineering, Science and technology Center (CREST) all of whom are active members of the Malaysian Institute of Accounting. The transcript used in the research is shown in Appendix J. The interview summary can be found in Appendix B.

4.11 Research Variables and Constructs

This section details out the respective measurements used in this study. The independent variables are higher salary and benefits program, quality work life, ease of immigration procedures, international exposure, better job prospects

and demanding job scopes, and social support. The researcher is employing personality as a moderating variable as personality, like attitude affects how and why people behave the way they do. The independent variables are discussed in the following section.

4.11.1 Higher salary and benefits program

Earlier research has identified that the cause of Brain Drain is led by the push-pull forces. Push factors stem from home countries whereas pull factors emanate from host countries. These push-pull factors relate with each other and mostly they are the inverse of the other (e.g. lack of work life balance in the home country against better work life balance in the host country) (Briggs, 2000). The World Health Report 2006 from the WHO summarized various grounds for the movements of health workers to wealthier nations and among the list is better remuneration provided by the recipient country.

4.11.2 Quality Work Life

QWL as defined earlier by Huang et al. (2007) is the favourable conditions and environments of work and life aspects such as family/work life balance, self-actualization, compensation and supervisory behaviour. Huang et al. (2007) stated that earlier research works revealed how important it is to have a balance between family and work life but few have included QWL

and job related attitudes. Findings indicated that different dimensions of QWL result in distinctive effects on organizational and career commitments and turnover intention.

4.11.3 Ease of immigration procedures

The increase in globalization has led to the shortage of skills and to combat this, governments are taking steps to facilitate the mobility of these professionals. One way is by lifting artificial barriers while entrepreneurs and corporations have lobbied the government to minimize immigration restrictions and for the right to choose their own employees, independent of outside interference (Iredale, 2001).

4.11.4 International Exposure

Research papers postulated that leaders who have had international exposure are more efficient in leading Multinational companies compared to those who have little or no substantial exposure at all (Carpenter et al., 2001; Daily et al., 2000; and Roth, 1995).

Hence international exposure will be a plus factor for individuals who are ambitious and wanting to climb the corporate ladder. While some treat international exposure as self-esteem.

4.11.5 More Promising Job Opportunities and More Challenging Job Scopes

According to McClelland's theory on motivation, people are driven by the three needs; need for achievement (nAch), need for affiliation (nAff) and need for power (nPow). These are the three motivating drivers and at least one of them plays a central role in suggesting why people want to progress further in their life. Those individuals who are highly motivated to achieve a certain status in life will want to have a good career path. Hence career progression takes on a significant role in people who have high motivation to advance further in their career. Career behaviour embroils continuities of personal behaviours based on professions and establishments that both offer the possibility for migration (their professional expertise is highly valued and needed abroad) and its encouragement (to assume a more demanding role overseas). Carr et al. (2005) are of the view that job prospects in the environment where the profession is greatly regarded or where the market environments or regulatory atmosphere appear better, are very important.

It has been noted that significant economic push-pull factors that lead to outward migration are linked to labour market situations. Such situations include rate of employment and demand (Bach, 2003), wage disparities and benefits (Hamilton & Yau, 2004; Dovlo, 1999), work perspective issues such as organizational capacity, burden and work related risks, and career growth prospects (Meeus, 2003).

4.11.6 Social networks

Social networks have over time been used to explain migration. These forms of connections may have very differing contents. Several categories of linkages can be vital in establishments. There are quite a plenty of scholars who focus on the varying forms of linkages in an organizational context (Burt et al., 2000; Hansen, 1999; Krackhardt & Stern, 1988; Lazega, 2001; Lincoln & Miller, 1979; Sparrowe et al., 2001). The overall objective of these earlier works by organizational researchers who are fascinated by network relations, were not to just measure formal networks (linkages resulting from organizational structure and the function of the individuals), but also to look into more informal relational contents, such as support and friendship.

Meanwhile to understand migration further, Bornat et al. (2008) bring forth the importance of social networking which has enabled international migrant accessibility to jobs, attain career and social mobility. Boyd (1989) also puts forth that in a network analysis structural factors provide the context within which migrant individuals and groups make decisions. At this micro-level analysis, the decision to migrate is influenced by the existence of and participation in social networks, which connect people through space. Once this network has been established, the networks come to function as causes of migration in themselves because they lower the costs and risks of migration and increase its expected returns.

The nature of network may vary and may take the form of either family, kinship (Raghuram, 1999), hometown associations (Henry & Mohan, 2003), professional networks such as alumni (Vertovec, 2002), entrepreneurial networks (Ong, 1999; Campani, 1994), and religious networks (Hiiwelmeier, 2003). Clustering which can be classified as a related body of work, is seen as the effect of social networks that provides the path for migrants to certain specialised or distinct segments of the labour market. Meanwhile other studies suggest that clustering is an effect of the social capital that migrants possess-their ability to network to obtain access to particular kinds of jobs (Schrover et al., 2007).

4.11.7 Personality

Dole and Schroeder (2001) stated that one possible explanation why some individuals experience high job satisfaction while others the opposite in the same work environment, is personality. Previous research also indicates that certain choice of occupation is related to certain personality characteristics possessed by certain individuals so we see why some individuals make better doctors than others while some make better educators as compared to most of us. On the same note, several studies have also revealed relationships between a type-A prone personality and success in the accounting profession (Choo, 1986; Rasch & Harrell, 1990).

The Big 5 Personality Trait

McCrae and Costa (1989) define personality as a continuing emotional, interpersonal, experiential, attitudinal and motivational style that explains why individuals behave the way they do in differing states. The Industrial/Organizational psychology writings propose that personality can be categorised into five basic characteristic aspects - extraversion, conscientiousness, agreeableness, openness to experience and neuroticism. These five aspects or dimensions are consequently labelled as the Big Five Personality (Hough, 1992; Digman, 1997).

Extraversion is associated with high level of sociability. Individuals who are high in extraversion are more inclined to socialising, chatty and full of life and they tend to be more active and assertive (Costa & McCrae, 1992). Huang et al. (2005) put it that an extravert is regarded as an outgoing individual.

The second dimension, **conscientiousness**, is described as a person who conforms to rules and standards, and this is associated to qualities such as responsibility, orderliness, industrious, impulse control and judiciousness (Barrick & Mount, 1991; Hogan & Ones, 1997). Costa and McCrae (1992) stated that persons who are high on conscientiousness are persons who are reliable and honest.

Another aspect is **agreeableness** which has been linked with agreement with other individuals and friendly (Digman, 1990). Persons high on agreeableness are likely to be more co-operative and compassionate and more trusting (Costa & McCrae, 1992). Laursen et al. (2002) stated that agreeableness is associated with higher levels of social compliance and self-control, and lower levels of aggression.

The fourth, **Openness to experience**, according to Barrick and Mount (1991) is a characteristic that exhibits individuals' preparedness to undertake fresh ideas, endure uncertainties and difference and are inquisitive and keen to learn. Those in this category are prone to be broadminded, original in thoughts, knowledgeable, creative, and unprejudiced.

Lastly, **neuroticism** is related to poor control of emotions and instability (Mount & Barrick, 1995). These individuals are likely to have somewhat negative core self-evaluations, leading to emotional distress and associated behaviours (Rusting & Larsen, 1998). Dalton and Wilson (2000) put forth that neuroticism is also associated with the person's inclination to experience fear, sadness, embarrassment, anger, guilt, and disgust.

Although inadequate, whatever studies that are obtainable have associated personality with several expatriate consequences like adjustment (Shaffer et al., 2006), job performance (Mol et al., 2005) and premature return (Caligiuri, 2000). Deriving from the works of earlier researchers and studies

conducted, the model expounded in this dissertation proposes that expatriate characteristics or personality such as commitment, cultural intelligence, careerist orientation, along with the expatriate's proactive orientation and behaviours, moderate the relationship between the expatriate's desire to work with another company in the host country and his/her intention to seek employment with a local company.

Specifically, the voluntary turnover literature explores how individuals arrive at the decision to exit the organization willingly that is an individual who has not been dismissed or asked to resign by the organization (Mobley et al., 1979; Shaw et al., 1998).

Proactive Personality

Frese and Fay (2001) and Griffin et al. (2007), concluded that proactivity projects itself as one of the most critical features for employees who are faced with ambiguities and rapid moving work conditions. Bateman and Crant (1993) and Crant (2000) detailed that a person with proactive personality is somewhat unimpeded by situational influences, environmental changes, able to identify opportunities and hence act upon them. Proactive individuals tend to be at an advantage as compared to reactive individuals since they are ahead than others. They tend to advance faster in organizations, take up better jobs, and have better career paths (Fuller & Marler, 2009; Brown et al., 2006; Erdogen & Bauer, 2005; Seibert et al.,

2001). To sum up, it can be concluded that proactive individuals are willing to take risks and face new challenges in order to improve their lifestyle.

4.11.8 Brain Drain

The dependent variable is Brain Drain or sometimes referred to as turnover. A meta-analysis by Steel and Ovalie (1984) proved that intent to leave was a better forecaster of the real turnover behaviour (Cho et al., 2009). Intention to stay refers to employees' conscious and deliberate willingness to stay with an organization (Tett & Meyer, 1993). Predictors that affect intention to leave do not necessarily mean that they will affect intention to stay. However, in most previous studies, these two terms have been used interchangeably (Black & Stevens, 1989). Both intent to stay and intent to leave have been considered to be the single best predictors of actual turnover behaviour (Igbaria & Greenhaus, 1992).

Conceptual of Intention to Stay

Intention to stay mirrored the employee's level of commitment to his organization and the willingness to remain employed (Hewitt, 2004). It is sometimes referred to as the propensity to leave, intent to quit, intent to stay, behavioural commitment and attachment (Halaby, 1986). A few research have been conducted on the antecedent of turnover; intention to stay in the process to understand how employees decide to leave an organization (Hewitt, 2004; Tett & Meyer, 1993; Igbaria & Greenhaus, 1992;

Kirschenbaum & Weisberg, 1990; Klenke-Hamel & Mathieu, 1990; Mottaz, 1989; Halaby, 1986). Intention to stay was also found to be a single major predictor of turnover (Tett & Meyer, 1993). Dalessio et al. (1986) have emphasized that more concern should be given on intention to stay rather than turnover, as whenever an employee has resigned, an organization has to incur the cost of recruiting and maintaining another employee (Dalessio et al., 1986). The notion had been supported by other researchers emphasizing that if employees could not be stopped from leaving, the organization would have to accept some important negative consequences especially in hiring and training (Shaw et al., 2005) and other human resource related costs.

4.12 Measurements of the variables

The measurements for the variables are discussed in the following section.

4.12.1 Higher salary and Benefits Program

The Malaysian Institute of Accountants (MIA) president, Encik Nik Hasyudeen Yusoff said that accountants are migrating for better job opportunities overseas. Better pay and benefits offered by recipient countries more often than not, seem to be the main attraction among professionals who seek for a better life. Malaysian accounting professionals emigrate to seek for better environment and to improve their standards of living overseas; to ultimately become more cultured individuals. Survey

participants responded to the questions listed by means of a 5-Likert scale (1 = strongly disagree to 5=strongly agree) (Refer Appendix A).

4.12.2 QWL

Previous studies have demonstrated the importance of balance between family and work life but few have included QWL and job related attitudes. Findings indicated that different dimensions of QWL result in distinctive effects on organizational and career commitments and turnover intention. Respondents were asked to give their opinion on 12 statements using a 5-point Likert scale (1 = strongly disagree to 5=strongly agree) (Refer Appendix A).

4.12.3 Ease of immigration procedures

Kapur and McHale (2206) remarked that ease of immigration procedures into foreign countries has increased a solution to the shortfall of skilled manpower in those countries. This research got respondents to give their opinion on the statements below using a 5-point Likert scale (1 = strongly disagree to 5=strongly agree) (Refer Appendix A).



4.12.4 International exposure

International exposure is related to social norms and curiosity. 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. Carpenter et al. (2001) contended that executives who have had international exposures are most probably valuable, exceptional, and unique resource for Multinational Corporations. Studies also revealed that leaders with global exposure are more efficient in leading MNCs compared to those who did not have significant exposure abroad (Carpenter et al., 2001). Survey participants were requested to give their opinion on the statements using a 5-point Likert scale (1 = strongly disagree to 5=strongly agree) (Refer Appendix A).

4.12.5 More promising job opportunities and more challenging job scopes

“Perceived job opportunities in the host country” was measured using a modified subscale of the employment opportunity index created by Griffeth, Steel, Allen, and Bryan (2005). Participants were requested to show the extent of their agreements to the four testimonies concerning job

opportunities in the host country using a 5-point Likert scale (Refer Appendix A).

4.12.6 Social networks

This factor has become very popular in social science research. Using the Likert scale, participants indicated their opinions regarding the four statements on job opportunities in the host country (Refer Appendix A).

4.12.7 Moderating Variable:

Big Five Personality

An individual's personality is the unique blend of psychological qualities that influences a person's behaviour and the way they interact with others. To measure the Big Five Personality as it is more commonly known there are 44 items that have been recognized by Grant and Ashford (2008), Mobley et al. (1979) and Shaw et al. (1998). A sample item is "I see myself as someone who.....

"Is talkative", "Is reserved", "Is full of energy"

Proactive Personality

Grant and Ashford (2008) suggested that researchers have claimed that individuals who possess proactive personalities or engage in proactive behaviours like information-seeking are inclined to adjust to new work

environments. For the proactive personal scale, 17 items have been identified (Refer Appendix A).

4.12.8 Dependent Variable

In this present study, the researcher has employed the instrument developed by Weiss et al. (1967) to measure Brain Drain. The instrument measures respondents' intention to leave/stay from two aspects: intention to leave (I always think of resigning the job) and intention to remain with the organization. (I have planned to remain with this organization to advance my career). Intention to stay is measured by reverse-coding items of intention to leave where participants indicated their degree of agreement on a 5-point scale ranging from (5) "strongly disagree" to (1) "strongly agree" (reverse-coded). For items measuring intention to remain, respondents indicated their degree of agreement on a 5-point scale ranging from (1) "strongly disagree" to (5) "strongly agree" (normal coded) (adapted from Mustapha et al, 2011).

To measure Brain Drain, instruments used are adapted from Weiss et al. (1967) and Cho et al. (2009) (Refer Appendix A).

Data collected are analysed usually by exploratory factor analysis (EFA) and confirmatory factor analysis (CFA). The EFA is a widely used and applied statistical technique in the social sciences (Costello & Osborne, 2011). It is usually used in the preliminary steps of research to collect data regarding the inter-relationships among a set of variables (Pallant, 2010: 179). The EFA brings about the relationships between measured variables and help to identify a set of latent constructs, and tries to reduce a set of variables into fewer underlying factors (Costello & Osborne, 2011).

4.13.1 Validity

An important step, before the researcher can test the hypotheses in a structural model, is the assessment on the accuracy of the measurement model. The purpose is to make sure that the measures are useable and they effectively show the essential theoretical components. The test includes the estimation of internal consistency (reliability) and component validity of the instrument items. Validity is the degree to which a measure accurately represents what it is supposed to (Hair et al., 2010).

4.13.1.1 Reliability Validity

Cronbach's alpha determines the internal consistency or average correlation of items in a survey instrument to gauge its reliability

(Santos, 1999). Alpha coefficient ranges in value from 0 to 1. The higher the score, the more reliable the generated scale is.

4.13.1.2 Component Validity

Component validity is made up by assessing **the convergent** and **discriminant validity**.

Convergent validity refers to the degree to which scores on one scale correlates with scores on another scale designed to access the same construct factor loadings (Clark & Watson, 1995). When two measures are hypothesised to represent the same construct, a strong correlation indicates that the measures capture the construct. Correlations closer to 1.0 indicate stronger convergent validity. Evidence of weak convergent validity signifies ambiguity into the meaning of research results (Carlson & Herdman, 2012).

Discriminant validity is the degree to which scores on a scale do not correlate with scores from scales designed to measure different constructs (Cooper & Schindler, 2008). Discriminant validity is proven if a latent variable's Average Variance Extracted (AVE) is larger than the common variance (squared correlations) of this latent variable with any other of the models construct (Fornell & Lacker, 1981). Thus both these construct validity are applicable for this study.

4.13.2 Reliability

Reliability is an assessment of the degree of consistency between multiple measurements of a variable. According to Nunnally (1978), the reason for measuring reliability is to ensure that the individual indicators of the scale should be measuring the same construct and thus be highly inter-correlated. If a scale possesses high reliability thus the scale is considered homogenous (Kerlinger, 1986).

4.13.3 Common Method Variance

Common Method Variance (CMV) is a potential threat to survey validity. CMV is the variance that is attributable to the measurement method rather than to the constructs the measures represent (Podsakoff et al., 2003). It can either inflate or deflate observed relationships between components, thus leading to errors (Podsakoff et al., 2003).

However, several techniques were employed as suggested by Podsakoff et al. (2003). When the data were collected, respondents were informed that the survey is anonymous and that there are no right or wrong answers, so that respondents' anonymity can be protected and evaluation apprehension can be reduced.

4.14 Assessment of Structural Model

With a satisfactory measurement model (inner model), the study proceeded to test the structural model which includes estimates of the path coefficients indicating the strength of the relationships between model constructs; and estimates of the R^2 values, which represent the amount of variance in the dependent variable explained by the independent variables.

4.14.1 Predictive Relevance Q^2

Blindfolding procedure was performed using SmartPLS to assess the predictive relevance of the path model. Blindfolding procedure yielded positive Q^2 values for all endogenous constructs. As suggested by Hair et al. (2013), Q^2 values above zero imply predictive relevance. Therefore, current path model has predictive relevance for a selected endogenous constructs Brain Drain $Q^2 = 0.254$.

4.14.2 Effect Size f^2

The final assessments address the f^2 and q^2 effect sizes. Effect size is a measure of the strength of a phenomenon, by estimating the relationship between each two endogenous variables in a statistical population (Kelley & Preacher, 2012). Cohen (1988) proposes an equation to estimate the effect size as the following;

$$f^2 = \frac{R^2 \text{ included} - R^2 \text{ excluded}}{1 - R^2 \text{ included}}$$

1-R² included

R² included is the R-squared when including specific predecessor of that endogenous latent variable.

R² excluded is the R-squared after deleting a specific predecessor of that endogenous latent variable.

According to Cohen (1998), f^2 values of 0.02, 0.15 and 0.35 signify small, medium and large effects respectively.

4.14.3 Bootstrapping



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This approach represents a nonparametric approach for estimating the precision of the PLS estimates (Chin, 2010). This technique provides an estimate of the shape, spread and biasness of the sampling distribution of a specific statistic (Henseler et al., 2009) for assessing the significance of the parameter estimates (Temme et al., 2010). The bootstrapping analysis allows the statistical testing of the hypotheses $H_0: \beta = 0$ against the alternative hypotheses $H_1: \beta \neq 0$ (Henseler et al., 2009).

The PLS bootstrap results also provide the mean value and standard error for each path model coefficient, which can be used to perform t -test in order to determine the significance of the path model relationship and the significant t -value at a given confidence interval (Henseler et al., 2009).

4.15 Summary

In conclusion, this chapter discusses the methodological part of the research. This is essential in investigating the research hypotheses developed. This is a quantitative research which utilises a cross sectional survey to collect the primary data required for this study. The following chapter 5 was written to report on data analyses and research findings accordingly to the stated research hypotheses as contended in the present study.



5.0 DATA ANALYSIS AND RESULTS

5.1 Introduction

This chapter reports the data analysis and hypotheses testing of the study. The Partial Least Squared (PLS) Method, a covariance based Structural Equation Modelling (SEM) was used to analyse the data collected from the survey. Response rate of the respondents was obtained using the descriptive statistics by using Statistical Package for the Social Sciences (SPSS). Further, the structural model assessment was performed and the summary of hypotheses testing was concluded.

5.2 Response Rate

A total of 300 questionnaires were distributed via drop off/pick up, 70 via email to friends attached to the accounting industry, 430 to MIA members whose addresses were extracted from the MIA directory, and 200 through snowballing. The questionnaires were initially distributed between the months of April to June of 2013 however no responses were received. Through further investigations, the researcher learned that the months of April to June are a busy period due to closing of accounts and income tax returns. Another attempt was made between the months of July 2013 to September 2013. The second attempt managed to obtain a 20.6% response rate which is fairly adequate for a social science research especially in Malaysia (Ramayah, 2013).

According to Walsh and Ramsey (2003) conducting survey research in the social sciences is becoming increasingly difficult as potential respondents are constantly flooded with junk mail and bombarded by telemarketers. Response rates in self-completed surveys have consistently decreased in recent years (Frohlich, 2002; Tuckel & O'Neill, 2002) attributed largely to intense social research, censuses, seemingly endless gallup polls, and the proliferation of telemarketing. Out of the 300 drop off/pick up sets of questionnaires only 125 were returned (41.7% rate of return) and out of those returned, one was not usable as the respondent is a non-citizen of Malaysia. Of the 70 sent via emails to friends and accomplices only 43 were received back (61.4%) while no response was received out of the 430 emails sent out to MIA members. From the 200 sets distributed via snowballing only 45 (22.5%) were returned. However 5 could not be used. These 5 were not usable due to 2 participants who did not fulfill the academic qualifications, while the remaining 3 left certain sections of the questionnaire blank. Table 5.1 summarises the response rate of the current study.

5.3 Data Preparation for Analysis

This section describes the procedures for data preparation: testing the assumptions of structural equation modelling in terms of sample size, missing data, outliers, and normality; and managing of problematic items in the questionnaire. These preparations were conducted to avoid any violations of the assumptions required for legitimate statistical analyses.

Table 5.1
Response rate

Description	Number of samples				Total	%
	Drop Off/ Pick up (offices, seminars and conferences)	Email to friends	Email to MIA members	Snow- ball		
Total number of questionnaires distributed	300	70	430	200	1000	100
Returned questionnaires	125	43	0	45	213	21.3
Questionnaire returned (unusable)	*1	0	0	**5	7	0.6
Unanswered questionnaire returned	0	0	0	0	0	0.2
Effective response rate (usable)	124	43	0	40	206	20.6
Unreturned questionnaires	175	27	430	155	787	78.7

Source: Sample survey from July 2013 to September 2013.

5.4 Preliminary Data Analysis

The following procedures are taken to ascertain that the assumptions about the data that will be analysed using structural equation modelling (SEM) are not violated. Assumptions regarding the sample size, missing variables, absence of

outliers, and normality were tested and methods of treatment of the data to minimize any violations of these assumptions are described.

5.5 Sample Size

In the PLS path model, the rule of thumb is equivalent to saying that the minimum sample size should be 10 times the maximum number of arrowheads pointing at a latent variable anywhere (Hair et al., 2013). The maximum number of arrowheads pointing at a latent variable in the current model is 6 arrows; therefore the minimum sample size required is (6 arrows \times 10 = 60 respondents). While the 10 times rule offers a rough guideline for minimum sample size requirements. PLS-SEM, like any statistical techniques requires researchers to consider the sample size against the background of the model and data characteristics (Hair et al., 2011). Specifically, the required sample size should be determined by means of power analyses based on the part of the model with the largest number of predictors (Hair et al., 2013). Following Cohen's (1992) recommendations for multiple OLS regression analysis or running a power analysis using the G*Power program, the minimum sample size is 80 observations to achieve a statistical power of 80% for detecting values of at least 0.25 (with a 5 % probability of error). The current model in this study has a maximum number of 6 arrowheads pointing at a latent variable and it managed to surpass the minimum requirement of 80 observations by having 206 observations.

5.6 Missing Data

As with other statistical analyses, missing values should be dealt with when using PLS-SEM. For relatively small (less than 5 % values missing per indicator) it is recommended to use mean value replacement. Data collected have few missing values in some items. The percentages of missing values in the 206 cases were lower than 0.5 % across all measurement items while most of the items do not have any percentage missing data (see **Appendix C**). Missing values were then treated using the mean value replacement. Mean value replacement is the expectation maximization (EM) technique based on the Maximum likelihood (ML) algorithm (Enders, 2001), suggested by Hair et al. (2013) for slight missing values in the data. The treatment function is available through missing value analysis (MVA) in SPSS 20.0 (SPSS, 2011).

5.6.1 Outliers

Outliers are cases whose data values are very different from the data values for the majority of cases in the data set. Omitting outliers is very important because they can change the results of data analysis. Outliers are detected by Univariate and Multivariate Outliers analysis. Univariate outliers are cases that have an unusual value for a single variable, while multivariate outliers are cases that have an unusual combination of values for a number of variables. The value for any of the individual variables may not be a univariate outlier, but it could be in combination with other variables.

Univariate outliers detected by Z scores as suggested by Tabachnick and Fidell (2012). Z scores $> \pm 3.29$ indicates an outlier. The initial perusal of Z scores yielded 17 cases in excess of ± 3.29 having univariate outliers. These 17 cases were omitted from the data (see Appendix D).

A regression analysis using SPSS with a cut-off Mahalanobis D^2 value of $p < .001$ indicated another 17 cases were multivariate outliers because of having a conservative level of statistical significance-less than $p < .001$. All these 17 cases that have univariate outliers, and the other 17 cases that have multivariate outliers were removed from the final data set to be used in the subsequent analysis, hence leaving the remaining sample size to 172 respondents.

5.6.2 Multivariate Normality

PLS-SEM generally makes no assumptions about the data distributions (Hair et al., 2013). However, it is worthwhile to consider the distribution when working with PLS-SEM because while it is not an assumption, the extreme violation of normality can distort the results (Hair et al., 2013).

The Kolmogorov-Smirnov Test and the Shapiro-Wilk Test are designed to test normality by comparing the data to a normal distribution with the same mean and standard deviation as in the sample (Mooi and Sarstedt, 2011). However, both tests rejected the null hypothesis of normality and

showing that the data are not normally distributed (see **Appendix E**). These tests provide only limited guidance when deciding whether the data are too far from being normally distributed. Instead, skewness and kurtosis tests give more insight to analyse the normality (Hair et al., 2013). The kurtosis and skewness values of the indicators are within the ± 1 acceptable range. The exception is for 17 indicators in between the values of -1.149 and 2.966 (see **Appendix E, Table C2**) thus exhibits a slight degree of non-normality.

5.7 Multicollinearity

Multicollinearity is a statistical phenomenon in which two or more predictor variables in a multiple regression model are highly correlated. High level of Multicollinearity causes confusing and misleading results (Tabachnick and Fidell, 2007). The easiest method for fixing Multicollinearity issues is to drop one of the problematic variables. The way to check this is to calculate a Variable Inflation Factor (VIF) for each independent variable after running a multivariate regression using one of the IVs as the dependent variable, and then regressing it on all the remaining IVs. Then change the IVs one at a time. The rules of thumb for the VIF are as follows: (VIF < 3: not a problem, VIF > 3; potential problem, VIF > 5; very likely problem) (Tabachnick and Fidell, 2007). The variance inflation factor (VIF) shows values ranged from 1.096 to 1.935, (VIF < 3.3), and thus is the accepted criterion (see **Appendix F**).

5.8 Descriptive Analysis

Participant characteristics show a total of 206 employees from the accounting profession of the 2 major cities in Malaysia, specifically Kuala Lumpur and Penang responded to the survey employed in the present study. A total of 34 cases were deleted during data screening to fulfill the assumptions for further analysis. From the total number of 172 respondents, 69 were Males (40.1%) and 103 were Females (59.9%). Females show a higher respondent rate than males. A distribution of the age of respondents revealed that the first group consists of 37.8 % for the ages between 20 to 30 years old. The second group consists of 36 % of the respondents with ages between >30 to 40 years old. The last group consists of 26.2 % of the respondents above 40 years old. All of these groups are distributed in between mainly three races which are 37.2 % Malay, 35.5 % Chinese and 20.9 % Indian. Other races like (Sikh, Eurasian) form a low percentage of the data i.e 6.4%. The marital status of the population surveyed reveals that 42.4 % are single, 52.3 % married, 2.3 % divorced while 2.9 % widowed.

A majority of the respondents hold Bachelor's Degree (60.5 %) followed by those carrying Professional Qualifications (20.3 %). The respondents with Master's Degree make up 16.9 % of the total population. The least percentage (2.3 %) is those with PhD/ Doctoral degree. These respondents are holding different job positions. The breakdown of the job positions are as follows: 20.3% are Senior Managers, 15.1% are Middle Managers, 30.2 % are Senior

Executives, 23.8% are Junior Executives while the remaining 10.5% of the respondents are holding other job positions other than those mentioned previously.

The respondents serve in their current companies for different time periods. The highest percentage was 43.6% where the respondents have served between 1 to 5 years in the current organisation while 33.7% of the respondents have served between 5 to 10 years. A total of 14.0% of the respondents have served for more than 10 years up to 20 years while 10.5% of the respondents, making up the lowest percentage of the total respondents, have served for more than 21 years.

Table 5.2 presents the descriptive statistics of valid cases (172) and valid percentages for the demographic variables.



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5.9 Exploratory Factor analysis (EFA)

Exploratory factor analysis (EFA) is a widely utilized and broadly applied statistical technique in the social sciences (Costello & Osborne, 2011). It is often used in the early stages of research to gather information about (explore) the interrelationships among a set of variables (Pallant, 2010). The EFA underlies the relationships between measured variables and serve to identify a set of latent constructs, and attempts to reduce a set of variables into fewer underlying factors (Costello and Osborne, 2011).

Table 5.2
Participants characteristics (N=172)

Characteristics	Classification	N.	Percentage
Gender	Male	69	40.1
	Female	103	59.9
Age	20-30 years old	65	37.8
	31-40 years old	62	36.0
	>40 years old	45	26.2
Race	Malay	64	37.2
	Chinese	61	35.5
	Indian	36	20.9
	Others	11	6.4
Martial state	Single	73	42.4
	Married	90	52.3
	Divorced	4	2.3
	Widowed	5	2.9
Highest education level	Bachelor's Degree	104	60.5
	Master's Degree	29	16.9
	PhD/ Doctoral	4	2.3
	Professional Qualification	35	20.3
Job position	Senior Manager	35	20.3
	Middle Manager	26	15.1
	Senior Executive	52	30.2
	Junior Executive	41	23.8
	Others	18	10.5
Years of service in current company	1-5	75	43.6
	>5-10	58	33.7
	>10-20	24	14.0
	> 21	14	8.7

Scholars argue about appropriate sample size for factor analysis. According to Tabachnick and Fidell (2007), such a solution requires about 150 cases. However, much smaller samples can be used for a factor analysis. Hutcheson and Sofroniou (1999) report a defensible factor analysis solution with only 43 cases. This study also shows a similarly defensible solution with 95 cases by dividing the set of data randomly in sub two groups for cross-validation as suggested by Cudeck and Brown (1983). Cross-validation is a model validation

technique for assessing how the results of a statistical analysis will generalize to an independent data set. It is mainly used in settings where the goal is predicted, and one wants to estimate how accurate a predictive model will perform in practice. Validation assumes that the model will fit the data with any other random sample from the same population. EFA was administered on the half random sample (N=95), while CFA administered on the remaining portion (N=172).

Exploratory factor analysis (EFA) using SPSS 20.0 (SPSS, 2011) represented by principal components analysis (PCA) with Varimax method which attempts to minimize the number of variables that have high loadings on each factor (Pallant, 2010). All required criteria were achieved. Kaiser-Guttman criterion was applied regarding to the number of variables to be extracted which only variables with an eigenvalues equal or greater than one can be extracted (Kaiser and Dickman, 1959). The items with only loading 0.300 or greater were considered as acceptable (Hair et al., 2010).

Results of factor analysis show that B2, B5, B6 and B8 from the factor (Better Perks and Benefits) have high cross-loading under other factors. The same goes for item J1 from the variable (More job and more challenge job scopes). Therefore, all of these five items were deleted. EFA is one method of checking dimensionality (UCLA, 2014). One of the interesting results is that the variable (Quality of Work Life-QWL) diverges into two dimensions of which are:

Quality of the job and Quality of supervision. Therefore, the current study operationalized QWL as a multi-dimensional factor (second order factor) which consists of two dimensions. As Chin (1998) states, a second order factor model consists of a higher order latent variable that is modelled as causally impacting a number of first order latent variables.

Table 5.3 shows the seven extracted factors. The KMO score of 0.819 indicated an acceptable sampling adequacy. The total variance accounted by the seven factors was 68.64%. All items loaded on their respective factors above 0.3 and ranged in between 0.466 and 0.846; therefore the remaining questionnaire items demonstrated fine component validity.

5.9.1 Approaches for Higher-order Construct Models HOC in Partial Least Squares Modelling (PLS)

The main reasons for the inclusion of an HOC in the current research as suggested by Hair et al. (2013) is to reduce the number of relationships in the structural model, making the PLS path model more parsimonious and easier to grasp. Within this study, there is one higher-order construct model (Quality of Work Life). QWL yields to have two dimensions as shown before by applying Exploratory Factor Analysis. These dimensions are Quality of the Job (QWLJ), and Quality of supervision (QWLS). These two dimensions are the lower order constructs LOC (first order) of QWL, and they are reflective in nature. The hierarchical component model of QWL follows Reflective-Reflective, Type I based on Becker et al. (2012), using repeated item approach (see Figure 5.1).

Table 5.3
Exploratory Factor Analysis

		Component						
		1	2	3	4	5	6	7
Better Perks and Benefits (BPB)	B1	.723						
	B3	.630						
	B4	.734						
	B7	.466						
	B8	.562						
	B9	.701						
Quality of Work Life - Quality of the Job (QWLJ)	Q1		.748					
	Q2		.808					
	Q3		.790					
	Q4		.509					
Quality of Work Life - Quality of supervision (QWLS)	Q5			.810				
	Q6			.846				
	Q7			.766				
	Q8			.719				
	Q9			.641				
	Q10			.644				
Ease of Immigration Procedures (EIP)	I1				.696			
	I2				.787			
	I3				.701			
International Exposure (IE)	E1					.759		
	E2					.733		
	E3					.607		
Greater Job Availability (GJA)	J2						.587	
	J3						.642	
	J4						.707	
Social Network (SN)	S1							.782
	S2							.814
	S3							.825
	S4							.750

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.\

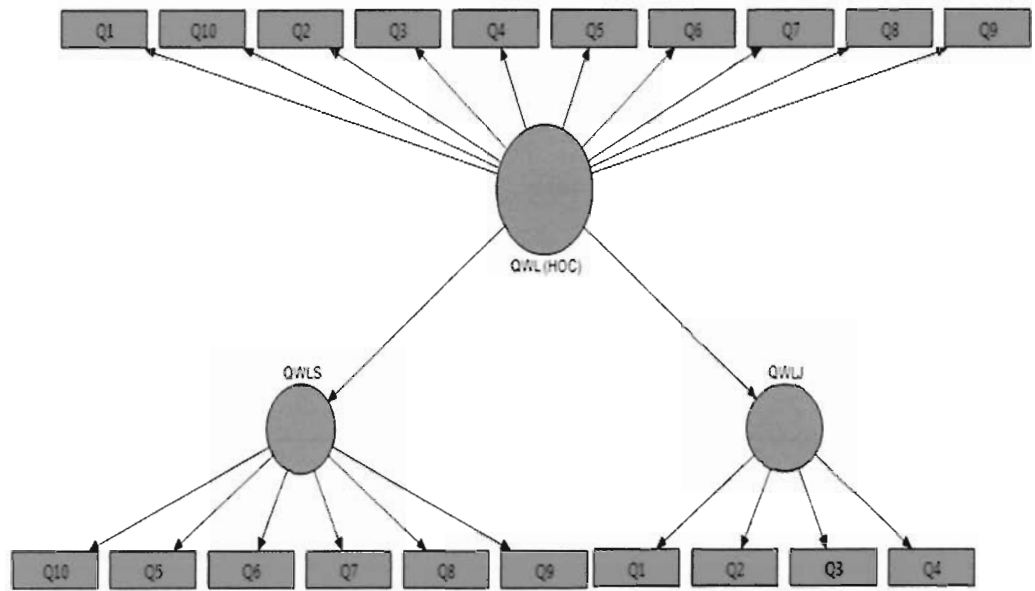


Figure 5.1: Hierarchical component model of QWL follows Reflective-Reflective, Type I

5.10 Common Method Variance Analysis

If the research design requires that the independent and dependent variables cannot be obtained from different sources and measured in different contexts, then the common method Variance (CMV) will be a concern (Podsakoff et al., 2003). The CMV can either inflate or deflate observed relationships between components, thus leading to errors (Podsakoff et al., 2003).

However, there are several techniques that can be employed as suggested by Podsakoff et al. (2003). When the data were being collected, the facilitator informed the respondents that the survey is anonymous and there are no right or wrong answers, so that respondents' anonymity can be protected and evaluation apprehension can be reduced.

Harman's (1976) single factor test was performed to check for the possible effects of common methods bias after data collection. Harman's (1976) single factor test is arguably the most widely known approach for assessing common method variance in a single-method research design (Malhotra et al., 2006). In general, this test is used to see if a single factor will emerge from the factor analysis or if there is one general factor that explains the majority of the covariance in the independent and dependent variables (Pavlou and Gefen, 2005). The basic assumption is that if a single factor emerges from the factor analysis that explains a significant amount of the variance in the data, there is a strong evidence of common method bias. Following this approach, all the variables from the research model were loaded into an exploratory factor analysis. Using principle axis factoring method for extraction, and fix the number of factors to be extracted within one factor (Pavlou and Gefen, 2005). The method of factor rotation was set to be none. Results show that the highest variance value was 22.27%, which infers that, neither a single factor nor a general factor accounts for the majority of the covariance in the measures.

As a first step of testing hypothesis of the current research, the outer model should be validated first to ensure reliable and valid results in further analysis. The outer model validation covers measurement scales assessment. The following section will assess the reliability and validity of measurement item scales.

5.10.1 Validity of Measurement Scales

An important step before testing the hypotheses in a structural model is the assessment of the accuracy of the measurement model. The purpose of the measurement model analysis is to ensure that the measures used are valid and that they adequately reflect the underlying theoretical components. The test of the measurement model includes the estimation of internal consistency (reliability) and component validity of the instrument items.

5.10.2 Reliability Test

Reliability is a test of how consistently a measuring instrument measures whatever concept it is measuring (Sekaran and Bougie, 2010). Cronbach's alpha determines the internal consistency or average correlation of items in a survey instrument to gauge its reliability (Santos, 1999). Alpha coefficient ranges in value from 0 to 1. The higher the score, the more reliable the generated scale is. Nunnally (1994) has indicated 0.7 to be an acceptable reliability coefficient, but there are no straightforward definitions of what it should be. The minimum reliability for an instrument varies depending on the purpose of the results. If the results are to be used to make a decision about a group for research purposes as in the current study, a reliability coefficient in the range of 0.50-0.60 is acceptable (Ary et al., 2010). Item PT21 was deleted from Extraversion personality to enhance the reliability of the instrument into 0.743. Moreover, item PT41 from Openness personality

was deleted to enhance the reliability of the instrument into 0.708. Table 5.4 shows the means and Cronbach's Alpha for each construct in the research model. All constructs had an acceptable reliability and scored well above 0.5 and ranged from (0.604 to 0.917). The Overall Cronbach's Alpha reached above the satisfactory level with the value of 0.867 (Refer Table 5.4).

5.11 Component Validity

Component validity is a test of how well a set of measured items actually reflect the theoretical latent component they are designed to measure (Sekaran & Bougie, 2010). Component validity is made up by assessing the convergent and discriminant validity.

5.11.1 Convergent validity

Convergent validity is the degree to which the items that are indicators of a specific construct should converge or share a high proportion of variance in common. As suggested by Hair et al. (2013), this study used the factor loadings, composite reliability and average variance extracted AVE to assess convergent validity.

Table 5.4
Summary of Descriptive Statistics (N=172)

	Component	Number of items	Mean	Cronbach's Alpha
BPB	Better Perks and Benefits	6	4.163	0.801
QWLJ	Quality Work Life- Quality of the Job	4	3.451	0.853
QWLS	Quality Work Life- Quality of supervision	6	3.507	0.894
EIP	Ease of immigration procedures	3	3.671	0.802
IE	International exposure	3	3.601	0.826
GJA	Greater Job Availability	3	3.890	0.604
SN	Social Network	4	3.826	0.887
Brain Drain	Brain Drain	13	3.008	0.822
<i>Personality factors</i>				
	Extraversion	7	3.587	0.743
	Agreeableness	9	3.622	0.708
	Conscientiousness	9	3.598	0.671
	Neuroticism	8	2.732	0.747
	Openness	9	3.459	0.708
Proactive	Proactive Personality	17	3.793	0.917
				<i>Overall</i> 0.867

The criterion of Fornell-Larcker (1981) has been commonly used to assess the degree of shared variance between the latent variables of the model. According to this criterion, the convergent validity of the measurement model can be assessed by the Average Variance Extracted (AVE) and

Composite Reliability (CR). This study testifies these values in both models as the following:

Firstly, all the factor loadings for all items should be greater than 0.5, the recommended level is 0.7. An item with loading less than 0.7 should be scrutinized to determine whether the item should be deleted or not to enhance the level of AVE (Hair et al., 2013). In general, items with loadings of less than 0.5 should be dropped (Hulland, 1999). In this present study 7 items were dropped. They are: BD2, BD3, BD4, BD5, BD7 from the factor (Brain Drain), B1 from the factor (Better Perks and Benefits), and J2 from the factor (Greater Job Availability). Results show that all factor loading values are greater than the acceptable level (0.5).

Secondly, the composite reliability (CR) which indicates the degree to which the latent variables can be explained by the observed variables (Hsu et al., 2011) is in the range of 0.706 to 0.952 which exceeds the generally accepted value of 0.70. Cronbach's Alpha values show better reliability than before in reliability test.

Finally, the AVE values (ranging from 0.501 to 0.702) are higher than the general accepted value of 0.5. Thus the criterion is satisfied and the empirical data in this study assure convergent validity as shown in Table 5.5 (see Figure 5.2).

Table 5.5
Results Summary for the Measurement Model

Component	Item	Main loading	AVE	Composite Reliability
Better Perks and Benefits (BPB)	B3	0.739	0.540	0.853
	B4	0.644		
	B7	0.709		
	B8	0.700		
	B9	0.864		
Quality Work Life "second order"	QWLJ	0.861	0.808	0.894
	QWLS	0.935		
Quality Work Life- Quality of the Job (QWLJ) "first order"	Q1	0.826	0.697	0.901
	Q2	0.874		
	Q3	0.902		
	Q4	0.726		
Quality Work Life- Quality of supervision (QWLS) "first order"	Q5	0.770	0.657	0.920
	Q6	0.809		
	Q7	0.791		
	Q8	0.880		
	Q9	0.796		
	Q10	0.813		
Ease of immigration procedures (EIP)	I1	0.693	0.721	0.884
	I2	0.941		
	I3	0.893		
International exposure (IE)	E1	0.828	0.747	0.899
	E2	0.914		
Greater Job Availability (GJA)	E3	0.849	0.682	0.809
	J3	0.738		
Social Network (SN)	J4	0.905	0.745	0.921
	S1	0.800		
	S2	0.872		
	S3	0.910		
Brain Drain	S4	0.868	0.646	0.935
	BD1	0.798		
	BD6	0.527		
	BD8	0.793		
	BD9	0.878		
	BD10	0.863		
	BD11	0.826		
	BD12	0.834		
BD13	0.858			

5.11.2 Discriminant Validity

Discriminant validity is the extent to which a construct is truly distinct from other constructs by empirical standards (Hair et al., 2013). There are two approaches to assess Discriminant validity: cross loading and Fornell-Larcker approach (Hair et al., 2013).

5.11.2 (a) Cross loading assessment

The cross loading approach is performed by examining the cross loadings of the indicators. Specifically, an indicator's outer loading on the associated construct should be greater than all of its loadings on the other constructs. It should be greater by at least 0.1 more than the other cross loadings (Hair et al., 2013). By examining across the columns and rows in Table 5.6 the item loadings are higher for their corresponding components (main loading) than for others (cross-loading). The outer loading is greater than 0.527 in all cases. The difference between the main loading and cross loading is greater than 0.1.

Table 5.6
Items Cross-loadings

	BPB	Brain Drain	IE	EIP	GJA	QWLJ	QWLS	SN
B3	0.739	0.213	0.429	0.408	0.188	-0.266	-0.169	0.305
B4	0.644	0.078	0.332	0.248	0.226	-0.226	-0.108	0.212

	BPB	Brain Drain	IE	EIP	GJA	QWLJ	QWLS	SN
B7	0.709	0.159	0.296	0.302	0.394	-0.117	-0.184	0.353
B8	0.700	0.103	0.355	0.284	0.241	-0.147	-0.068	0.482
B9	0.864	0.194	0.393	0.368	0.285	-0.262	-0.142	0.452
BD1	0.343	0.798	0.534	0.556	0.363	-0.208	-0.296	0.270
BD10	0.280	0.863	0.415	0.494	0.321	-0.306	-0.311	0.301
BD11	0.043	0.826	0.378	0.398	0.201	-0.192	-0.135	0.302
BD12	0.140	0.834	0.401	0.412	0.207	-0.278	-0.325	0.287
BD13	0.117	0.858	0.416	0.484	0.194	-0.315	-0.314	0.203
BD6	0.163	0.527	0.233	0.303	0.245	-0.129	-0.214	0.269
BD8	0.108	0.793	0.329	0.339	0.180	-0.110	-0.079	0.247
BD9	0.192	0.878	0.391	0.424	0.237	-0.206	-0.110	0.303
E1	0.444	0.292	0.828	0.470	0.278	-0.157	-0.122	0.430
E2	0.472	0.476	0.914	0.578	0.328	-0.192	-0.153	0.399
E3	0.380	0.468	0.849	0.544	0.248	-0.258	-0.096	0.447
I1	0.205	0.337	0.427	0.693	0.247	-0.100	-0.114	0.190
I2	0.402	0.444	0.559	0.941	0.217	-0.276	-0.165	0.417
I3	0.515	0.474	0.585	0.893	0.251	-0.250	-0.192	0.401
J3	0.444	0.190	0.345	0.223	0.738	-0.088	-0.045	0.400
J4	0.211	0.302	0.234	0.235	0.905	-0.014	-0.112	0.309
Q1	-0.213	-0.226	-0.172	-0.175	-0.071	0.826	0.500	-0.081
Q2	-0.279	-0.192	-0.164	-0.188	-0.109	0.874	0.484	-0.082
Q3	-0.270	-0.273	-0.212	-0.257	-0.011	0.902	0.551	-0.103
Q4	-0.181	-0.247	-0.254	-0.241	0.020	0.726	0.549	-0.017
Q5	-0.136	-0.213	-0.056	-0.137	-0.132	0.410	0.770	0.045
Q6	-0.153	-0.190	-0.093	-0.168	-0.120	0.409	0.809	0.061

	BPB	Brain Drain	IE	EIP	GJA	QWLJ	QWLS	SN
Q6	-0.153	-0.190	-0.093	-0.168	-0.120	0.409	0.809	0.061
Q7	-0.155	-0.293	-0.159	-0.202	0.011	0.479	0.791	0.081
Q8	-0.156	-0.213	-0.088	-0.091	-0.099	0.573	0.880	0.031
Q9	-0.104	-0.177	-0.022	-0.028	-0.028	0.499	0.796	0.121
Q10	-0.226	-0.316	-0.261	-0.281	-0.129	0.639	0.813	-0.071
S1	0.375	0.222	0.388	0.245	0.438	-0.045	0.039	0.800
S2	0.450	0.310	0.365	0.327	0.390	-0.078	0.008	0.872
S3	0.442	0.261	0.479	0.370	0.298	-0.111	0.100	0.910
S4	0.422	0.344	0.454	0.442	0.311	-0.063	0.042	0.868

5.11.2 (b) Fornell-Larcker Criterion

Based on the standards recommended by Fornell and Larcker (1981), discriminant validity of the scales is satisfied when the square root of the AVE values from the component is greater than the variance of any of the inter-component correlations. As shown in Table 5.7, the AVE values on the diagonal are greater than the correlation coefficient of that component with all the other components in the model. This shows that the discriminant validity was fulfilled for all components, and inner model is ready for hypothesis testing.

Table 5.7
Correlations and discriminant validity N=172

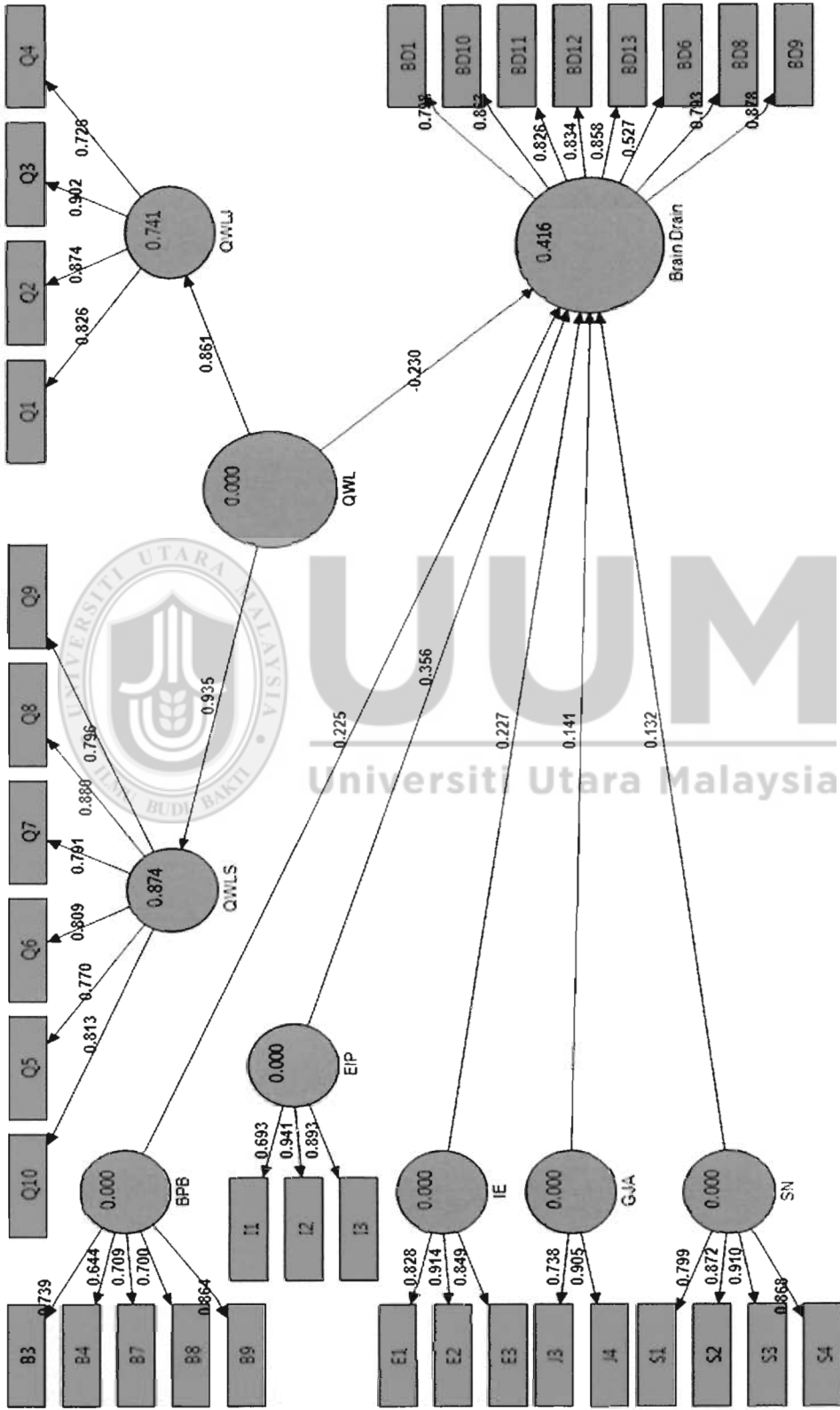
	BPB	Brain Drain	EIP	GJA	IE	QWL	SN
BPB	0.735						
Brain Drain	0.223	0.804					
EIP	0.455	0.542	0.849				
GJA	0.358	0.308	0.274	0.826			
IE	0.495	0.494	0.621	0.329	0.864		
QWL	-0.255	-0.317	-0.240	-0.090	-0.203	0.899	
SN	0.491	0.337	0.411	0.409	0.489	-0.006	0.863

Note: Square root of the AVE on the diagonal



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Figure 5.2
Measurement Model Assessment



5.12 Structural Model Assessment

The structural model represents the theoretical or conceptual element of the path model (Hair et al., 2013). It represents the relationship between constructs or latent variables that were hypothesized in the research model. With a satisfactory measurement model (inner model), the study proceeded to test the structural model which includes estimates of the path coefficients indicating the strength of the relationships between model constructs; and estimates of the R^2 values, which represents the amount of variance in the dependent variable explained by the independent variables.

To examine the specific hypotheses proposed in the research model, the t-statistics were assessed for the standardized path coefficients by running bootstrap with 5000 re-samples. One-tailed t-tests were assumed because corresponds are extreme negative or extreme positive.

Table 5.8 shows Hypotheses testing results. Six relationships are significant at level ($p < 0.01$) which are; BPB -> Brain Drain, EIP -> Brain Drain, IE -> Brain Drain, and QWL -> Brain Drain. One relationship is significant at level ($p < 0.05$) which was GJA -> Brain Drain. The last hypothesis is supported which is SN -> Brain Drain.

The estimates of the R^2 values represent the amount of variance in the dependent variable explained by the independent variables. In general, R^2

values of 0.75, 0.50, or 0.25 for the endogenous constructs can be described as respectively substantial, moderate, and weak (Hair et al., 2013).

The estimates of the R^2 values represent the amount of variance in the dependent variable (Brain Drain) explained by the independent variables. The proposed model explains 41.6% of variance for Brain Drain which is considered moderate. Brain Drain is predicted directly by Quality Work Life, Better Perks and Benefits, Ease of immigration procedures, International exposure, and Greater Job Availability (see Table 5.8 and Figure 5.3)

Table 5.8: Hypotheses testing results

	Hypotheses	Path coefficient	Standard Deviation (STDEV)	Standard Error (STERR)	t value	Decision
H ₁	QWL -> Brain Drain	-0.230	0.065	0.065	3.529**	Supported
H ₂	BPB -> Brain Drain	-0.225	0.077	0.077	2.942**	Supported
H ₃	EIP -> Brain Drain	0.356	0.076	0.076	4.663**	Supported
H ₄	IE -> Brain Drain	0.227	0.078	0.078	2.905**	Supported
H ₅	GJA -> Brain Drain	0.141	0.071	0.071	1.982*	Supported
H ₆	SN -> Brain Drain	0.132	0.072	0.072	1.824*	Supported

*Significant at level of ** $p < 0.01$, * $p < 0.05$ (one-tailed test)*

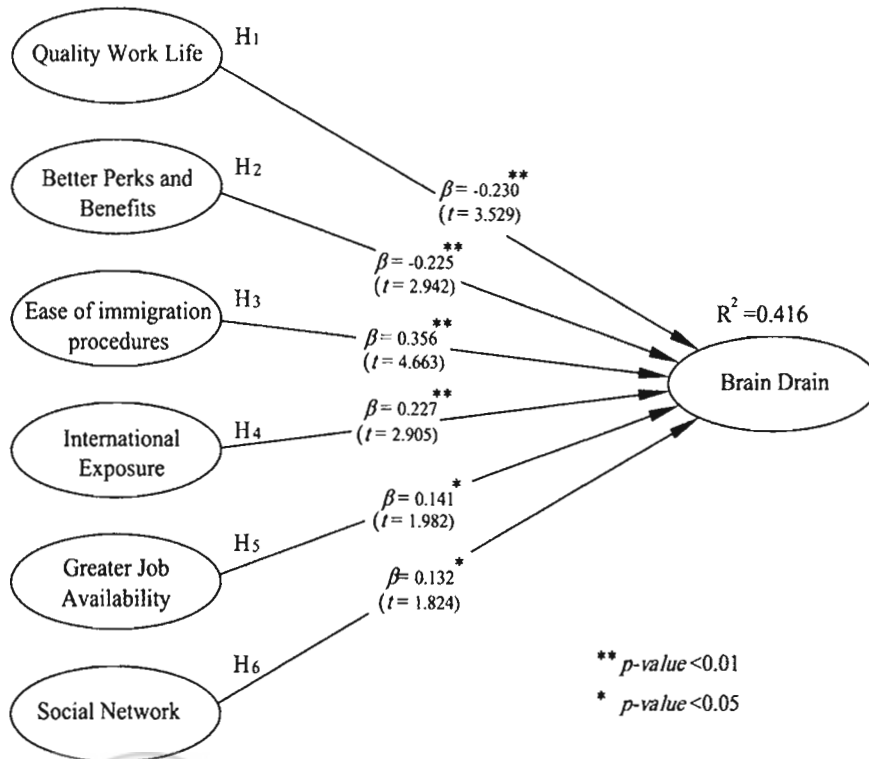


Figure 5.3: Results of bootstrapping (t-values)

* $p < 0.05$ when t-value ≥ 1.645 one-tail test

** $p < 0.01$ when t-value ≥ 2.326 one-tail test

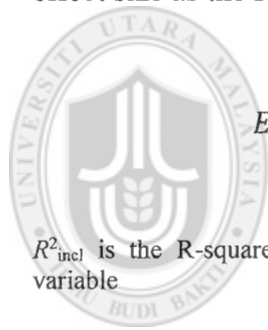
5.12.1 Predictive Relevance Q^2

The Q^2 represents a measure of how well observed values are reconstructed by the model and its parameter estimates (Chin, 1998). Blindfolding procedure is performed using smartPLS to assess the predictive relevance of the path model. Blindfolding procedure yielded positive Q^2 values for all endogenous constructs. As suggested by Hair et al. (2013), Q^2 values above zero imply predictive relevance. Therefore, the current path model has

predictive relevance for a selected endogenous constructs Brain Drain $Q^2 = 0.254$.

5.12.2 Effect Size f^2

The final assessments address the f^2 and q^2 effect sizes. Effect size is a measure of the strength of a phenomenon, by estimating the relationship between each two endogenous variables in a statistical population (Kelley and Preacher, 2012). Cohen (1988) proposes an equation to estimate the effect size as the following;



$$\text{Effect size: } f^2 = \frac{R_{incl}^2 - R_{excl}^2}{1 - R_{incl}^2}$$

R_{incl}^2 is the R-squared when including specific predecessor of that endogenous latent variable

R_{excl}^2 is the R-squared after deleting a specific predecessor of that endogenous latent variable

The computation of the q^2 effect size is an analogous procedure. However, instead of the R^2 values, the values of the predictive relevance are used as inputs as shown in the next equation (Hair et al., 2013):

$$q^2 = \frac{Q_{incl}^2 - Q_{excl}^2}{1 - Q_{incl}^2}$$

Q_{incl}^2 is the Q-squared when including specific predecessor of that endogenous latent variable

Q_{excl}^2 is the Q-squared after deleting a specific predecessor of that endogenous latent variable

The f^2 and q^2 values of 0.02, 0.15, and 0.35 indicate an exogenous construct small, medium, or large effect, respectively, on an endogenous construct (Hair et al., 2013).

As shown in Table 5.9, all exogenous constructs (BPB, QWL, EIP, IE and GJA) have small effect size on Brain Drain except for Social Network (SN) which has no effect size on Brain Drain. As well, the computation of the q^2 effect size implies that (BPB, QWL, EIP and IE) have small effect size on Brain Drain, while GJA and SN have no effect size on Brain Drain.

Table 5.9 Results of effect size f^2 and q^2

Predictor	Brain Drain		
	Path coefficient	f^2 Effect size	q^2 Effect size
Better Perks and Benefits (BPB)	-0.230	0.046	0.039
Quality Work Life (QWL)	-0.225	0.080	0.035
Ease of immigration procedures (EIP)	0.356	0.123	0.060
International exposure (IE)	0.227	0.045	0.024
Greater Job Availability (GJA)	0.141	0.029	0.014
Social Network (SN)	0.132	0.015	0.009

Note: Effect sizes f^2 and $q^2 > 0.35$ large effect; f^2 and $q^2 > 0.15$ medium effect; f^2 and $q^2 > 0.02$ small effect

5.13 Moderation Effect

A moderator is a qualitative (eg. sex, race, class, etc.) or quantitative (eg. level of reward) variable that affects the direction and/or strength of the relationship between a predictor variable and criterion variable (Baron & Kenny, 1986) or is explained as a third variable that modifies the strength or direction of a causal relationship (Rose et al., 2004). A moderator is characterized as an innate attribute (i.e., gender or ethnicity), a relatively stable trait (i.e., personality types or disposition) (Wu & Zumbo, 2008).

However, there are two types of moderation test, multi-group analysis and moderation interaction effect. Interaction analysis has been extensively applied to both correlational and experimental data, as a result, the term interaction effect seems tacitly accepted as modelling hypothesis that is not necessarily causal in nature (Wu and Zumbo, 2008). Meanwhile multi-group is the comparison to testify group-specific effects that entails the consideration of a categorical moderator variable and which affects the direction and/or strength of the relation between an independent or predictor and a dependent variable (Sarstedt et al., 2011). In other words, a moderation effect is certainly an interaction effect, but an interaction effect is not necessarily a moderation effect (Wu & Zumbo, 2008).

Three approaches to multi-group analysis have been proposed within a PLS path modelling framework thus far (Sarstedt et al., 2011). The first approach,

introduced by Keil et al. (2000) called parametric approach which assumes data is normally distributed. Henseler (2007) proposed the second type called nonparametric approach, which considers distribution-free of the data and directly compares group-specific bootstrap estimates from each bootstrap sample. The last type is the permutation-based approach which was developed by Chin (2003) and considered distribution-free of the data.

The current data set did not satisfy the assumption of normal distribution therefore the permutation-based approach was more appropriate for Multi-group analysis as suggested by Chin and Dibbern (2010). Moreover, the permutation test is usually as powerful as the most powerful parametric test and may be more powerful when the test statistics does not follow the assumed distribution or have unbalanced group size (Noreen, 1989).

Moderating factors are the big five personality and proactive personality. These factors are measured using Likert scale from (1 strongly disagree to 5 strongly agree). As a first step, these factors are computed into one continuous value then converted to categorical factors (High and Low) using median. Table 5.10 shows the categories of these factors.

Table 5.10
Frequencies of categorical variables

Factor	Median	Low	High
Proactive personality	3.8235	77	95
Extraversion	3.5714	69	103
Agreeableness	3.6667	100	72
Conscientiousness	3.6111	86	86
Neuroticism	2.7500	81	91
Openness	3.5556	98	74

The next step is to apply the permutation analysis on each moderator separately. Data were generated using PLS-PM package in RStudio (2012) to test whether the differences in path coefficient between the low and high level of personalities are significant or not. Permutation test was performed based on 5000 re-samplings in all tests.

5.13.1 Proactive Personality

The data set consists of 77 individuals with low level of proactive personality, and 95 individuals with high level of proactive personality. These two groups show slight differences in the relationships between the independent variables and the dependent variable. The only significant difference is in the relation between Ease of Immigration Procedures (EIP) and Brain Drain. The path coefficient between EIP and Brain Drain for high

level proactive group is $\beta = 0.525$, which is significantly higher than the path coefficient for low level proactive group $\beta = 0.092$ (see Table 5.11 and Figure 5.4).

Table 5.11
Path differences between High level and Low level proactive personality groups

Hypothesis	Global	High level	Low level	Diff.abs	p.value	Sig 0.05
BPB -> Brain Drain	-0.216	-0.284	-0.095	0.189	0.156	no
QWL-> Brain Drain	-0.231	-0.208	-0.334	0.126	0.324	no
EIP -> Brain Drain	0.354	0.525	0.092	0.433	0.003	yes
IE -> Brain Drain	0.223	0.171	0.406	0.234	0.129	no
GJA -> Brain Drain	0.148	0.052	0.182	0.130	0.374	no
SN -> Brain Drain	0.128	0.088	0.032	0.055	0.707	no

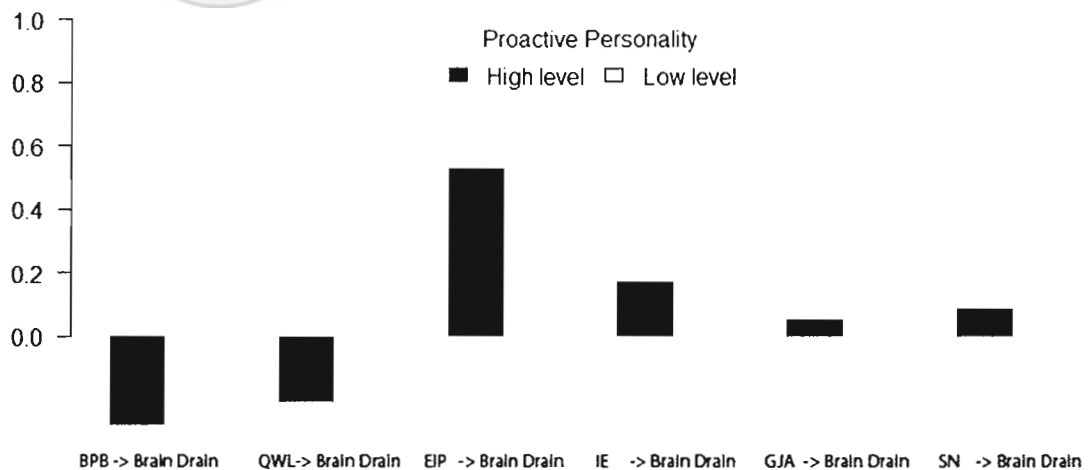


Figure 5.4: Barplot of path coefficients differences between High and Low levels proactive groups

This result infers that, any increase in the EIP will increase the Brain Drain for high proactive individuals more than that of the low proactive individuals (see Figure 5.5).

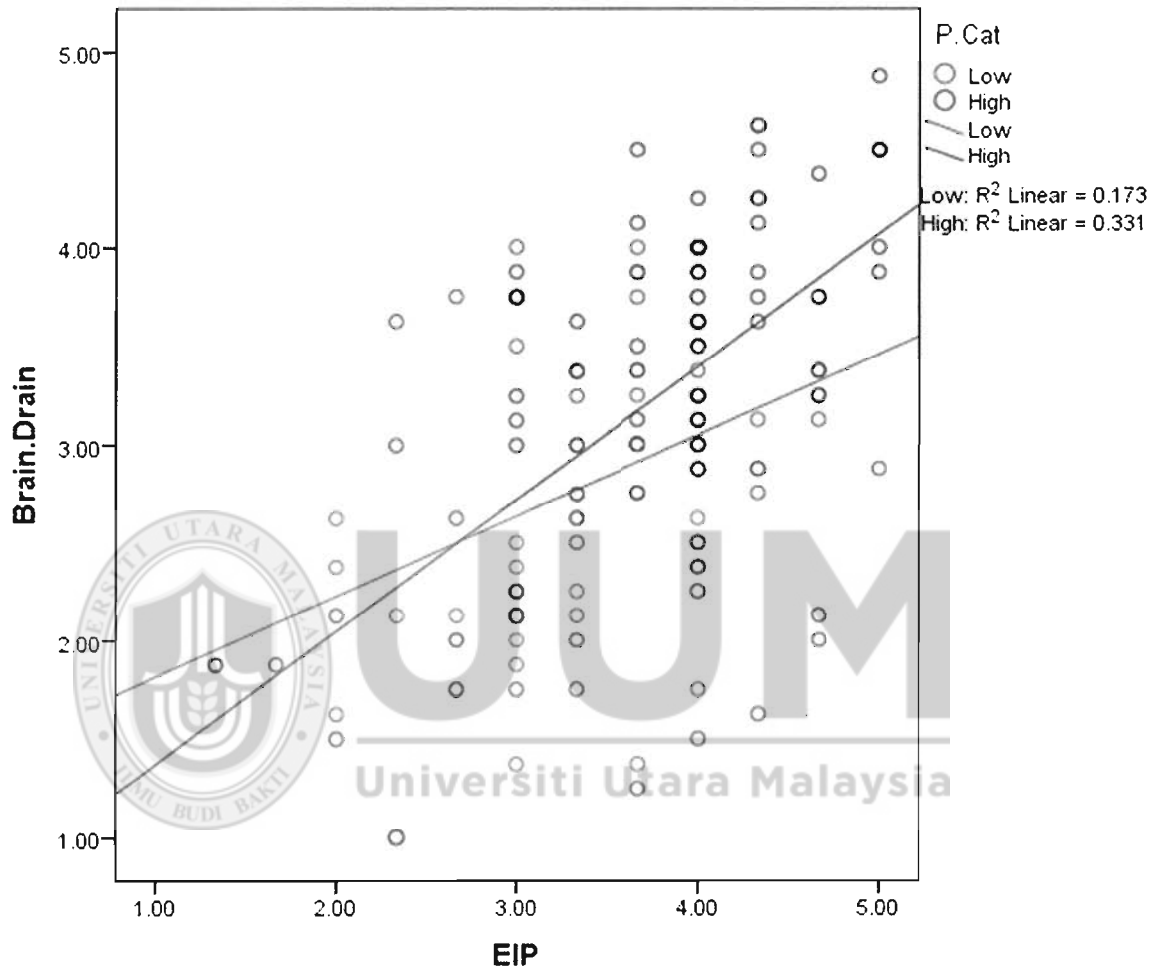


Figure 5.5: Scatter plot showing the relationship between EIP and Brain Drain moderated by proactive personality

5.13.2 Extraversion Personality

The data set consists of 69 individuals with low level of Extraversion personality, and 103 individuals with high level of Extraversion personality. These two groups show slight differences in the relationships between the independent variables and the dependent variable. The only significant difference is in the relation between Better Perks and Benefits (BPB) and Brain Drain. The path coefficient between BPB and Brain Drain for high level Extraversion group is $\beta = -0.179$, which is significantly higher than the path coefficient for low level Extraversion group $\beta = 0.172$ (see Table 5.1 and Figure 5.6). BPB for high level Extraversion group affects negatively on Brain Drain, while it affects positively for the group of low level Extraversion personality.

Table 5.12
Path differences between High level and Low level Extraversion personality groups

Hypothesis	Global	High level	Low level	Diff.abs	p.value	Sig 0.05
BPB -> Brain Drain	-0.216	-0.179	0.171	0.350	0.014	yes
QWL-> Brain Drain	-0.231	-0.197	-0.252	0.055	0.680	no
EIP -> Brain Drain	0.354	0.348	0.247	0.101	0.519	no
IE -> Brain Drain	0.223	0.189	0.217	0.029	0.856	no
GJA -> Brain Drain	0.148	0.159	0.121	0.038	0.793	no
SN -> Brain Drain	0.128	0.166	0.031	0.136	0.356	no

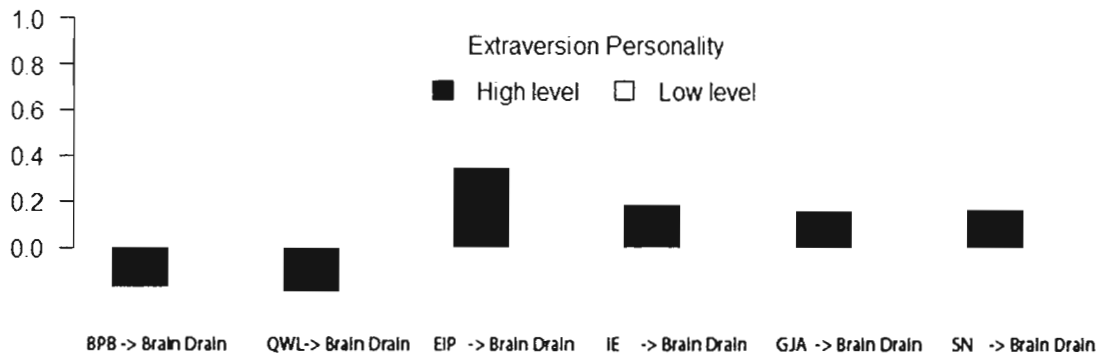
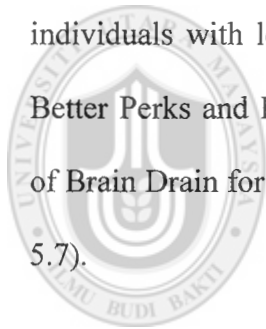


Figure 5.6: Bar plot of path coefficients differences between High and Low levels Extraversion groups

This surprising result infers that, any increase of interest in the Better Perks and Benefits(BPB) in home country will decrease Brain Drain for individuals with high Extraversion personality, while it is opposite for individuals with low Extraversion personality. Any increase of interest in Better Perks and Benefits in home country is accompanied with increment of Brain Drain for individuals with low Extraversion personality (see Figure 5.7).



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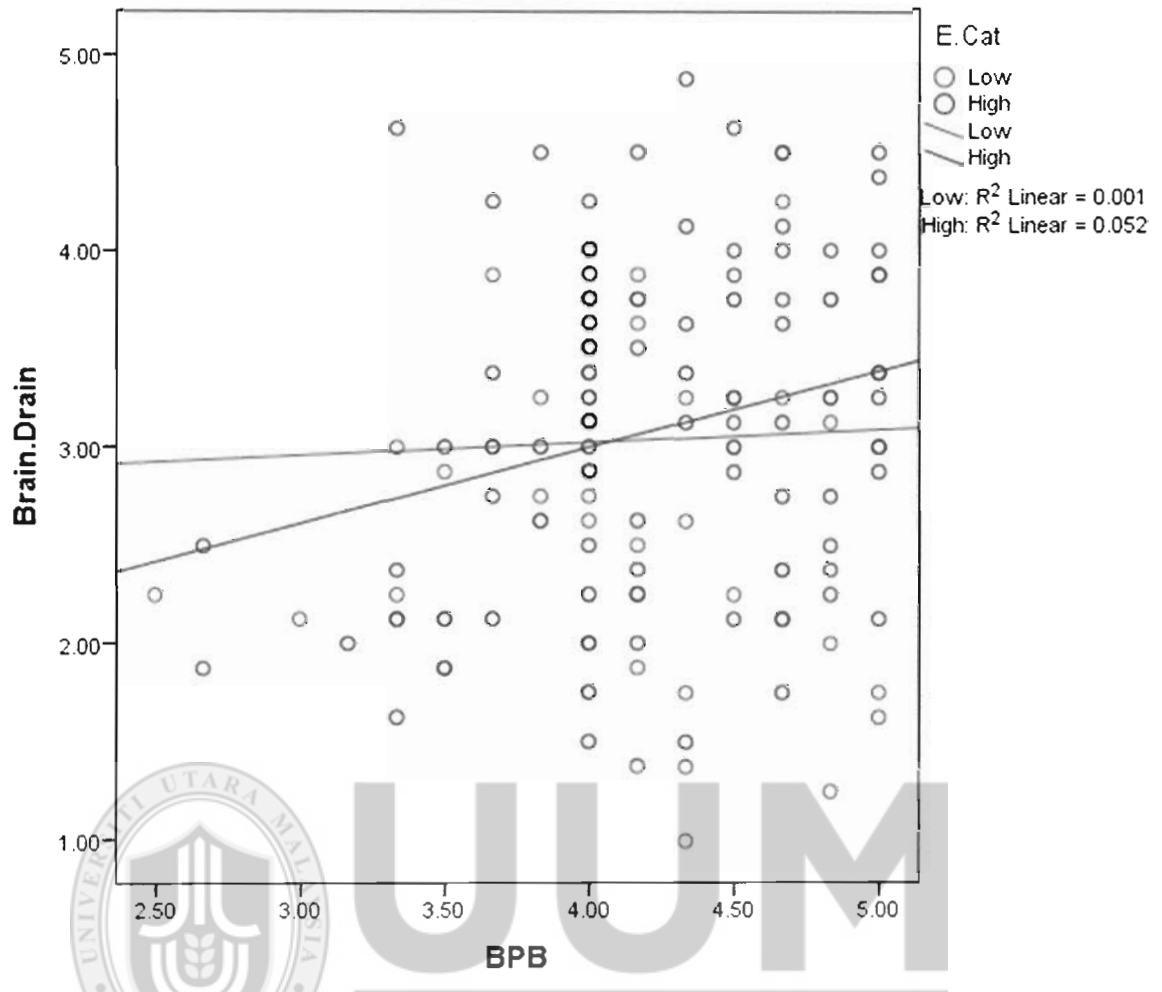


Figure 5.7: Scatter plot showing the relationship between BPB and Brain Drain moderated by Extraversion personality

5.13.3 Agreeableness Personality

The data set consists of 100 individuals with low level of Agreeableness Personality, and 72 individuals with high level of Agreeableness Personality. These two groups show slight differences in the relationships between the independent variables and the dependent variable. The only significant difference is in the relation between Quality of Work and Life (QWL) and Brain Drain. The path coefficient between QWL and Brain

Drain for high level of Agreeableness group is $\beta = -0.395$, is significantly higher than the path coefficient for low level Agreeableness group $\beta = -0.127$ (see Table 5.13 and Figure 5.8).

Table 5.13
Path differences between High level and Low level Agreeableness personality groups

Hypothesis	Global	High level	Low level	Diff.abs	p.value	Sig 0.05
BPB -> Brain Drain	-0.216	-0.175	-0.118	0.056	0.671	no
QWL-> Brain Drain	-0.231	-0.395	-0.127	0.268	0.038	yes
EIP -> Brain Drain	0.354	0.317	0.325	0.008	0.961	no
IE -> Brain Drain	0.223	0.198	0.242	0.044	0.779	no
GJA -> Brain Drain	0.148	0.041	0.214	0.173	0.236	no
SN -> Brain Drain	0.128	0.119	0.118	0.001	0.997	no

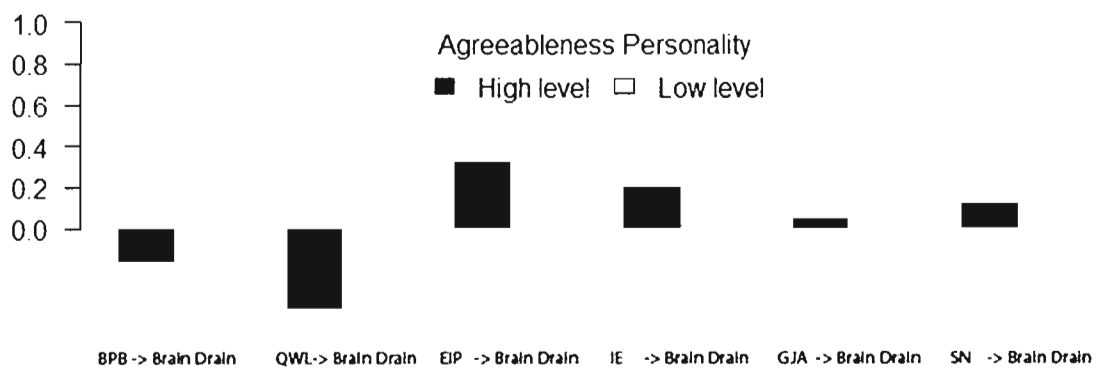


Figure 5.8: Bar plot of path coefficients differences between High and Low levels Agreeableness groups

This result infers that, any increase of Quality of Work and Life in home country will decrease Brain Drain for individuals with high Agreeableness personality more than that of the low Agreeableness personality (see Figure 5.9).

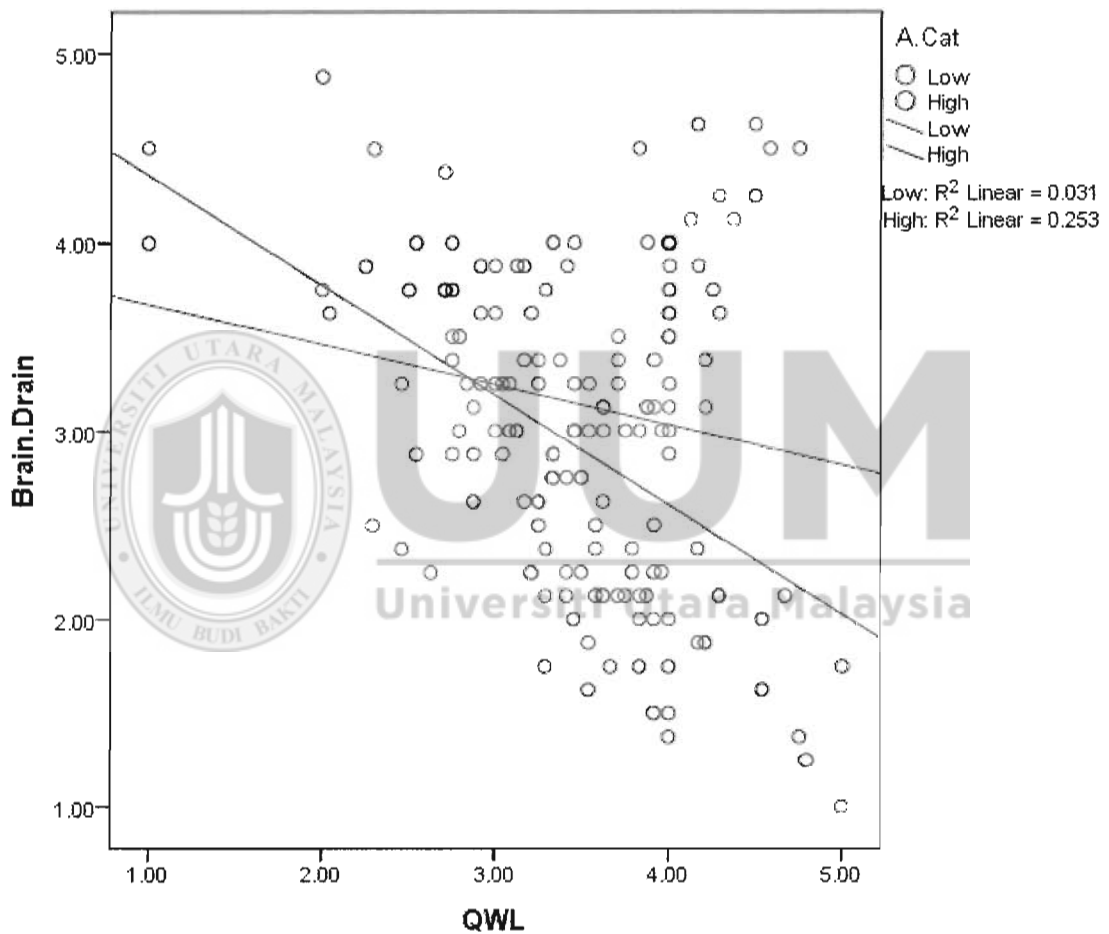


Figure 5.9: Scatter plot showing the relationship between QWL and Brain Drain moderated by Agreeableness personality

5.13.4 Conscientiousness Personality

The data set consists of 86 individuals with low level of Conscientiousness Personality and 86 individuals with high level of Conscientiousness Personality. The data are typically balanced. These two groups show slight differences in the relationships between the independent variables and the dependent variable in the proposed model. These differences are similar to Proactive Personality in the relationship between Ease of Immigration Procedures (EIP) and Brain Drain and between International exposure (IE) and Brain Drain. The path coefficient between EIP and Brain Drain for high level of Conscientiousness group is $\beta = 0.501$, which is significantly higher than the path coefficient for low level Conscientiousness group $\beta = 0.061$. More interestingly, the path coefficient between IE and Brain Drain for high level of Conscientiousness group is $\beta = 0.061$, which is significantly lower than the path coefficient for low level Conscientiousness group $\beta = 0.491$ (see Table 5.14 and Figure 5.10).

Table 5.14

Path differences between High level and Low level Conscientiousness personality groups

Hypothesis	Global	High level	Low level	Diff.abs	p.value	Sig 0.05
BPB -> Brain Drain	-0.216	-0.242	-0.143	0.099	0.458	no
QWL-> Brain Drain	-0.231	-0.282	-0.161	0.122	0.351	no
EIP -> Brain Drain	0.354	0.501	0.061	0.441	0.003	yes
IE -> Brain Drain	0.223	0.061	0.491	0.426	0.005	yes
GJA -> Brain Drain	0.148	0.051	0.293	0.243	0.092	no
SN -> Brain Drain	0.128	0.174	0.068	0.106	0.472	no

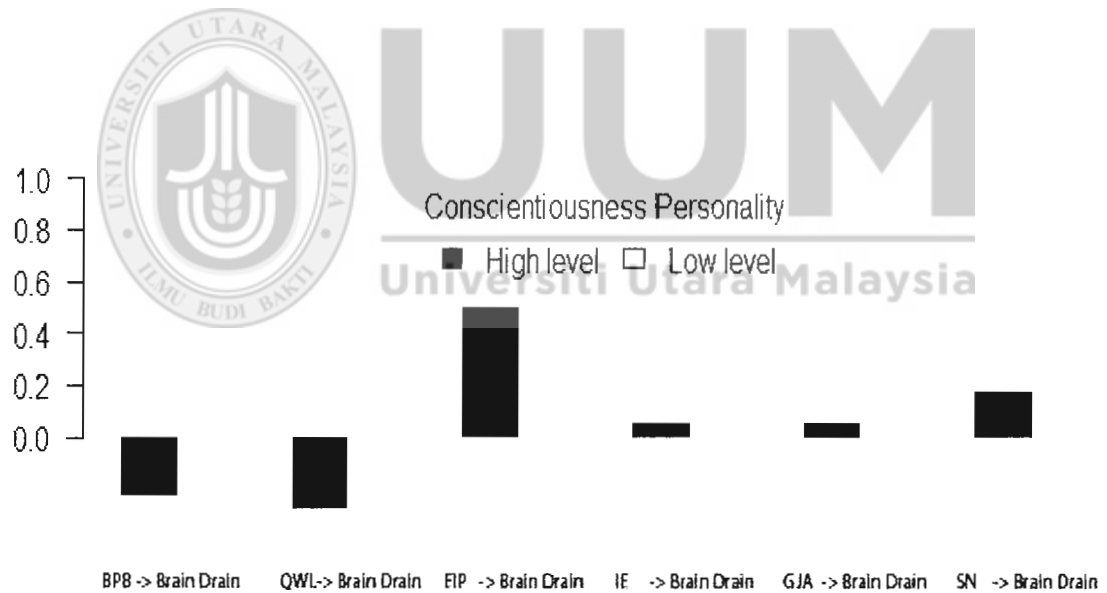


Figure 5.10: Bar plot of path coefficients differences between High and Low levels Conscientiousness groups

These results infer that, any increase of EIP will increase Brain Drain for individuals with high Conscientiousness personality more than low

Conscientiousness personality (see Figure 5.11). On the contrary, any increase of IE will increase Brain Drain for individuals with Low Conscientiousness personality more than that of the High Conscientiousness personality (see Figure 5.12).

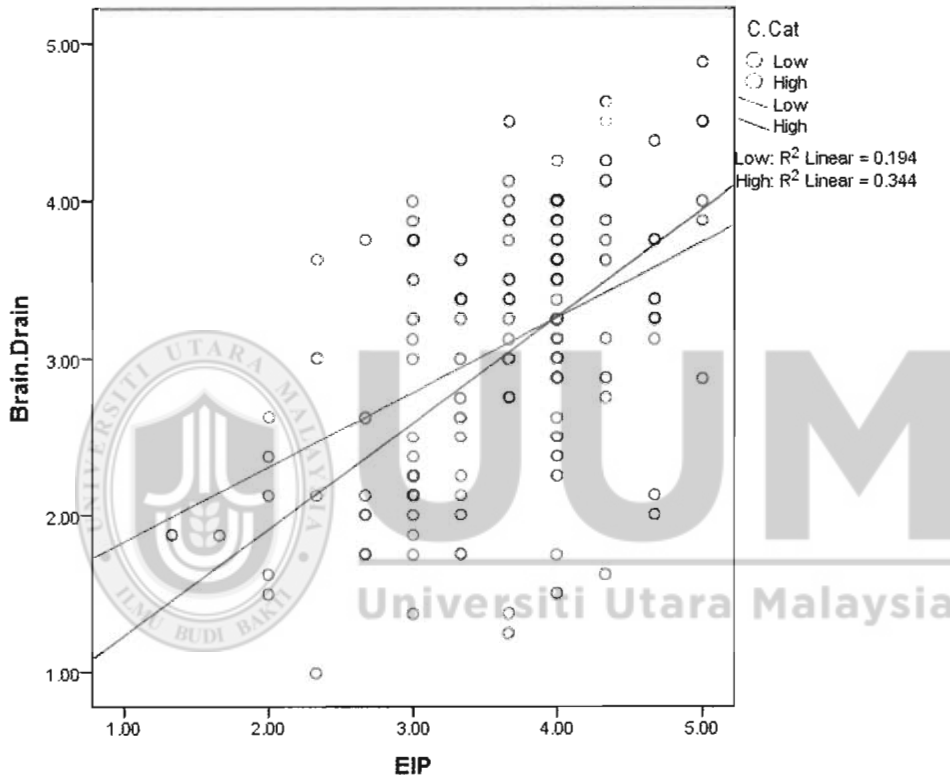


Figure 5.11: Scatter plot showing the relationship between EIP and Brain Drain moderated by Conscientiousness personality

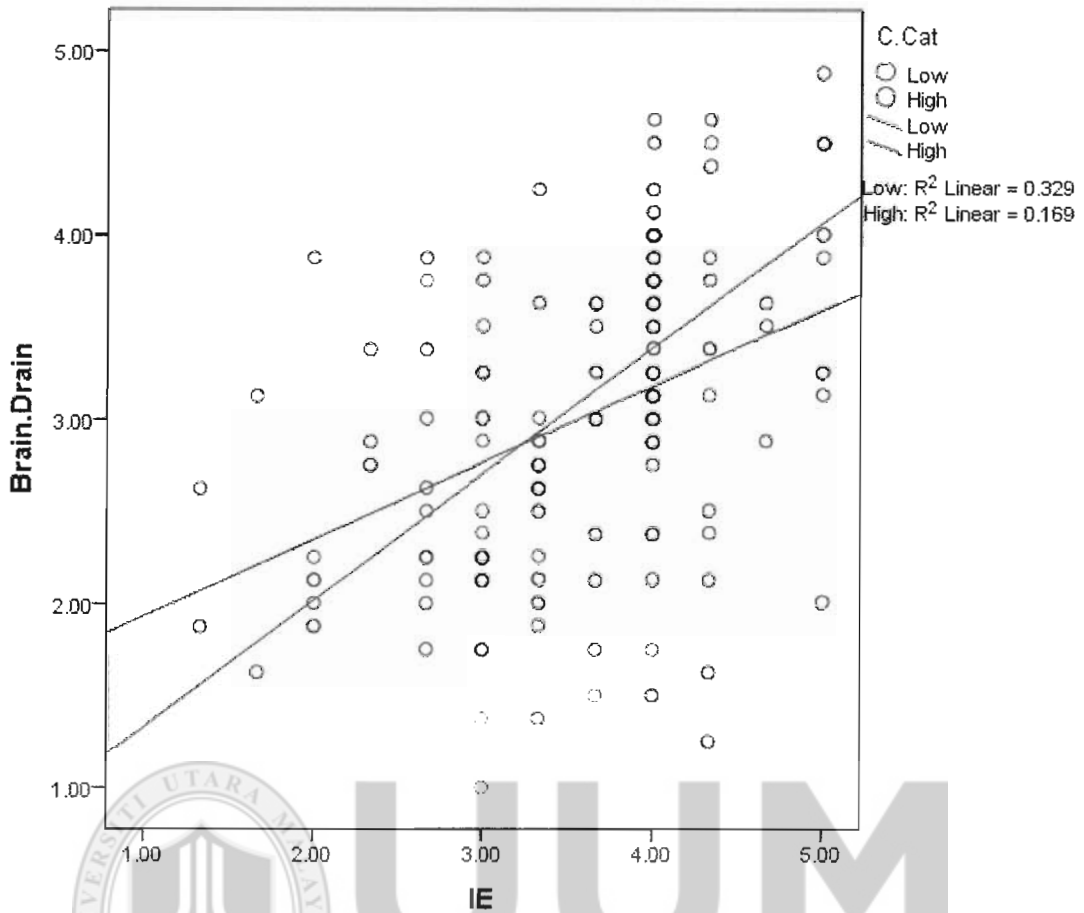


Figure 5.12: Scatter plot showing the relationship between IE and Brain Drain moderated by Conscientiousness personality

5.13.5 Neuroticism Personality

The data set consists of 81 individuals with low level of Neuroticism personality and 91 individuals with high level of Neuroticism personality. These two groups show slight differences in the relationships between the independent variables and the dependent variable in the proposed model. The only significant difference is shown in the relationship between Great Job Availability (GJA) and Brain Drain. The path coefficient between GJA and Brain Drain for high level of Neuroticism group is $\beta = 0.253$, which is

significantly higher than the path coefficient for low level Neuroticism group $\beta = -0.031$. The direction of the relationship between GJA and Brain Drain became negative to no relationship for low Neuroticism personality group (see Table 5.15 and Figure 5.13).

Table 5.15
Path differences between High level and Low level Neuroticism personality groups

Hypothesis	Global	High level	Low level	Diff.abs	p.value	Sig 0.05
BPB -> Brain Drain	-0.216	-0.193	-0.099	0.094	0.479	no
QWL-> Brain Drain	-0.231	-0.134	-0.325	0.191	0.134	no
EIP -> Brain Drain	0.354	0.295	0.409	0.114	0.472	no
IE -> Brain Drain	0.223	0.261	0.166	0.095	0.544	no
GJA -> Brain Drain	0.148	0.253	-0.031	0.284	0.046	yes
SN -> Brain Drain	0.128	0.108	0.091	0.017	0.901	no

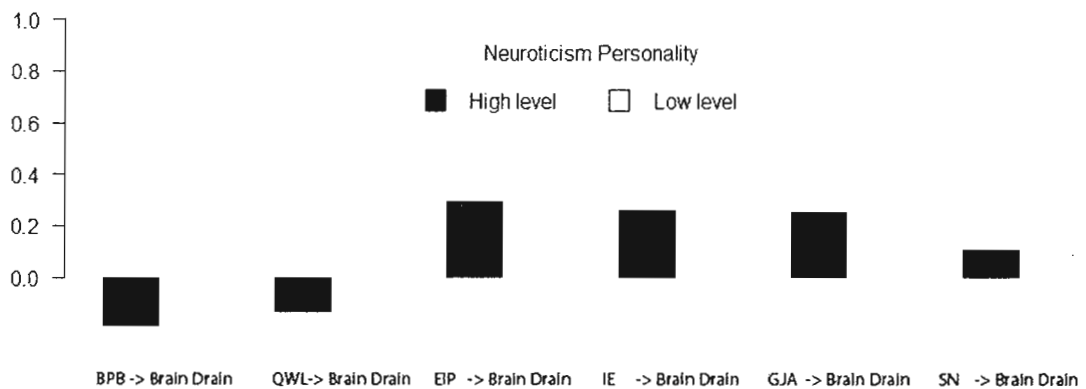


Figure 5.13: Bar plot of path coefficients differences between High and Low levels Neuroticism groups

This result infers that, the increment of Job availability in host country (GJA) will increase Brain Drain for individuals with high Neuroticism personality more than that of low Neuroticism personality (see Figure 5.14).

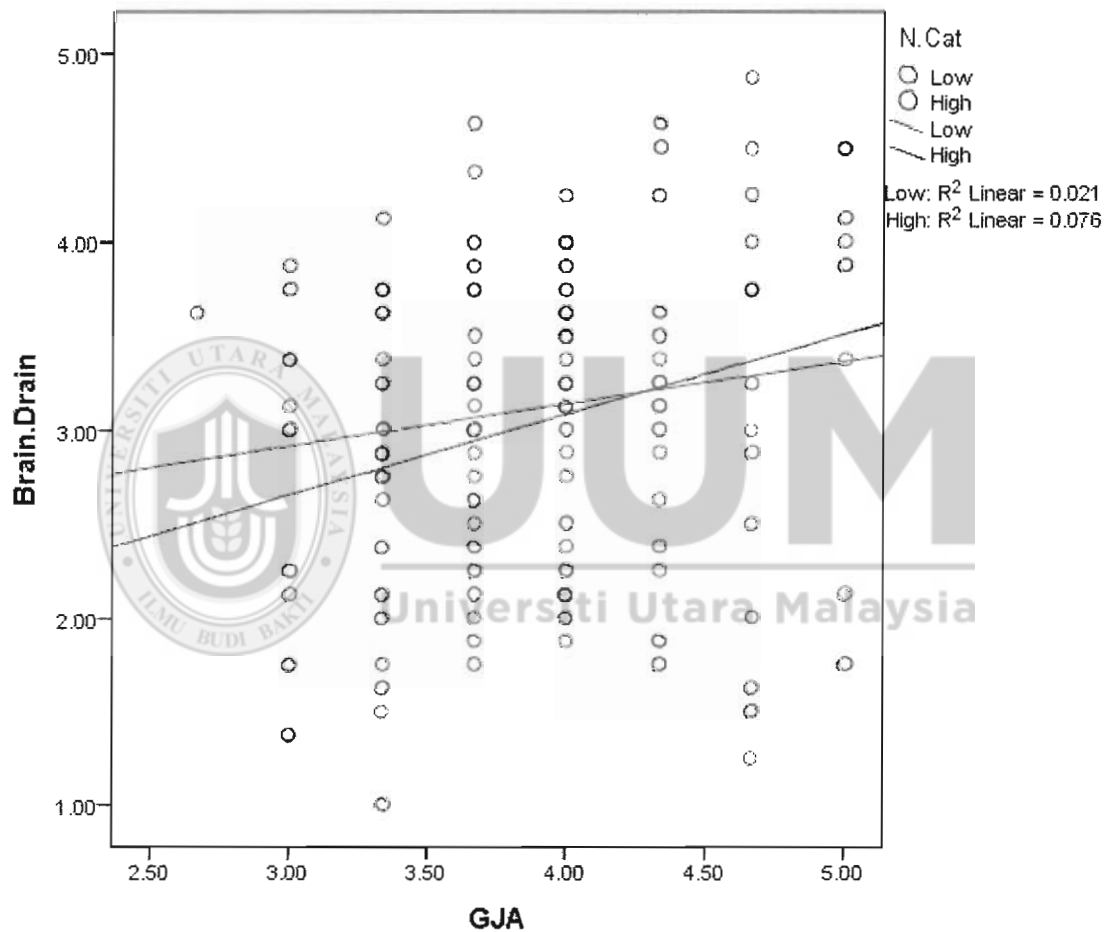


Figure 5.14: Scatter plot showing the relationship between GJA and Brain Drain moderated by Neuroticism personality

5.13.6 Openness Personality

The data set consists of 98 individuals with low level of Openness personality and 74 individuals with high level of Openness personality. Even though there are slight differences between these two groups, none of these differences is significant. This infers that Openness personality does not have a moderation effect on the proposed model (see Figure 5.14).

Table 5.16
Path differences between High level and Low level Conscientiousness personality groups

Hypothesis	Global	High level	Low level	Diff.abs	p.value	Sig 0.05
BPB -> Brain Drain	-0.216	-0.206	-0.016	0.188	0.171	no
QWL-> Brain Drain	-0.231	-0.182	-0.307	0.125	0.341	no
EIP -> Brain Drain	0.354	0.342	0.248	0.094	0.542	no
IE -> Brain Drain	0.223	0.171	0.221	0.050	0.741	no
GJA -> Brain Drain	0.148	0.131	0.092	0.037	0.803	no
SN -> Brain Drain	0.128	0.237	0.133	0.104	0.483	no

5.14 Summary of Results

The current study proposed six hypotheses to examine the relationships between independent factors (IVs) and the dependent factor (Brain Drain).

The first hypothesis states that, Quality Work Life (QWL) predicts negatively to Brain Drain. Hypothesis testing infers any increase in QWL in home country will significantly decrease Brain Drain. The path coefficient between QWL and Brain Drain $\beta = (-0.230)$ is significant at level $p\text{-value} = 0.01$.

The second hypothesis states that, Better Perks and Benefits (BPB) predicts negatively to Brain Drain. The result shows any increase of BPB in home country will significantly decrease Brain Drain. The path coefficient between BPB and Brain Drain is $\beta = (-0.225)$ is significant at level $p\text{-value} = 0.01$.

The third hypothesis proposed that, Ease of immigration procedures (EIP) predicts positively to Brain Drain. The result supports the hypothesis and shows that, the path coefficient between EIP and Brain Drain is the highest in the proposed model with a value of $\beta = (0.356)$, and it is significant at level $p\text{-value} = 0.01$.

The fourth hypothesis states that, International exposure (IE) predicts positively to Brain Drain. The result supports the hypothesis and shows that any increase

of IE will significantly increase Brain Drain. The path coefficient between IE and Brain Drain is $\beta = (0.227)$ is significant at level $p\text{-value} = 0.01$.

The fifth hypothesis states that, Greater Job availability (GJA) in host country predicts positively to Brain Drain to that country. The results support the hypothesis and show that the path coefficient between GJA and Brain Drain is lowest in the proposed model with a value of $\beta = (0.14)$, and it is significant at level $p\text{-value} = 0.05$.

The sixth hypothesis states that, social network predicts positively to Brain Drain. The results support the hypothesis with a path coefficient $\beta = (0.132)$ and significant level of $p\text{-value} < 0.05$ (see Figure 5.15)

The proposed model accounts for 41.6% of the variance in Brain Drain which is considered moderate. Moreover, current path model has predictive relevance for a selected endogenous constructs Brain Drain $Q^2 = 0.254$.

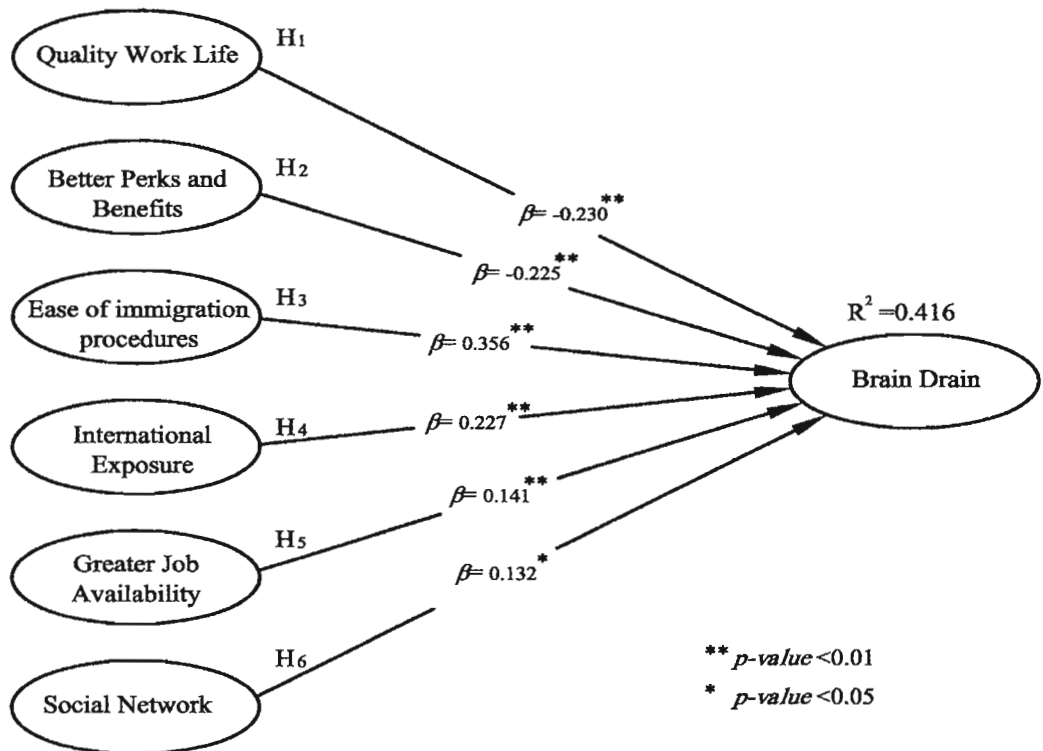


Figure 5.15: The results of hypotheses testing

While for the moderating effect it was found that Moderators testing yield interesting results in that Proactive personality is found to moderate the relationship between Ease of immigration (EIP) and Brain Drain. The path coefficient between EIP and Brain Drain for high level proactive group is $\beta = 0.525$, which is significantly higher than the path coefficient for low level proactive group $\beta = 0.092$.

Agreeableness Personality is found to moderate one relationship between Quality of Work and Life (QWL) and Brain Drain. The path coefficient between QWL and Brain Drain for high level of Agreeableness group is $\beta = -$

0.395, which is significantly higher than the path coefficient for low level Agreeableness group $\beta = -0.127$.

It is also revealed that Extraversion personality moderates the relationship between Better Perks and benefits (BPB) and Brain Drain. The path coefficient between BPB and Brain Drain for high level Extraversion group is $\beta = -0.179$, which is significantly higher than the path coefficient for low level Extraversion group $\beta = 0.171$. The last surprising result infers that, any increase of interest in the Better Perks and Benefits in home country will decrease Brain Drain for individuals with high Extraversion personality, while it is opposite for individuals with low Extraversion personality.

Conscientiousness Personality is found to moderate two relationships. The first one is between Ease of immigration procedures (EIP) and Brain Drain, and the second is between International exposure (IE) and Brain Drain. The path coefficient between EIP and Brain Drain for high level of Conscientiousness group is $\beta = 0.501$, which is significantly higher than the path coefficient for low level Conscientiousness group $\beta = 0.061$. More interestingly, the path coefficient between IE and Brain Drain for high level of Conscientiousness group is $\beta = 0.061$, which is significantly lower than the path coefficient for low level Conscientiousness group $\beta = 0.491$. These results infer that, any increase of EIP will increase Brain Drain for individuals with high Conscientiousness personality more than low Conscientiousness personality. On the contrary, any increase of IE will increase Brain Drain for individuals

with Low Conscientiousness personality more than that of the High Conscientiousness personality.

Openness Personality is however found not to moderate any of the relationships in the proposed model.

Finally, in Neuroticism personality, there seems to be that the only significant difference lies in the relationship between Greater Job Availability (GJA) and Brain Drain (BD). The path coefficient between GJA and Brain Drain for high level of Neuroticism group is $\beta = 0.253$, which is significantly higher than the path coefficient for low level Neuroticism group $\beta = -0.031$. The direction of the relationship between GJA and Brain Drain became negative to no relationship for low Neuroticism personality group and hence the increment of Job availability in host country (GJA) will increase Brain Drain for individuals with high Neuroticism personality more than that of the low Neuroticism personality. Figure 5.16 shows a summary of the significant differences in path coefficient due to different moderators' effect.

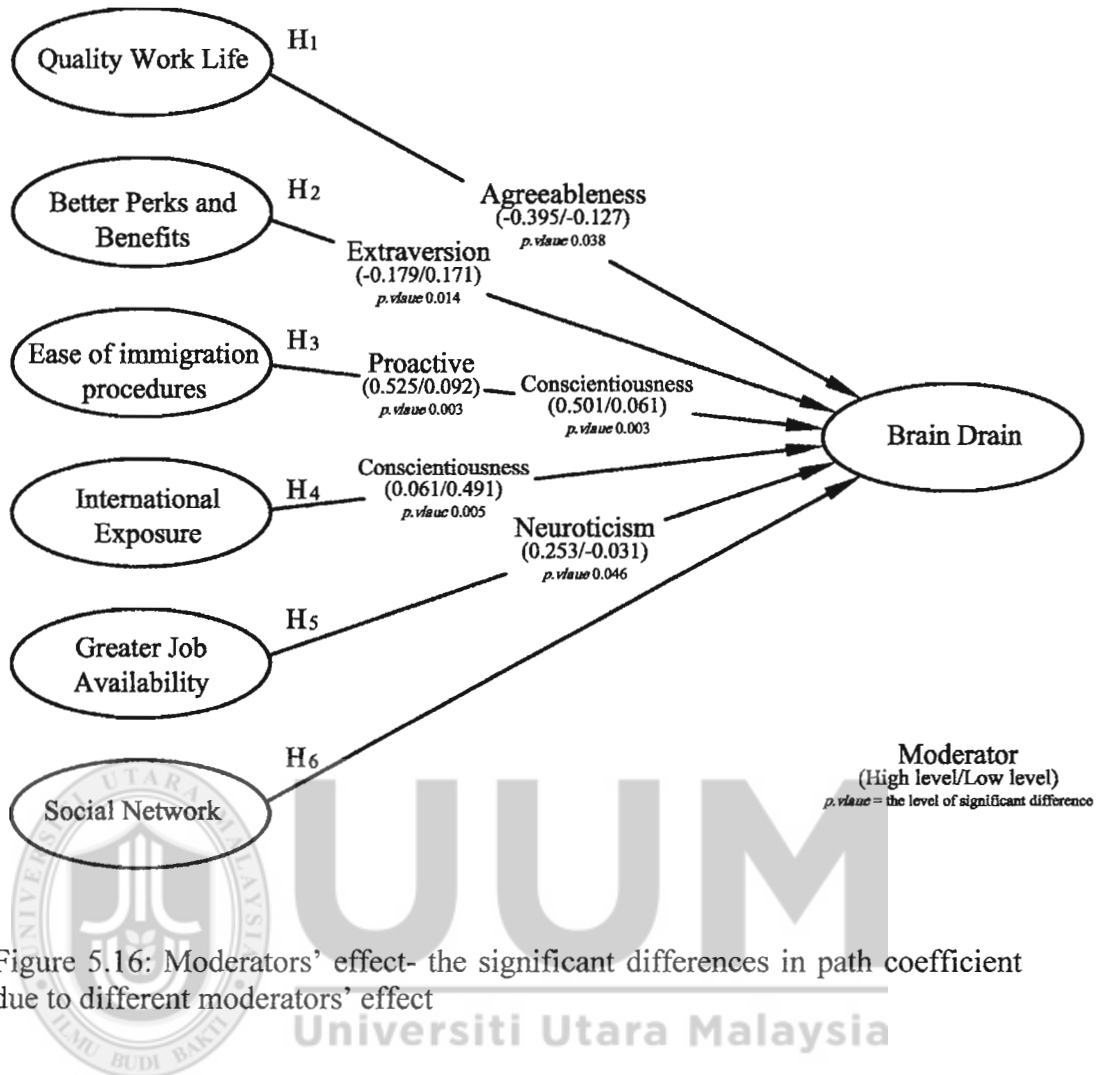


Figure 5.16: Moderators' effect- the significant differences in path coefficient due to different moderators' effect

Table 5.17
Summary of Hypotheses Testing

Hypotheses	Results
H1: Better pay offered in Singapore has a positive relationship to Malaysia's Brain Drain to Singapore	Supported
H2: Better QWL in Singapore has a positive relationship to Malaysia's Brain Drain to Singapore	Supported
H3: Ease of immigration procedures in Singapore has a positive relationship to Malaysia's Brain Drain to Singapore.	Supported
H4: Desire for international exposure has a positive relationship to Malaysia's Brain Drain to Singapore.	Supported
H5: Promise of more challenging job scopes has a positive relationship to Malaysia's Brain Drain to Singapore	Supported
H6: Social networks have a positive relationship to Malaysia's Brain Drain to Singapore.	Supported
H7: Personality has a moderating effect on Malaysia's Brain Drain to Singapore.	Supported

5.15 Summary

In this chapter, the explanation on the analysis performed and the results obtained had been expounded. Based on the results, the conclusion of the hypotheses testing has been elucidated whereby 6 hypotheses were tested and all 6 were supported. Meanwhile, personality was found to have a moderating effect on Brain Drain.

6.0 DISCUSSION, RECOMMENDATIONS AND CONCLUSION

6.1 Introduction

This chapter discusses the findings from the survey and its implications towards the Brain Drain phenomenon. Also included in the chapter are summaries of discussions held with relevant accounting professionals who are members of Malaysian Institute of Accountants.

Coverage by the mass media often states that Malaysians are attracted to other neighbouring countries as a result of better salaries, living conditions, better lifestyles but are all these claims true? Hence this study attempts to discover the reasons or the factors that are attracting our citizens out of the homeland which is in need of talents to spur the economy to greater heights.

6.2 Recapitulation of the study findings

In the current situation, where Malaysia needs to lift itself from the middle-income block in order to reach the high income status by 2020, much has yet to be done. Given the staggering numbers of professionals, especially those engaged in the accounting industry, fleeing the country, it is indeed crucial to give particular attention to this issue. In order to reduce, if not eradicate this

problem, it is thus vital to comprehend what are the elements that are drawing the interest of our Malaysian accounting professionals to leave the native land. A lot of assumptions have been drawn to understand this fact and a lot of focus has been given to this particular subject matter.

Besides attempting to discover the causes of Brain Drain in Malaysia among our local accounting professionals, it is also the purpose of this research to expand the local literature on Brain Drain incorporating the personality construct as a moderator in this area. The researcher wishes to incorporate not only the Big Five Personality as the moderating variable but also proactive personality.

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 involve interactions between ethnicity, gender, job satisfaction, turnover intentions, job settings and the personality characteristic termed Type A (Dole & Schroeder, 2001). Earlier observations on the case issue have been descriptive in nature. Such research examples were by Carr et al. (2005); Docquier et al. (2007); Hart (2006); Martineau et al. (2004); Oberoi and Lin (2006); Rosenblatt and Sheaffer (2001); Gungor and Tansel (2002); Saint-Paul (2004) and Zweig (2006).

This study also wishes to look at Social Network and its impact on Brain Drain. Networks were almost never considered in previous literatures on Brain Drain. In the past forty years or so, there were only eight (8) citations on networking out of 1816 subject of Brain Drain (Gaillard & Gaillard, 1998). Hardly previous research dealt directly with networks that people use to migrate but more about the blending of foreign students in host countries. In addition, 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. According to Hofstede (1984), societies differ on five values, which he calls power distance, hence it would be a very interesting approach to the research as individuals behave differently depending on where they come from, their environment and background. It has also been proposed that people from different cultural background have dramatically dissimilar construals of the self, of other people, and interdependence of the two (Markus & Kitayama, 2001). Thus the objectives of this research are to:

- i. Determine if better pay have a significant positive impact on Malaysian accounting professionals' intention to leave for Singapore;
- ii. Investigate if Quality Work Life has a significant positive impact on Malaysian accounting professionals' intention to leave for Singapore;
- iii. Examine if ease of immigration procedures have a significant positive impact on Malaysian accounting professionals' intention to leave for Singapore;

- iv. Determine if desire for international exposure have a significant positive impact on Malaysian accounting professionals' intention to leave for Singapore;
- v. Examine if the promise of more challenging job scopes have a significant positive impact on Malaysian accounting professionals' intention to leave for Singapore;
- vi. Ascertain whether social network have a significant positive impact on Malaysian accounting professionals intention to leave for Singapore; and
- vii. Ascertain if personality plays a moderating role in Malaysian accounting professionals' intention to leave to Singapore.

This is a cross-sectional study and data were collected via questionnaires. The questionnaires were distributed between the months of July 2013 to September 2013. Three interviews were also conducted between July and December 2013 with members of the MIA representing the three main races in Malaysia.

The population chosen for this study was firms and organizations in Kuala Lumpur and Penang with accounting personnel on their payroll in Malaysia. Since most firms and organizations would have accounting departments or sections in their organizations, the specific numbers of these firms are unavailable and hence this research does not have the actual figures and the unit of analysis is the individual accounting professionals and executives.

In terms of demographics, majority of the respondents were females (59.9%), with most of the population are in the age group of twenty to forty years old (73.8%) and those above forty years old make up 26.2%. These groups are distributed between the three main races which are Malay (37.2%), Chinese (35.5%) and Indian (20.9%). Other races like (Sikh, Eurasian) form a low percentage of the data i.e 6.4%. The marital status of the population surveyed reveals that 42.4% are single, 52.3% married, 2.3% divorced while 2.9% widowed.

A majority of the respondents hold Bachelor's Degree (60.5%). Followed by 20.3% of the respondents are those who are carrying Professional Qualifications. The respondents with Master's Degree make up 16.9% of the total population. The lowest percentage for respondents is those with PhD/ Doctoral degree that is only 2.3%. These respondents are holding different job positions and the breakdown of the job positions are as follows: 20.3% are Senior Managers, 15.1% are Middle Managers, 30.2% are Senior Executives, 23.8% are Junior Executives while the remaining 10.5% of the respondents are holding other job positions other than what was mentioned previously.

To check for the possible effects of common methods bias after data collection (Harman, 1976). Harman's (1976) single factor test was performed. Harman's (1976) single factor test is the most widely known approach for assessing common method variance in a single-method research design (Malhotra et al., 2006). This test is used to see if a single factor will emerge from the factor

analysis or if there is one general factor that explains the majority of the covariance in the independent and dependent variables (Pavlou and Gefen, 2005). Results show that the highest variance value was 22.27%, which infers that, neither a single factor nor a general factor accounts for the majority of the covariance in the measures.

Before testing the hypotheses in a structural model it is important to assess the accuracy of the measurement model. The purpose is to ensure that the measures used are valid and that they adequately reflect the underlying theoretical components. The test of the measurement model includes the estimation of internal consistency (reliability) and component validity of the instrument items.

Component validity is a test of how well a set of measured items actually reflect the theoretical latent component they are designed to measure (Sekaran & Bougie, 2010). This is made up by assessing the convergent and discriminant validities. Convergent validity is the degree to which the items that are indicators of a specific construct should converge or share a high proportion of variance in common. As suggested by Hair (2010), this study used the factor loadings, composite reliability and average variance extracted (AVE) to assess convergent validity. Discriminant validity is the extent to which a construct is truly distinct from other constructs by empirical standards (Hair et al., 2013). Two approaches used to assess are cross loading and Fornell-Larcker approach (Hair et al., 2013).

Having ascertained the validity and reliability of the measurement, the structural model was then evaluated to test the relationship hypothesized in the current study. Findings derived from the analysis are briefly discussed in relation to the 7 questions put forth in the study. The 7 questions are listed below:

- i. Does better pay offered have a significant positive impact on Malaysian accounting professionals' intention to leave for Singapore?
- ii. Does QWL have a significant positive impact on Malaysian accounting professionals' intention to leave for Singapore?
- iii. Does ease of immigration procedures have a significant positive impact on Malaysian accounting professionals' intention to leave for Singapore?
- iv. Does desire for international exposure have a significant positive impact on Malaysian accounting professionals' intention to leave for Singapore?
- v. Does the promise of more challenging job scopes have a significant positive impact on Malaysian accounting professionals' intention to leave for Singapore?
- vi. Does social network have a significant positive impact on Malaysian accounting professionals' intention to leave for Singapore?
- vii. Does personality play a moderating role on the impact on Malaysian accounting professionals' intention to leave to Singapore?

The present study has 7 hypotheses that were stated in Chapter 3. Hypotheses 1 to 6 (H1 to H6) hypothesized the direct relationships between the main variables in the framework and Brain Drain of Malaysian accounting

professionals, while Hypothesis H7 conjectured the moderating effect of personality (Big 5 and Proactivity) towards the relationships between the main variables and the dependent variable. A summary of the hypotheses was presented in Table 5.17.

6.3 Discussion of Findings

The ensuing section elaborates on the findings of this study. It includes a discussion on the results which begins with the main variables in the study and their relationships. Secondly, the effect of the moderating variables (Big 5 and Proactivity) on the main independent variables and the dependent variable are deliberated.

6.3.1 Better pay offered in Singapore has a positive relationship to Malaysia's Brain Drain to Singapore

According to the results, Better Perks and Benefits (BPB) predicts negatively Brain Drain which means that any increase of BPB in the home country will significantly decrease Brain Drain. The path coefficient between BPB and Brain Drain is $\beta = (-0.225)$ which is significant at level $p\text{-value} = 0.01$. Thus this is equivalent to saying that if there is better pay and other benefits being offered to Malaysians, the individual will definitely flee the country. However, if the salary scale, plus other perks and benefits in the home front are improved, most likely that people will not consider leaving. Other perks and benefits may include social security, insurance,

free education for the children, etc. In developed countries, these are even extended to non-citizens. As a student of an American university, the researcher who is a Malaysian received social security throughout her stay in the United States. In Australia, new mothers are awarded a sum of money for the newborns even if they are not Australian citizens.

6.3.2 Better QWL in Singapore has a positive relationship to Malaysia's Brain Drain to Singapore

This hypothesis states that, Quality Work Life (QWL) predicts negatively to Brain Drain which concludes that any increase in QWL in the home country will significantly decrease Brain Drain. The path coefficient between QWL and Brain Drain $\beta = (-0.230)$ is significant at level $p\text{-value} = 0.01$.

The rationale behind this is that as the world changes and demands become more complicated, employees are no more looking at compensations 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 (Taylor & Cosenza, 1998).

According to May et al. (1999) organizations providing enhanced QWL and work surroundings will likely gain influence in employing and preserving

valuable people. Earlier researches have confirmed the significance of family and work life balance in retaining talents in the home country.

6.3.3 Ease of immigration procedures in Singapore has a positive relationship to Malaysia's Brain Drain to Singapore.

The third hypothesis proposed that Ease of immigration procedures (EIP) predicts positively to Brain Drain. The result supports the hypothesis and shows that the path coefficient between EIP and Brain Drain is the highest in the proposed model with a value of $\beta = (0.356)$, and it is significant at level $p\text{-value} = 0.01$.

According to economic reports, immigration restrictions cause millions of people to be caught in Third World poverties. However, Clemens (2011) stated that many economists suggested that if national boundaries are opened up it would approximately double world GDP, sufficient to remove 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 easier for them to cross the causeway in search of better job opportunities and better living conditions.

6.3.4 Desire for international exposure has a positive relationship to Malaysia's Brain Drain to Singapore.

The fourth hypothesis states that, International exposure (IE) predicts positively to Brain Drain. The result supports the hypothesis and shows that any increase of IE will significantly increase Brain Drain. The path coefficient between IE and Brain Drain is $\beta = (0.227)$ is significant at level $p\text{-value} = 0.01$.

Scheele (2006) expressed that norms are used as basis in evaluation or judgment of one's actions. Individuals reckon 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. 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.

Many experts realize that overseas exposure has become a vital factor in job accomplishment, as many companies now prefer candidates for senior roles to have international experience. About 66% of those responding to the

survey conducted by Hydrogen, a global specialist recruitment business, across all business sectors said their employers regarded international experience either as important, or as very important. “Businesses across the globe value professionals with the breadth of vision, flexibility and added skills which working in geographically and culturally diverse environments brings” (Hydrogen Group, 2013).

Globalisation has many attractions for skilled professionals looking for the opportunity to live and work overseas. Increasing numbers of professionals from all sectors are embracing it for the personal and professional transformation it can bring. Employers need skilled individuals around the globe to support and grow their operations. Alev Kilic, a tutor at ESCP Europe supervising the research on which the report is based, explains: “Despite the recession and economic crisis, I believe that rather than abating, the global war on talent is about to heat up (Hydrogen Group, 2013). All the forecasts point towards a huge increase by large companies in their global mobility assignments between now and 2020, particularly in emerging markets.”

Except for a marked difference in gender data, more professionals at all levels and ages wanted to go abroad, and once there, wanted to stay longer (Global professionals on the move, 2013).

6.3.5 Promise of more challenging job scopes has a positive relationship to Malaysia's Brain Drain to Singapore

The fifth hypothesis states that, Greater Job availability (GJA) in host country predicts positively Brain Drain to that country. The results support the hypothesis and show that the path coefficient between GJA and Brain Drain is lowest in the proposed model with a value of $\beta = (0.14)$, and it is significant at level $p\text{-value} = 0.05$. According to Luthans and Doh (2009) on the Two Factor Theory, the two factors which are hygiene factors and motivators shape job satisfaction. Expanded job scope and opportunities for advancement are seen as motivators, whereas higher salary is seen as the hygiene factors. If hygiene factors are not fulfilled, they will bring about dissatisfaction whereas its presence does not cause contentment. Instead, motivators bring satisfaction but the absence will not lead to dissatisfaction. Therefore, we can comprehend that Brain Drain occurs because our accounting professionals are not entirely satisfied with their jobs; hence they emigrate.

6.3.6 Social Networks have a Positive Relationship to Malaysia's Brain Drain to Singapore

The sixth hypothesis states that social network predicts positively to Brain Drain. The results support the hypothesis with a path coefficient $\beta = (0.132)$ and significant level of $p\text{-value} < 0.05$ (see Figure 5.15). This means that people are very likely to migrate if they have family members or colleagues

or professional contacts in the host country. These networks offer them the channel to new jobs and ease of entry into the host country. In fact migration scholars have emphasized for some time the importance of social relationships in influencing migration decisions (Stark & Bloom, 1985; Massey et al., 1987; Taylor, 1999; Robinson & Carey, 2000; Raghuram, 2004; Ackers, 2004; Ley & Kobayashi, 2005).

Family, acquaintances, co-workers and professional contacts are believed to be critical in affecting migration decisions. The new economics of migration theory, argues that decisions to migrate are not generated by the individuals alone, but more so by the group of people surrounding the individual, such as family members (Massey et al., 1993). Chain migration is a vital aspect of migrant social networks and it describes the way in which a large group of people of the same home country move to another. The theory claims that potential emigrants utilise their social networks with other migrants who have recently integrated to help provide them with detailed information of the host country and job availabilities.

6.3.7 Personality has a moderating effect on Malaysia's Brain Drain to Singapore.

While for the moderating effect it was found that Moderators testing yield interesting results in that Proactive personality is found to moderate the relationship between Ease of immigration (EIP) and Brain Drain. The path coefficient between EIP and Brain Drain for high level proactive group is β

=0.525, which is significantly higher than the path coefficient for low level proactive group $\beta = 0.092$. Here it can be summed up that highly proactive individuals are likely to look out for better job and living status and hence are ready to take risks and chances in order to improve their lifestyle. Therefore they are deemed to always be on the lookout for better opportunities.

Agreeableness Personality is found to moderate one relationship between Quality of Work and Life (QWL) and Brain Drain. The path coefficient between QWL and Brain Drain for high level of Agreeableness group is $\beta = -0.395$, which is significantly higher than the path coefficient for low level Agreeableness group $\beta = -0.127$. This result infers that, any increase of Quality of Work and Life in home country will decrease Brain Drain for individuals with high Agreeableness personality more than those of low Agreeableness personality.

It is revealed that Extraversion personality moderates the relationship between Better Perks and benefits (BPB) and Brain Drain. The path coefficient between BPB and Brain Drain for high level Extraversion group is $\beta = -0.179$. This is significantly higher than the path coefficient for low level Extraversion group where $\beta = 0.171$. This means that, any increase of interest in the Better Perks and Benefits in home country will decrease Brain Drain for individuals with high Extraversion personality, while it is the opposite for individuals with low Extraversion personality. This strikes as a

very interesting research area in the future. This interesting fact could be due to other factors which have not been considered in the present study.

Interestingly, Conscientiousness Personality is found to moderate two relationships. The first one is between Ease of immigration procedures (EIP) and Brain Drain, and the second one is between International exposure (IE) and Brain Drain. The path coefficient between EIP and Brain Drain for high level of Conscientiousness group is $\beta = 0.501$. This is significantly higher than the path coefficient for low level Conscientiousness group where $\beta = 0.061$. More interestingly, the path coefficient between IE and Brain Drain for high level of Conscientiousness group is $\beta = 0.061$, which is significantly lower than the path coefficient for low level Conscientiousness group $\beta = 0.491$. These results infer that, any increase of EIP will increase Brain Drain for individuals with high Conscientiousness personality more than low Conscientiousness personality. On the contrary, any increase of IE will increase Brain Drain for individuals with Low Conscientiousness personality more than those of High Conscientiousness personality.

In Neuroticism personality, the only significant difference lies in the relationship between Greater Job Availability (GJA) and Brain Drain (BD). The path coefficient between GJA and Brain Drain for high level of Neuroticism group is $\beta = 0.253$. This is significantly higher than the path coefficient for low level Neuroticism group where $\beta = -0.031$. The direction

of the relationship between GJA and Brain Drain became negative to no relationship for low Neuroticism personality group and hence the increment of Job availability in host country (GJA) will increase Brain Drain for individuals with high Neuroticism personality more than those of low Neuroticism personality.

Finally, it is interesting to note that Openness Personality is found not to moderate any of the relationships in the proposed model.

6.4 Opinions derived from accounting experts

Conclusions drawn from the interviews conducted with the accounting experts generally revealed that, foreign exposure is the best method to obtain knowledge and skill, but they do not find living and staying abroad as the best choice. Asked why they have decided to work in Malaysia, all three stated that it was not a matter of choice. All three started their career in Malaysia with two of them beginning their career with one of the Big 4s in Malaysia. Having obtained the right knowledge and skill in Malaysia, they learned that it was unnecessary for them to go abroad to gain knowledge. When asked on working abroad, one of the respondents replied that, at one time he almost decided to settle in the UK simply because at that point of time, Malaysia was not about what you know but who you know. Because of political motives, you always have to be very careful. Office politics and country politics are things you need to be very cautious.

Two of the professionals interviewed suggested that having family members abroad would make it attractive to move abroad. The three of them concurred that the pull factor is the family. Asians are a close knit society where we treasure our family. We uphold the value that family comes first before everything else. From the interviews conducted, we can conclude that the older generation, the Baby Boomers and Gen Xers still believe in family ties and that is what that dictates their life.

All three share the same belief that is, going abroad for the sake of just gaining knowledge, experience and skill is the right thing to do but we must still hold on to our family values. Big 4s prefer foreign graduates because they have the foreign exposure, right mind-set, right knowledge, and right skills. Malaysia should replicate Singapore whereby they are encouraging children to stay or build their homes close to their parents by giving them money incentives.

The government also needs to beef up its efforts in addressing the loss of talents. We should try to attract more MNCs and investors so that we can offer high paying jobs. The government should identify the needs of the children, encourage them, provide guidance from the beginning without discrimination, offer salary of international standard, and provide structured international exposure training while at the same time giving particular attention to ensure that the family bond is maintained.

6.5 Recommendations on how to overcome Brain Drain

According to Mohamed (2012) in his article in Starbiz@thestar dated March 16, 2012, there are approximately one million Malaysians living abroad with 46% in Singapore, 12% Australia, 9% Brunei, 8% United State, another 8% in Britain and 3% in Canada. With the war for talent increasing in multitude with organizations increasing their salary, benefits and better career growth, Malaysia should not be left behind. The scuttle for new talents worldwide has called for immediate measures and since companies are improving their benefits and perks, Malaysia should also follow the stand. Aside from money, job satisfaction should also be an area where employers should look at since without job satisfaction, people are forced to leave the organization.

According to Zweig (2006), People's Republic of China, despite its authoritarian regime, had also suffered from Brain Drain, but since 2000, the rate has dropped quite significantly. This is due to the measures taken by the Republic to address the impending issue. One way to handle this was by mobilising their official resources abroad. To persuade talents to come home, they have mobilised officers in embassies and consulates to organize overseas scholars. Overseas conventions were regularly organised for their students abroad. Service centres for Foreign Study under the Chinese Ministry of Education were established in nearly all main cities in China. Delegates from these centres were then sent overseas to persuade their students abroad to return. Announcements are also being made in the Chinese dailies abroad

regarding the extremely high pay that is being offered to returnees. Also numerous financial supports were given to returnees. To further improve the return rate, the Chinese administration enhanced the dissemination of report on conditions in the homeland and perfected communication between organizations in China and scholars overseas. The Chinese government also has implemented policies to simplify the return and resettlement of returnees. China has also made easier residency and entry visas prerequisites for overseas scholars who have taken foreign citizenship (Zweig, 2006).

Other policy recommendations suggested by economists are Exit Tax. This exit tax is levied on the emigrant before he or she leaves the country and could be paid out from their own funds, loans from relatives, friends and even banks. The amount of tax could be set at a level so that those left behind (TLB) would be adequately compensated. In China, the policy introduced is quite similar to the exit tax whereby people who went abroad for education were required to put down deposits which would be forfeited if they did not return.

Host countries also could play its role in assisting source countries by collecting taxes on behalf of the source countries. Taxes imposed on the immigrants could then be remitted to the home countries regularly. However, this policy would incur high cost due to the massive amount of data that has to be gathered to determine the different tax rates of the immigrants coming from various nations. Another problem is that different people from different

countries would require different tax rates and this could create a lot of administrative problems.

One obvious way is to increase local wages so that skilled workers will not be too enticed to emigrate. What the government can do is try to provide subsidies to these skilled talents so as to close the gap between what they earn and what they could earn if they went abroad. Another way is to promote growth of the economy so that the income levels of the population are raised. This is somewhat similar to Malaysia's New Economic Policy.

Another policy to tackle this issue is by attracting more foreign direct investments. These investments could create a demand for skilled local workers. More recent developments are seeing offshoring where local skilled workers such as computer programmers and accountants are being employed by firms located in other countries without forcing these workers to leave the country. These recommendations and their practicality should be studied. If feasible, it may help ease the Brain Drain that is hampering our economic growth today.

Malaysia can also learn from experiences of our Asian neighbours. Beijing's attempts to combat Brain Drain are frequently hindered by the pressure from the families of the students themselves. Students are often persuaded against returning home by family members after completing their foreign education

(Chang & Deng, 1992). But of late China has been successful in drawing back people who studied overseas. In the past, for a number of years the return rate of those foreign degree holders has been very low. During the middle of 1990 to late-1990s, the average annual increase in the number of returnees was approximately 13%. However, the rate has witnessed an increase since 2000. In 2000, there were less than 10,000 returnees but by 2004 China saw the figure rising to 25,000 returnees (Yearbook, 2004).

In their effort to combat Brain Drain, the head of the State Education commission introduced a slogan. The slogan, which reads “support overseas study, encourage people to return, and give people the freedom to come and go” (zhichi, liuxue, guli hui guo, lai qu ziyou), was introduced in August 1992. It later became an official policy at the Fourth Plenum of the 14th Party Congress in November 1993 (Zweig, 2006:190).

Ten years later in March, the Ministry of Personnel announced an approach to persuade more returnees with the motto “improving services for returned students.” Some of the strategies include:

- i. Establishing job introduction centres for returned students in Shenzhen, Shanghai and Fujian (5 cities had already established their centres);
- ii. Preferential policies, including (a) providing those who have returned home more living space and better professional titles; (b) allowing family members to move to new cities where returnees have secured

themselves jobs; (c) consenting students who had signed two or three-year contracts with their research centres to either remain or switch jobs once their visas expired;

- iii. Setting up a national association of returned students; and
- iv. Increasing support for scientific research.

6.6 Limitations of the Study

Forthcoming research can be more beneficial if some of the limitations of the present study are observed. Even though the present research has taken into consideration various significant issues, there are several constraints. Firstly, the number of accounting professionals in Malaysia is not made available. Hence it is very challenging to gauge the size of the population of the subject matter. Secondly, individuals were difficult to entice them to respond to the questionnaire probably the reason being that they are regularly being bombarded by all sorts of survey questionnaires conducted by various agencies. Thirdly, basing on this sample, a majority of the respondents are females and the hence the results could be open to biasness. Fourthly, the results could be better obtained if a longer time period is allocated and to cover more areas and not just concentrated in Penang and Kuala Lumpur only.

6.7 Recommendations for Future Study

Every research has its own limitations. However, it is recommended that for future research, a section on the impact of culture on this issue should be incorporated. Different cultures will have their own construal and therefore may view the problem of Brain Drain from different perspectives or angles and thus may manage it differently.

The researcher would also like to suggest that since this study is focused only on the accounting profession, this research also should be extended to other professions such as engineering, nursing and architects to see if a common denominator can be arrived at.

It may be useful for policy makers to have the information and details on how to resolve the issue of Brain Drain among this population. A lot of researches have been conducted on these particular professions abroad. It would be advisable to conduct this so that a comparison can be made against all the different professions in Malaysia.

For future studies, the researcher would like to recommend a case study research approach (CSR). A CSR is an inquiry that focuses on describing, understanding, predicting, and/or controlling the individual i.e., process, animal, person, household, organizations, group, industry, culture, or nationality (Yin, 1994). Yin (1994) proposes that a case study inspects an on-

going trend within its actual perspective, particularly when the peripheries between the current trend and the setting are not clearly evident research.

Close-ended responses in operational constructs developed by researches did not succeed to reveal the deep nuances and dynamic interactions between thought and actions within and between individuals that occur within industrial marketing context. The dominant research paradigm assumes that the research constructs e.g., role ambiguity, trust, and closeness of supervision measured on a fixed-point scales provide the nuance necessary for capturing the thinking or doing processes under study. Yet the scientific literature on thinking concludes that 95% of thought is subconscious (Woodside, 2010; Zaltman, 2003) and that people have limited access to their own thinking process not to mention the thinking process of others.

According to Walsh and Ramsey (2002), conducting survey research in the social sciences is becoming increasingly difficult as potential respondents are constantly flooded with junk mail and bombarded by telemarketers. Response rates in self-completed surveys have consistently decreased in recent years (Frohlich, 2002; Tuckel & O'Neill, 2002) attributed largely to intense social research, censuses, seemingly endless gallup polls, and the proliferation of telemarketing.

6.8 Conclusion

Brain Drain has always been the main agenda for policy makers as the loss of skilled personnel equates to slowdown in economic growth. Although there has been quite a number of researches on the phenomenon conducted by earlier researchers, but very few have attempted to conduct it quantitatively. This research paper has also incorporated social network as an independent variable and included proactive personality as a moderator.

The findings of the study support the predictors such as better perks, quality work life, ease of immigration procedures, international exposure, greater job availability, and social network have a significant impact on Brain Drain and that personality does moderate the relationship between these constructs and Brain Drain. Based on the literature, it is clear that the Brain Drain phenomenon is an adverse trend and is a matter of great concern especially to policy makers of nations as these talents are needed to be retained in the home country to spur the growth of the economy forward.

Meanwhile, with all the proposed measures by the government put in place and implemented sufficiently and appropriately, Malaysia will be a better place to live in and be the place of choice to work and hence is envisaged that the problem of Brain Drain will be curtailed if not eradicated.

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