PROPENSITY TO WORK ABROAD AMONGST GENERATION Y WORKING ADULTS IN MALAYSIA

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ABSTRACT

The main objective of this article is to examine the antecedents of influencing propensity to leave the country amongst generation Y working adults in Malaysia. Based on the present research literature review, a proposed conceptual framework has been developed. The study formulated a number of hypotheses concerning the generation Y working adults leaving Malaysia to work overseas. A cross-sectional study and quantitative study were employed. The target population for this research was generation Y working adults in Malaysian. The sampling technique of convenient sampling was adopted. Online questionnaire method was used as a tool to conduct and collect samples. The initial stages of data analyses, various assumptions were well conducted. Multiple linear regression has been employed to test the proposed hypotheses. The study confirmed that a number of factors are significant related and contributed to propensity to leave the country amongst generation Y working adults in Malaysia. The study concluded with several useful recommendations and also highlighted potential improvement areas for future research.

Keywords: Generation Y, Compensation, Career Prospect, Social Injustice, Quality of Life, Intention to Work Abroad

1.0 Introduction

Brain drain is recognized as human capital flight. This is a popular topic in many parts of the world. Beine, Docquier and Rapoport (2001) suggested that brain drain is defined as the emigration of high-skill individuals, with an academic or professional degree beyond high school. Grubel and Scott (1976) also stated that brain drain as the migration of highly-skilled workers as measured by their achievement of education, in general at the level of Bachelor’s degree or higher. According to World Bank Report (2011), three percent of the world’s population lives outside their state of birth. In Asia, brain drain is most noticeable in Southeast Asia. Malaysia is one of the Southeast Asia country has high emigration rates and higher desire to work abroad (Malaysia economic monitor: brain drain, 2011).

Table 1 indicates the Size of Malaysian diaspora and Brain drain by Country Destination in 1990-2010. There are 121, 662 highly-skilled Malaysian has migrated to Singapore by 2010. This accounted for nearly half of the 276, 558 Malaysians registered as “brain drain” individuals by 2010. Singapore alone absorbs 44% of the total Malaysian brain drain individual, with estimated that there are more than one million Malaysians residing abroad. Although, Malaysian Government put their hard work to bring Malaysians talent home; many still wish to look for their future abroad.
Table 1: The Size of Malaysian diaspora and Brain drain by Country Destination in 1990-2010

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore (resident only)</td>
<td>185,906</td>
<td>19,005</td>
<td>286,048</td>
<td>66,452</td>
<td>350,672</td>
<td>121,662</td>
</tr>
<tr>
<td>Australia</td>
<td>44,984</td>
<td>35,366</td>
<td>56,961</td>
<td>38,620</td>
<td>-</td>
<td>51,556</td>
</tr>
<tr>
<td>United States</td>
<td>17,725</td>
<td>13,745</td>
<td>36,994</td>
<td>24,085</td>
<td>-</td>
<td>34,045</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>31,130</td>
<td>15,328</td>
<td>38,147</td>
<td>12,898</td>
<td>-</td>
<td>16,609</td>
</tr>
<tr>
<td>Canada</td>
<td>12,150</td>
<td>8,480</td>
<td>17,150</td>
<td>12,170</td>
<td>-</td>
<td>12,807</td>
</tr>
<tr>
<td>Brunei</td>
<td>49,439</td>
<td>3,142</td>
<td>36,216</td>
<td>6,438</td>
<td>-</td>
<td>10,208</td>
</tr>
<tr>
<td>New Zealand</td>
<td>6,069</td>
<td>4,239</td>
<td>7,548</td>
<td>4,221</td>
<td>-</td>
<td>6,708</td>
</tr>
<tr>
<td>Other countries</td>
<td>-</td>
<td>-</td>
<td>45,549</td>
<td>19,130</td>
<td>-</td>
<td>22,962</td>
</tr>
</tbody>
</table>

Source: Malaysia economic monitor: brain drain (2011)

The report discovered that Malaysia’s brain drain had increased; claiming that the trend of diaspora and brain drain was three times larger than 20 years ago. There are many factors that bring to this brain drain, including lack of job opportunities, educational opportunity and career dissatisfaction. Economist judge that Malaysia economic growth was slowing from 7.2% to 4.6% in the past decade is due to brain drain (Malaysia economic monitor: brain drain, 2011). Many Malaysians were likely to come back if “enabling conditions were fulfilled”, particularly over “talent management policies”. Adding to these thoughts, this was also influenced by some advancement made with the Government Transformation Programme (GTP) and the Economic Transformation Programme (ETP) (Malaysia economic monitor: brain drain, 2011).

1.1 Research Problem

Malaysian Government has a vision to transform Malaysia from middle income nation to high income nation by 2020. A series of programme has been initialized and a substantial investment in human capital development in order to achieve high income nation status. Malaysian Government has mentioned that tertiary institutions play an important role in achieving high income nation by producing qualified and competent graduates and talent workforce (Economic transformation programme: a roadmap for Malaysia (1 Malaysia), 2010). Majority of Malaysia’s high-skilled human capital are produced and supplied by the local education system. However, this has restricted by shortfall in talent pool (Malaysia has talent, 2012). There are few significant factors that caused skilled employees work abroad are attractiveness of compensations or better perks, career opportunities, quality of social and cultural life and family influences (Malaysia economic monitor: brain drain, 2011).

The Malaysian Government has to ensure whether the talent pool able to maintain equilibrium to support Malaysia economic growth. As Malaysia shifts from a production-oriented to knowledge oriented economy, it needs larger pool of top talent and high-skilled workforce (Malaysia has talent, 2012). The availability of high-skilled talent and intellectual in the workforce is important when Malaysia progresses to a knowledge-based economy. This is also important to the enhancement of technology and development in management innovation. This is a challenging task for Malaysian Government as
Malaysia is experiencing high brain drain issue which has slower the speed of attaining ETP objective by 2020.

Prolific of research studies have focus on brain drain, but there is a limited research conducted solely on Gen Y Malaysian working adults. According to World Bank Report, a large number of Malaysian diasporas who are skilled individuals aged 25 years and above with higher education are living and working in other countries (Malaysia economic monitor: brain drain, 2011). Therefore, we are interested in examine the factors of work abroad amongst Gen Y Malaysian working adults because they are known as extraordinarily sophisticated and technology wise.

1.2 Objective and Significance of the study

In this paper, the main objective of this paper is to examine the factors toward intention to work abroad amongst generation Y working adults in Malaysia. This study is expected to be useful for future research and government. Policy makers may gain valuable insights on the variables, while implementing a new policy. By having a better understanding of the relationship between the four independent variables and intention to work abroad, this will provide organizations and government a clearer picture on how to attract and retain Generation Y working adults in Malaysia through implementing a series of useful policy and approaches. Eventually, this will lead and assist Malaysian Government to achieve the Economic Transformation Programme objective from middle income nation to high income nation by year 2020.

2.0 Literature Review

2.1 Brain Drain

Many studies have attempted to explain “brain drain”. According to Grubel and Scott (1976), a person who has the “intension of holding stable employment in a country other than the one in which he was educated up to a specified, high level.” The "brain drain" is a term often used to explain the professional and technical personnel to leave their homeland to pursue other opportunities (Kwok & Leland 1982). Iravani (2011) suggested that brain drain is a large flight of individuals with technological skills or knowledge, generally due to conflict, be short of chance, political instability, or health risks. Previous studies have reported brain drain refers to the emigration of skilled and professional personnel from developing nations to advanced industrial nations (Miyagiwa 1991).

2.2 Generation Y

Robbins, Decenzo and Coulter (2011) defined Generation Y as a population group that’s includes individuals born from about 1978 to 1994. He claimed that generation Y has been the fastest-growing segment of the workforce. On the other hand, Teresa Sohoch (2012) suggested that Generation Y is born from 1980 to 1996. In the workplace, conflict might be happened between Generations X and Y. However, Generation X will tolerate more readily because they tend to be in higher position. Generation Y grew up with technology and rely on it to perform their jobs better. Generation Y prefers flexible schedules and a better work-life balance. Besides, they prefer to communicate through e-mail and text messaging rather than face-to-face contact. Generation Y is confident, ambitious and achievement-oriented. They have high expectations of their employers, seek out new challenges and are not afraid to question authority. Generation Y wants meaningful work life (Kane, 2013).
2.3 Antecedents of Intention to Word Abroad

2.3.1 Less Attractive Compensation

Majority of emigrants, who are equipped with skilled, educated and earns higher income are preferred to work at Singapore and Australia (Malaysia economic monitor: brain drain, 2011). Besides that, the huge discrepancy in the relative wages has caused the Malaysian talent refuses to come back to their home country. Based on the World Bank report, the average GDP per capita in Singapore (US$37,000) is around five times of Malaysia (US$7,000). Hence, the huge difference of relative wages between Malaysia and Singapore are proved by the number of Malaysian who returned to Malaysia is less than 1% according to the government report ethnic (No quick solution to “Brain Drain” problem, 2011). The World Bank Report (2011) stated that the three main factors that caused of brain drain are consisting of compensation (54%), career prospects (66%) and social injustice (60%).

2.3.2 Lack of Career Prospects

According to Wan Saiful, CEO of Institute of Democratic and Economics Affairs (IDEAS), Malaysia is lacking of professional occupations offer in the job market particularly in knowledge and skill-intensive sectors (No quick solution to “Brain Drain” problem, 2011; Brain drain blues, 2010). Moreover, UK-trained FCCA claimed that most of the overseas-trained accountants are well exposed to their soft skills and technical finance skills that are not practicing by local company in Malaysia (Brain drain blues, 2010). Besides that, a study of return migration in Turkey proved that 50 percent of migrates who flow back to their home country were economically active and a few of them found small demand for their skills (Castles and Miller, 1998).

2.3.3 Sense of Social Injustice

The discrimination in the education policies that have been implemented by the Malaysia government is caused many Malaysians outflow to overseas, especially for non-bumiputera Malaysians. Based on the data, there is approximately 40% of Malaysia’s talents outflow to Singapore ethnic (Malaysia economic monitor: brain drain, 2011; No quick solution to “Brain Drain” problem, 2011). In additional, Wan Saiful, CEO of IDEAS notes that Malaysia has too many things to politicize including procurement, purchase a house, government, university placement and even religion. This is one of the reasons that a rising tide of professionals looking to migrate. Besides that, freedom and satisfaction of being judged on merit also need to take into account by Malaysia because migrates want better opportunities for their children as similar as other children (Brain drain blue, 2010).

2.3.4 Quality of Life

World Bank Report also identifies that quality of life factors as a pull factor (Malaysia economic monitor: brain drain, 2011). Differences in quality of life affect the decision of migration and remain abroad. Safety and security issues are likely to be an important concern. In the Malaysian context, stories of kidnapping and armed robberies shared widely in diaspora community and form a narrative to justify the decision to remain abroad. Generally, the countries such as Australia, New Zealand and Singapore will be the destination of our talents. These countries maintain brilliant social and ethnic harmony due
to strong law against discrimination of all kinds. There are irrelevant incidents of social, religious and other discrimination against any people.

2.4 The Proposed Conceptual Framework

Based on the above literature review, a research framework was developed and proposed to examine the antecedents of intention to work abroad amongst Generation Y working adults in Malaysia. The link between factors and intention to work abroad is illustrated in Figure 1. In this theoretical framework, the three factors namely: less attractive compensation, lack of career prospect, sense of social injustice and quality of life are independent variables and intention to work abroad is a dependent variable. The present study thus attempt to bridge the gap by examine the relationship between four factors and intention to work abroad amongst Generation Y working adults in Malaysia which limited empirical studies conducted in the past.

![Figure 1: The Proposed Research Framework](image-url)

2.5 Hypothesis Development

Based on the extensive discussion of previous empirical study, therefore, a hypothesis is formulated concerning on Generation Y working adults in Malaysia.

Hypothesis 1:
Antecedents such as less attractive compensation, lack of career prospect, sense of social injustice and quality of life are significantly associated with intention to work abroad amongst Generation Y working adults in Malaysia.

3.0 Research Methodology

3.1 Sampling Design

The targeted population for this study was generation Y working adults in Malaysia. There are three criteria to determine as qualified respondents. The first criteria, the respondents must be from Generation Y who is born in between 1980s and 1996. Secondly, the respondents must be working adults. Lastly, the respondent must be a Malaysian. Since, the size of targeted population is unknown and it is difficult to establish sampling frame, therefore, a non-probability sampling technique was adopted. More specifically, a convenient sampling technique was used to select qualified respondents.
A self-administered questionnaire was employed. Five hundred survey forms were distributed to qualified respondents located at different states such as Perlis, Kedah, Penang, Perak, Selangor, Kuala Lumpur, Johor, Kuantan and Sarawak. Meanwhile, an online survey has been created. The survey link was sent to more than 1000 respondents. However, a total of 534 samples were returned and only 432 were usable for analysis purpose which yielding 43% response rate. According to Sekaran and Bougie (2010), a response rate of 30% is considered good enough and acceptable for most research studies. Hence, the response rate for this study (43%) is adequate and acceptable.

3.2 Research Instrument

The questionnaire is comprised of two sections including: personal background and reasons of work abroad. For personal background section, there were eight questions such as gender, age and year of born, race, income level, hometown, intention to work abroad, job title and where do you work. For the second section, all the questions were answered using three-point likert scale with 1 indicated disagree, 2 for neutral and 3 for agree. The measurement were adopted from and developed by Chikanda (2004). This section consists of four independent variables (less attractive compensation, lack of career prospect, sense of social injustice and quality of life) and single dependent variable (intention to work abroad).

4.0 Data Analysis

4.1 Demographic Profile

There were 202 (46.8%) male and 230 (53.2%) female respondents. Majority of respondents were Chinese (n = 278, 64%), followed by Malay (n = 103, 24%) and Indian (n = 51, 12%). Out of 432, a total of 319 (74%) respondents were bachelor degree holder. One hundred and thirteen (26%) respondents were Master degree holder. Next, 234 (54%) respondents were fall in the salary range of RM 2,001 to RM 3,000. This is followed by salary range of RM 3,001 to RM 4,000 (n = 134, 31%) and RM 4,001 to RM 5,000 (n = 64, 15%).

4.2 Normality and Reliability Analysis

The normality tests for each variable were tested by using kurtosis and skewness test. According to Hair, Babin, Money and Samouel (2007), skewness must be within +1 and -1 and kurtosis must be within the range of +3 and -3 in order to show that the data is normal. Based on the results, it’s indicates that all the skewness and kurtosis values were fell within the acceptable range which suggested by Hair et al. (2007). Therefore, it can be confirmed that the data collected were normally distributed and acceptable. For reliability analysis, the minimum acceptable Cronbach’s Alpha value is 0.7 (Hair et al., 2007). Based on the result, the reliability value for intention to work abroad (0.887), compensation (0.864), career prospect (0.761), social injustice (0.732) and quality of life (0.891) were all above 0.7. Hence, the data can be considered reliable.

4.3 Correlation between Independent Variables

A multi-collinearity test has been conducted to ensure there is no high correlation among the independent variables. Table 2 indicates correlation coefficients between the independent variables. Since, all the significant values are less than 0.05, it can be considered there is significant correlation.
between all the independent variables namely: career prospect, compensation, social injustice and quality of life. According to Bryman and Cramer (1997), the correlation coefficient should not more than 0.8. If there is a correlation coefficient more than 0.8, it may be suspected that there is multi-collinearity. All correlation coefficient are larger than 0.05 which is from the highest 0.623 for between career prospect and compensation to lowest 0.507 for between quality of life and social injustice. Therefore, there is no multi-collinearity problem exist in this study.

Table 2: Correlations Matrix for Independent Variables

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Career Prospect</th>
<th>Compensation</th>
<th>Social Injustice</th>
<th>Quality of Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Career Prospect</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>Compensation</td>
<td>0.623</td>
<td>0.000</td>
<td>0.597</td>
<td>0.000</td>
</tr>
<tr>
<td>Social Injustice</td>
<td>0.568</td>
<td>0.597</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>Quality of Life</td>
<td>0.534</td>
<td>0.601</td>
<td>0.507</td>
<td></td>
</tr>
</tbody>
</table>

4.4 Multiple Linear Regression Analysis

Based on the result indicated in table 3, the tolerance values for all independent variables were greater than 0.1 and variation inflation factor (VIF) were less than 10. According to Hair, Anderson, Tatham and Black (1998), the tolerance value must more than 0.1 and VIF must less than 10. Hence, the tolerance and VIF values for all independent variable were posited that no multi-collinearity problem exists.

Multiple regression analysis was adopted to test all the research hypotheses. The useful of this analysis technique is to analyze the relationship of one dependent variable with several independent variables at one time. Furthermore, the dependent and independent variables were in continuous or ratio form. Thus, this is suitable technique to examine the jointly effects of several independent variables and used to explain its relative contribution toward a single dependent variable (Hair et al., 2007). In this study, this technique was employed to test the relationship between less attractive compensation, lack of career prospect, sense of social injustice and quality of life and intention to work abroad amongst Generation Y working adults in Malaysia.

As noted in Table 3, the R square value of the proposed model is 0.433. This mean 43.3% of the variation in Brain Drain can be explained by four independent variables namely: compensation, career prospect, social injustice and quality of life. The significant value for the proposed model is 0.000 which is less than alpha value of 0.05. Therefore, the model is considered valid. Based on the result (Table 2), it’s indicates that career prospect (p=0.000, t=45.030), social injustice (p=0.000, t=28.397), compensation (p=0.000, t=11.222) and quality of life (p=0.000, t=10.652) are significantly contributed to intention to work abroad. Hence, the proposed proposition is supported.

The significant values for each independent variable are directly increasing the intention to work abroad. In the light of the standardized coefficients beta result, compensation factor is the strongest predictor on Brain Drain which indicating 0.579. This is followed by career prospect (b=0.435), social injustice (b=0.135) and quality of life (b=0.122).
Table 3: Regression findings for the Push and Pull factors and its association with Brain Drain

<table>
<thead>
<tr>
<th>Independent Variable(s)</th>
<th>Intention to Work Abroad amongst Generation Y Working adults</th>
<th>Collinearity Statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>15.318</td>
<td>0.000</td>
</tr>
<tr>
<td>Career Prospect</td>
<td>0.579</td>
<td>45.030</td>
</tr>
<tr>
<td>Compensation</td>
<td>0.135</td>
<td>11.222</td>
</tr>
<tr>
<td>Social Injustice</td>
<td>0.435</td>
<td>28.397</td>
</tr>
<tr>
<td>Quality of Life</td>
<td>0.122</td>
<td>10.652</td>
</tr>
</tbody>
</table>

Overall Model F: 113.028; Sig. Value: 0.000; R²: 0.433; Adjusted R²: 0.427; Durbin-Watson test: 1.787

5.0 Discussions and Implications

5.1 Discussions

The overall objective of this study is to examine the influence of push and pull factors on intention to work abroad amongst generation Y working adults in Malaysia. The prominent results shows that all factors are significantly predicted intention to work abroad. The result further indicates that career prospect is the strongest predictor. This is followed by social justice, compensation, quality of life, access to high-quality education and country size and diaspora network. The result is consistent with Malaysia economic monitor report which has pointed out that career prospect, social injustice and compensation are most critical factors in determine the intention of an individual Generation Y working adults work in foreign country (Malaysia economic monitor: brain drain, 2011).

The findings highlight that career prospect is most critical factor in affecting the intention to work abroad. Generation Y is preferred a sense of achievement, advancement and personal development (Bristow, Amyx, Castleberry and Cochran, 2011). Majority of respondent indicates that insufficient opportunities for promotion and self-improvement in their home country. Another perspective of respondents are posited that greater opportunities for promotion in other countries. In addition, social injustice is found to be second important factors contributed toward intention to work abroad. The main issue which caused a perception on social injustice amongst Generation Y is inequalities access to tertiary education (No quick solution to ‘Brain Drain’ problem, 2011).

Based on the findings, the regression result indicates that unattractive compensation is a third strongest predictor on intention to work abroad. Majority of respondents state that employer provide at home country provide unattractive remuneration, less attractive salary and dissatisfy with the fringe benefits. On the basis of Eisner (2005) and Teresa Sohoch (2012), compensation and benefits provided by employer are less important to generation Y. There is a study conducted by Bristow, Amyx, Castleberry and Cochran (2011) has tested on the comparison between Generation X and Y of motivational factors in a sales career. The result implied that fringe benefits and pay are less important to Generation Y as compared to Gen-X. However, 80 percent of Generation Y was indicated that the best way to retain
them was to offer them higher pay and benefits in New Zealand (Addressing the Brain Drain, 2008). This is due to the increasing costs of living of individual employee.

5.2 Implications

This research has shed some light into some useful implications for country that understand on perception of intention to work abroad amongst Generation Y working adults in Malaysia. Substantial effort should be allocated on Generation Y working adults in order to retain them in home country. As Generation Y is the fastest growing segment of the workforce (Robbins, Decenzo & Coulter, 2011). Malaysian Government has provided a list of suggestions on attracting emigrants return back to Malaysia. However, a number of suggestions should be highlighted in order to retain Generation Y working adults who are still working in Malaysia. Firstly, this is important to attract more multinational company expand their business in Malaysia and improve foreign direct investment. Hence, this will promote the creation of high-paid job opportunities (Malaysia economic monitor: brain drain, 2011). Secondly, this is advisable to have equal opportunities based on merit pay, access to education and career prospect, but, not based on ethnicity or religion. The Government should eliminate the special preferential treatment of specific ethnic (No quick solution to “Brain Drain” problem, 2011). Thirdly, Human Resource Personnel should revise the salary scheme by conducting a compensation surveys on various positions and job classes (Mondy, 2012). Human Resource management should offer better pay that at least equivalent to inflation or rises in costs of living (Addressing the Brain Drain, 2008). Lastly, this is suggested that Government should strengthen the law enforcement to various types of crimes in order to ensure safer communities.

5.3 Limitations and Future Research

Two limitations must be considered for future research. Firstly, this study is based on cross-sectional study and do not provide a strict causal conclusion. Hence, it is difficult to determine the cause and effect relationship. Secondly, the findings are based on the use of self-administrated survey data, which mean a self-reported questionnaire. By using this method, the responses biases might exist in this study. As this survey was conducted through online and distributed personally, this is difficult to determine that whether respondents’ perceptions toward intention to work abroad are true or influence by other factors. This research study model is only applicable to Generation Y working adults in Malaysia. Therefore, a comparable study across generations such as Generation Y and X can be conducted in future. Furthermore, this is suggested to adopt a quota sampling technique in future study. This is to ensure that sufficient representative from each ethnicity as Malaysia is a multi-ethnic country. Hence, this will draw a conclusive result and more generalizability for Malaysia Context. Lastly, future studies can also look at other potential factors toward intention to work abroad.
References


Brain drain blues. (2010). *Careers*.


Malaysia has talent. (2012).


