

THE CAUSES AND CONSEQUENCES OF BRAIN DRAIN IN MALAYSIA: ANALYZING THE ECONOMIC AND SOCIAL IMPACTS

Angeline Gan Xiao Han ¹
Fadillah Ismail ^{2*}

^{1,2} Department of Production and Operation Management, Universiti Tun Hussein Onn Malaysia, 86400 Parit Raja, Johor (E-mail: fadillah@uthm.edu.my)

*Corresponding author: fadillah@uthm.edu.my

Article history

Received date : 19-12-2024

Revised date : 20-12-2024

Accepted date : 25-1-2024

Published date : 15-2-2025

To cite this document:

Han, A, G. X., & Ismail, F. (2025). The causes and consequences of brain drain in Malaysia: Analyzing the economic and social impacts. *Journal of Islamic, Social, Economics and Development (JISED)*, 10 (69), 296 - 308.

Abstract: *The phenomenon of brain drain in Malaysia poses a significant threat to its economic growth and social stability. It describes the migration of professionals from one country to another, usually from a developing to a developed country. Many talents are attracted by this trend because of its obvious advantages such as high salary, job development and future prospects. Many Malaysians migrate to the neighbouring country — Singapore for work. They are usually attracted by the country's exchange rate because wages in Malaysia are not as high as those in Singapore. This has also led to an increasing number of professionals leaving the country, so Malaysia should not turn a blind eye to the occurrence of brain drain. This study's objective was aimed to examine the causes and consequences of brain drain in Malaysia, while focusing on the social and economic impacts. To achieve the objective, this study will use a qualitative research method to address the limitations of previous papers. One finding from this study is that Malaysia's brain drain has not yet reached a critical level but if not controlled, it may eventually harm its economic growth and development.*

Keywords: *Brain drain, Talent, Migration*

Introduction

In today's society, it is commonplace to witness a growing preference for development in other countries. Many talents are drawn to this trend due to its perceived advantages, such as high salary, job development and future prospects. Talents in Malaysia are the core force for the development of high-tech enterprise. Human resource scholars have always been concerned about Malaysia's brain drain. According to Zaliha Mustafa of the Prime Minister's Department (Federal Territories), the brain drain phenomena is no laughing matter, and she has suggested setting up a register to quantify the scope of the problem. The World Bank and the United Nations estimate that the number of people living outside their home country will reach between 215 million to 281 million by 2022, while there is no official data to track global migration. This means that approximately 3.6% of the world's population lives in other countries (Bunyan, 2024).

There are many different examples of the brain in real-life situations. A good case in point is qualified people from developing countries are lured by higher wages and better working conditions in Western European countries, such as the United States and they emigrate from their own countries in order to choose such an environment for the long term. As a result of Malaysia's brain drain, the country may find it difficult to develop as its best and brightest are leaving the workforce. It is therefore difficult to stop the cycle of losing the best employees. Therefore, the country will benefit from having more capable and well-educated workers in the workforce (Burtler J., Francis J. & Shinn J., 2023). As mentioned by Cheong (2020), Malaysia's approach to brain drain is reactive rather than proactive, resulting in a reduction in the number of workers, ranging from low to high, with professional and skilled workers bearing the brunt of the impact. If Malaysia does not adequately enforce its immigration laws, the number of migrants will continue to climb.

Moreover, Malaysia and Singapore have close diplomatic relations in terms of transnational. Due to the close proximity of the two countries, Malaysia accounts for the largest proportion of inbound students. The Malaysian government is conducting research to determine why many competent Malaysians opt to work and reside in Singapore. The study attempts to acquire insight into the factors that inspire Malaysians to cross the border for work, as skilled positions pay higher. The government aims to investigate the economic and social implications of this movement for the Malaysian workforce, since many brilliant professionals are drawn to Singapore's labor market and better earning potential. (GuangXi, 2024).

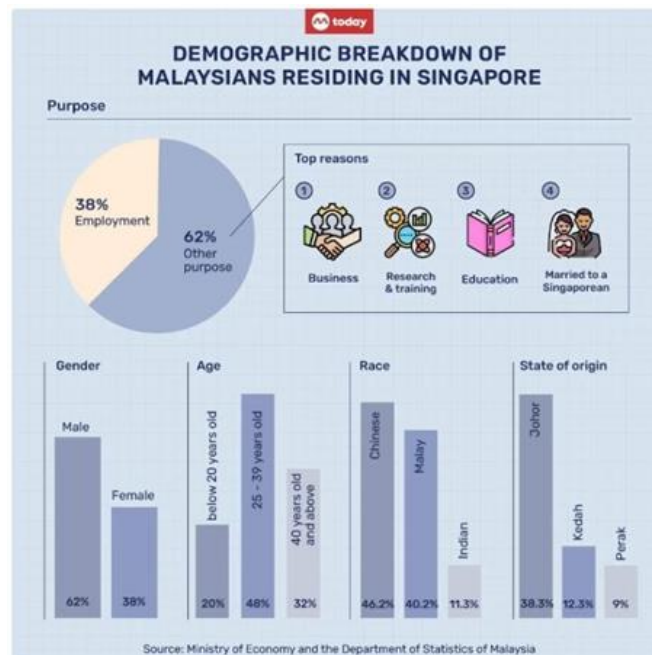


Figure 1: Demographic Breakdown of Malaysians Residing in Singapore

According to a recent Malaysian government research (Figure 1), over two-thirds of Malaysians living and working in Singapore earn between S\$1,500 and S\$3,599. There are around 75% of skilled or semi-skilled workers, with the highest earners making S\$18,000 per month. Malaysian authorities have identified “brain drain” as a national concern and asked Malaysians to return home after working overseas. The main reasons that Malaysians decide to work in Singapore and Brunei is because of the better job opportunities, decent working conditions, competitive incomes and a favourable exchange rate. The study is part of Malaysia’s larger attempts to address the brain drain issue and investigate potential ways to keep talent in the nation. By studying the factors driving brain outflow, the government wants to devise methods to make Malaysia a more appealing location to live for qualified individuals, thereby mitigating the detrimental impact of brain drain on the country’s economic growth and development. (Guang-Xi, 2024).

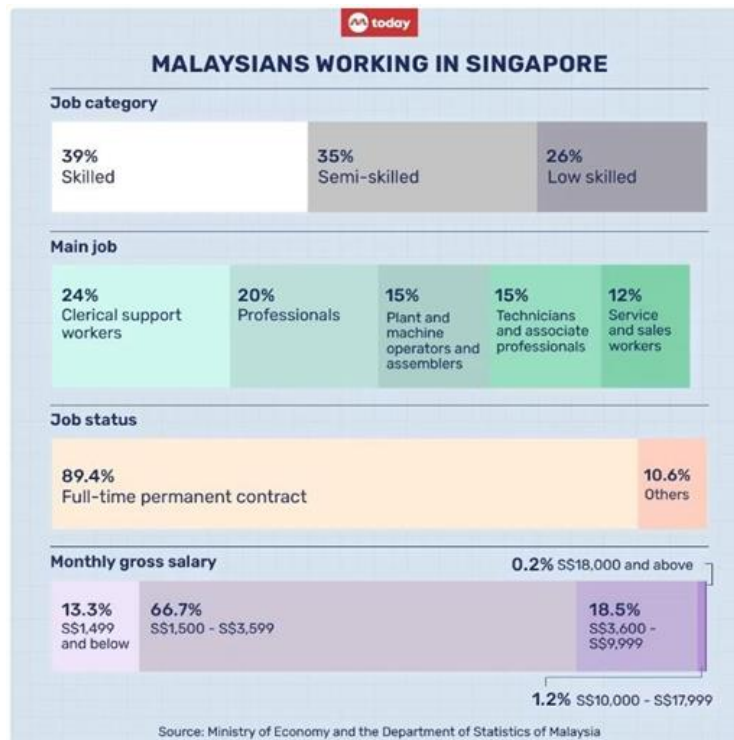


Figure 2: Malaysians Working in Singapore

A study by Guang-Xi (2024) highlight that a key finding is that Malaysians in general have a choice of employment opportunities abroad. Malaysian education's global reputation allows persons with an SPM foundation education background to advance from low-skilled to semi-skilled or skilled jobs in Singapore and Brunei. Figure 2 demonstrates that the bulk of Malaysian workers in Singapore are skilled and semi-skilled, accounting for 39% and 35%, respectively. However, another 26% are unskilled workers. Of those employed, 24% are clerical support workers, 20% are professionals, 15% are plant and machine operators and assemblers, 15% are technicians and assistant professionals and 12% are service and sales representatives. Almost 90% (89.4%) were offered full-time permanent positions, with 10.6% choosing alternative contracts. For their long- term careers, 62% intend to stay in Singapore, while 20% have no plans and 18% are unsure.

Although there are many studies on the migration of Malaysian skilled workers abroad, most previous research focuses more on economic factors and pays less attention to government policy aspects in effectively addressing this problem (Hoo, Zainal & Chai, 2016; Ramoo, 2018). In addition, data on the brain drain trend is often not updated regularly, making it difficult to formulate more accurate talent retention strategies (Ramdan et al., 2024). The Malaysian government has introduced several initiatives such as TalentCorp and skilled return incentives, but their effectiveness is still questionable as many professional workers still choose to settle abroad.

This study aims to fill this gap by analysing not only the factors that drive Malaysian workers to migrate abroad but also the weaknesses in existing policies that fail to curb this problem. By focusing on the Malaysia-Singapore case, this study will assess the social and economic impact of the outflow of skilled workers and examine the extent to which existing policies are able to address this phenomenon. The results of this study will provide more effective policy

recommendations to ensure that Malaysia can retain its best talents and reduce the negative impact on the country's economic development.

Literature Review

Concepts and Definition of Brain Drain

The term “brain drain” is commonly known as the migration of professionals from one country to another, usually from a developing to a developed country. People migrate in pursuit of a better life or due to reasons such as political instability (Burtler J., Francis J. & Shinn J., 2023). Most of the time, brain drain is often viewed negatively especially to the country. Scholars state that the influence is more significant in nations with greater poverty due to their limited skilled workforce. Emigrants’ remittances have a favourable impact on their native country, making workforce migration beneficial. The issue of brain drain in Malaysia dates back to the 1960s, when many local students pursued higher education elsewhere. After graduation, several students refused to return and work in their home country (Shariff N., Krishnaswamy J., Abdullah D. & Chau A., 2018). Over the last two decades, Malaysia has experienced a significant rise in highly skilled Malaysians pursuing opportunities abroad (Yusoff et al., 2021). This trend is particularly problematic because it depletes the national talent pool and reduces the country’s worldwide competitiveness.

Factors of the Malaysian Brain Drain

Legal Frameworks and Government

Multiple legal frameworks and government efforts impact labor conditions, immigration rules, and talent retention strategies, all of which contribute to Malaysia’s brain drain. The most generally empirically related factor in Malaysian brain drain was the lack of a dynamic and suitable work environment (Chiew et al., 2023). The most important of these is the Industrial Relations Act 1967 (Act 177), which aims to maintain the good relationship and fair dealing among employers, workmen and trade union. These issues include poor work-life balance, lack of energy, creativity and invention, rigid organizational culture and authoritarian traditions, lack of autonomy and participation in decision-making, high work pressure, inadequate human resource management and unfriendly environment. Working with untalented colleagues can be disorienting, unmotivated, and unsatisfying. Low work engagement is defined as employees’ psychological presence at work, that is, they are fully engaged in their work and believes that their work is meaningful; low organizational engagement is defined as employees being proud to tell others that they work for the organization and are valued as well (Hu Xin, 2024). Additionally, some professionals feel that opportunities to advance their careers in Malaysia are more limited than in other countries that provide more flexible legal and support facilities. For example, the Public Service Act 1993 and the Employment Act 1955 set regulations that limit the freedom of the private and public sectors in managing human resources, which is sometimes seen as an obstacle to career advancement. As a result, many choose to migrate to countries with more friendly and stable legal systems, which more encourage freedom of thought and innovation (Abd Hamis, 2022).

Economic Factors

According to Cheong (2020), brain drain occurs when the home country’s development trajectory fails, which prompts talented, skilled and young people to think about migrating in the hope of a better life. The reasons for brain drain vary, but the main reason is the concern about job opportunities and the amount of compensation. It has previously been observed that the

deteriorating economic situation, corrupt political system and social instability are the key factors that cause brain drain. Of the total 674 Eritrean nationals, 64% did not return to Eritrea, as a result, the government lost professional talents in the process of sustainable development. As these three factors are decisive when discussing whether a country is a brain drain or a brain gain. Although Malaysia has shown progress in the economic sector, the imbalance in income and the increasing cost of living are driving professionals to seek better opportunities abroad. Salaries offered in Malaysia, especially for young and highly educated professionals, often do not match the increasing cost of living (Kaushan et al., 2024). Many individuals find that they can earn much higher salaries, as well as opportunities to develop their careers more quickly in developed countries such as Singapore, Australia, and European countries. As mentioned by Admin (2022), Malaysian salaries are less competitive, particularly in highly skilled industries such as technology. For example, in the United States, a computer science graduate's beginning wage is roughly \$50,000, whereas in Malaysia, it is only \$10,000. Even after cost-of-living adjustments, wages in Malaysia remain less attractive, exacerbated by hefty luxury taxes. For example, a Toyota Corolla costs more than twice as much in Malaysia as it does in the United States. Therefore, the Employment Act 1955 (Act 265) plays a similar role as it sets minimum employments standards covering areas such as working hours, minimum wages, benefits and conditions of dismissal. This factor is exacerbated by the lack of opportunities for promotion and career development in Malaysia, which makes foreign countries more attractive as destinations for achieving financial stability and professional advancement (Choo, 2023).

Social Inequality

World Bank mentioned about the social inequality is a sensitive but significant source of Malaysian brain drain. Malaysia is comprised up of 63% Malays, sometimes known as “bumiputera” or “sons of the earth”. They are granted specific privileges as outlined in the Constitution, including additional support in launching enterprises, required real estate discounts and a quota system based on racial distribution for educational possibilities. Educated professionals, especially from ethnic minorities, may feel that they are not given equal opportunities in the public and private sectors, leaving them feeling marginalized and unappreciated (Abd Hamid, 2022). The feeling of unfair treatment has created a diaspora with a strong ethnic component, with 81% of emigrants being Chinese. They expressed their dissatisfaction in many channels, such as when Nancy Goh, a Malaysian who works as an IT project manager in Washington, D.C., blogged about her story in the social media. Even foreign observers also acknowledge that this is the main reason for the brain drain, as former U.S. Ambassador to Malaysia John Malott said in an article published in the Wall Street Journal. The policies of Malaysia's bumiputera encourage ethnic Malays in terms of education, business support and real estate. Non-Bumiputera, especially Malaysian Chinese and Indians, often view these restrictions as discriminatory and feel constrained in terms of job and educational opportunities. This has prompted many people to seek more equitable possibilities abroad, particularly in multicultural societies. This social injustice also exacerbates feelings of dissatisfaction, driving young people to seek a better life in countries that practice stronger principles of social justice. Countries that offer opportunities without discrimination based on ethnicity, religion, or social background are a major attraction for those seeking more equal and progressive opportunities (Mansor et al., 2024).

Political Strife and Instability

Young (2024b) argue that political strife and instability are also a key factor of brain drain in Malaysia. Previous academic results on Malaysian brain drain are very fresh, currently professional in areas with restricted or authoritarian political regimes, particularly those in

journalism, academia, or social advocacy, may suffer restrictions on free expression. This lack of freedom may lead people to seek out places where they can work freely. Several studies have investigated the effects of brain drain. Political motivations such as governmental changes, taxation, and freedom of movement all had a substantial impact on migration intentions. Political crises, frequent changes of government, and uncertainty in government policies have caused concern among the educated and professional community. The unstable political situation has led to uncertainty in the economy and employment sector, with many feelings uncertain about their future in Malaysia. This political turmoil often leads to uncertainty in economic and social development policies, thus affecting the work environment and career growth opportunities (Mohamed et al., 2023). These factors gave rise to considerable debate in the 1960s and 1970s. Malaysia's chaotic socio-political situation has led to a lack of confidence in the economy, leading more young Malaysians studying or living abroad to consider staying in foreign lands (Abidin et al., 2022). Singapore, on the other hand, has a stable government and economic policies that appeal to Malaysians seeking a secure and steady career in Malaysia. The Singaporean government has long been commended for its transparency and commitment to the rule of law. This lowers corruption while providing justice and security to people and workers. Bribery and favouritism are less prevalent than in other nations (Yeap, 2024).

Impact of Brain Drain in Malaysia

Examples in this part will be actual cases of both voluntary and forced termination, repercussions, and changes in employee rights and corporate operations. Selected cases will illustrate the fact that clarity, transparency, and adherence to the legal provisions are a must for an appropriate application of the procedures for employment termination. Similarly, it represents a combination of both smooth and problematic cases to present full insight.

Impact on Home Country (Malaysia)

The effects of brain drain in Malaysia are felt not only where brain drain occurs, but also where persons relocate. It frequently causes a cascade effect. Regions affected by brain drain end up lacking human capital. Professionals who go elsewhere end up leaving a huge void that isn't always easy to fill. Consider the migration of medical professionals from developing countries to parts of developed countries for better opportunities. When they leave, there may not be enough qualified personnel to replace them. This affects the overall quality of health care. For example, when the skilled professionals like doctors, engineers and researchers leave their home countries, leaving gaps in professional knowledge. In developing countries, the loss of health care professionals can have a significant influence on health care quality. With fewer qualified doctors and nurses, local inhabitants may face longer wait times, less access to specialist treatment, and poorer overall health. Consider medical personnel migrating from impoverished countries to industrialized countries in search of better possibilities. When they go, there may be insufficient skilled workers to replace them. This affects the overall quality of health treatment (Young, 2024b). Therefore, this will also lead to a decline in the overall medical level of the country.

Lost Taxes Revenue

Another impact on areas experiencing brain drain is lost income. The government relies on income taxes to fund its social initiatives and infrastructure projects. Large-scale withdrawals might result in lower tax revenues, thereby hampering economic growth and development. Areas of the brain where the gain occurs are also affected. They may experience overcrowding, especially in major metropolitan areas where opportunities are greater. Many people in an area can put pressure on resources, which can lead to higher prices and taxes (Young, 2024b).

According to Cheong (2020), the previous academic findings on brain drain in Malaysia is still in its initial phases, many studies have been performed to explore its impact. For example, the previous studies revealed the influence of brain drain on GDP in Malaysia, which was recorded under the brain flow-influenced economic perspective. Therefore, the loss of skilled workers means less tax revenue, which governments rely on to fund basic services such as education, health care and infrastructure. If more high-income individuals leave, tax revenue dwindles, forcing government budget cuts that could further slow economic growth and hamper poverty reduction efforts. This can create a vicious cycle, with less financing leading to poorer infrastructure, which in turn makes the area less attractive to skilled professionals.

Decline in Innovation and Economic Competitiveness

One of the most serious consequences of brain drain is the decline in Malaysia's innovation and economic competitiveness. Ezanee (2023) believe that brain drain has a significant impact on numerous R&D activities. Many research masters and engineering students are seeking positions in countries with significant technology investment and cutting-edge research resources. This capital outflow hinders Malaysia's ability to develop new technologies and ideas, both of which are critical to the country's economic future and global competitiveness. With little domestic innovation, Malaysia risks becoming more dependent on foreign technology, which can be costly and limit local job creation. This reliance on foreign technology and knowledge stifles the growth of the indigenous IT industry and diminishes the possibility of employment generation in the nation. This condition will also result in a shortage of work prospects and the possibility of unemployment for Malaysians, prompting them to seek development elsewhere. When opportunities to work on cutting-edge projects are few, young Malaysians may be less inclined to acquire advanced skills or specialize in high-tech industries.

Urban-Rural Talent Gap

Society and regions will also become less equal. In terms of the urban-rural talent gap, rural areas are experiencing serious brain drain due to the high concentration of talent in cities, which directly affects local economic growth. This also leads to limited access to resources for rural residents in terms of medical care, education and economic opportunities, resulting in a widening gap in urban and rural living standards. At the same time, brain drain has also exacerbated socioeconomic disparities. Normally only Malaysians with better economic conditions can seek overseas opportunities, leading to social divisions: families and communities with overseas connections have access to more resources and opportunities, while those who stay behind face greater development challenges. This double inequality impact amplifies the original development gap and forms a vicious circle (Ezanee, 2023). Thus, brain drain will also bring the impact to the society and region in Malaysia.

Solutions to Overcome Brain Drain

Provide Employee Benefit

As the global economy continues to be rocked by the past few years, many businesses and their employees have faced serious financial problem. If the company has reached the salary range limits in the organization, it is worth considering benefits beyond salary. For example, an employee benefits package may include health insurance, annual leave or a free gym membership (Jenscouler, 2024). Employees who feel valued through better benefits are more likely to stay in the country. Employers can offer incentives such as higher salaries, annual bonuses, healthcare allowances, and more lucrative retirement benefits. In addition, introducing health insurance, education, and family welfare programs can also help increase the attractiveness for young and

highly educated workers to continue living and working in Malaysia (Kaushan et al., 2024). The significant revenue distinction between Malaysia and developed countries is a major driver of immigration. High-income countries attract Malaysian talent by offering higher salary and better living conditions. Employee benefits can also add value to working for a company and can improve the health and quality of life for you or your team members. When applying for jobs, candidates may consider the benefits offered by each organization and consider these benefits along with salary when deciding where they want to work. Therefore, Malaysia can attract and retain talents to stay by providing benefits to employees (Choo, 2023).

Cultivate a Distinctive Workplace Culture

Creating a positive workplace culture is difficult, but getting it right may have a significant impact on employee retention. According to Employment Hero study, 88% of job seekers will consider the workplace culture when looking for work (Jenscouler, 2024). As Malaysia faces the challenge of maintaining and attracting qualified workers, the government will also increase the efforts to create a more appealing environment for talent. Employers can provide a platform for employees to come up with ideas, share views, and participate in decision-making processes (Gowda et al., 2022). By developing a culture that recognizes employees and values their efforts, organizations can create a more supportive and rewarding environment (Mansor et al., 2024). This can also reduce the dissatisfaction that drives employees to seek opportunities abroad. Malaysia aims to increase high-skilled job opportunities, encouraging a business-friendly ecosystem and ensuring the competitive salaries. This is to address the brain drain problem and boost economic growth. According to TalentCorp group CEO Thomas Mathew, when Malaysia has enough high-skilled jobs and individuals with the necessary skills, competitive pay would naturally follow. This is strongly tied to investment in the country, which requires a business-friendly climate and an accommodating administration. At the launch of TalentCorp, Deputy Minister of Human Resources stated that a globally competitive Malaysian workplace culture will attract the greatest people and, as a result, top firms will invest in Malaysia. He indicated by creating a diversification and inclusive workplace, this would lay the foundation for a vibrant and resilient economy.

Create a Positive Work Environment

A positive work environment is a powerful tool for retaining talent. Malaysian are same with other professionals around this world, they desire a workplace where they feel valued and supported. Employers need to ensure that the work environment is free from discrimination, and provide opportunities for employees to interact and build positive relationships with colleagues and management (Sehar et al., 2021). Providing a comfortable, flexible workspace, and supporting a good work-life balance also play an important role. Managers and leaders within the company should set a good example by providing constructive feedback, encouraging teamwork, and rewarding employee performance (Mohamed et al., 2023). This research mentioned that Malaysia can encourage the open communication, provide constructive feedback and promote work-life balance to attract talents to stay and work in the country. Create recognition initiatives and team-building exercises to boost spirits and create a feeling of community within the company (Rasyiqah, n.d.). In 2011, the government set up Talent Corporation Malaysia Berhad (TalentCorp) to help stem brain drain and bring Malaysians back home through the returning expert programme. It is time for the government and employers to contemplate providing compelling incentives for highly trained individuals to stay in the country, such as financial prizes or attractiveness career progression chances. As expected, youthful employees place great value on a supportive and positive work environment that stimulates and rewards innovation, creativity and work hard (Ezanee, 2023).

Increase Freedom in the Workplace

According to Thomas Mathew, Group CEO of TalentCorp, the winners of the Work Life Awards have demonstrated the ability to deliver innovative workplace policies that enable employees to thrive and setting an example for aspiring companies looking to innovate their talent attraction and retention strategies. Furthermore, they no longer assess productivity based on the amount of time people spend at work. The epidemic has also changed their attitudes, and today's talent is willing to work for companies that share their ideals. Matthew noticed that in order to address the issue of brain outflow, the Malaysian government's TalentCorp launched MyHeart, a program that encourages foreign Malaysians to return home and provide their abilities, hence increasing talent circulation rather than brain drain (Santanni, 2024). Therefore, the company can also adopt a remote work policy. Remote work has become an increasingly popular topic in recent years, companies have found that many employees are unwilling to give up the work-from-home experience. This study shows that 36% of office workers surveyed want to work remotely permanently. Another benefit of remote work is that even if an employee of the company decides to move overseas, it does not necessarily mean goodbye. The company can continue to employ them remotely in the new location and not lose any resources due to talent loss. Employees who feel they have autonomy in their work are more likely to be more productive and committed to the organization. Companies that provide this freedom-giving workplace can tap into their employees' full potential, reducing their desire to seek more independent opportunities abroad (Mohamed et al., 2023). In addition, increasing freedom also provides an opportunity to introduce the concept of a better work-life balance, where employees can balance their work commitments and personal lives without excessive pressure (Kaushan et al., 2024).

Conclusion and Recommendation

In conclusion, Malaysia's development is seriously threatened by brain drain. the main reasons include legal frameworks and government, economic factors, social inequality and political strife and instability. the adverse effects of brain drain include lost tax revenue, decline in innovation and economic competitiveness and urban-rural talent gap. Therefore, Malaysia must develop a comprehensive strategy that combines economic, social and political reforms to prevent brain drain. From an economic perspective, it is crucial to increase pay, improve job benefits and provide opportunities for advancement at large companies. Politically speaking, creating an inclusive environment that encourages meritocracy and minimizes discrimination can help retain talent from all ethnic groups. Social activities, such as improving work-life balance and providing educational opportunities to the families of brilliant professionals, may encourage Malaysians to stay in the country. A key component of this strategy would be continual engagement with Malaysians residing abroad to better understand their needs and incentivize their return, perhaps transforming brain drain into "brain circulation" (Mokhtar, N., & Saleh, A., 2024)

Malaysia must invest extensively in high-quality training and education to ensure that its workforce is capable of meeting the needs of today's economy. The Human Resources Development Fund must step up its efforts to deliver high-quality training and upskilling programs, publicize its initiatives, and make them available to all Malaysian workers. As Malaysia transitions to a knowledge-based economy, technological improvements allow enterprises and companies to boost production. Leading technology agencies, such as Nano Malaysia and the Malaysia Digital Economy Corporation, must work with enterprises and organizations across industries to increase their technological preparedness, knowledge, and absorptive capacity. Malaysia must invest extensively in high-quality training and education to ensure that its workforce is capable of meeting the needs of today's economy. The Human Resources Development Fund must step up its efforts to deliver high-quality training and

upskilling programs, publicize its initiatives, and make them available to all Malaysian workers. As Malaysia transitions to a knowledge-based economy, technological improvements allow enterprises and companies to boost production. Leading technology agencies, such as Nano Malaysia and the Malaysia Digital Economy Corporation, must work with enterprises and organizations across industries to increase their technological preparedness, knowledge, and absorptive capacity.

Brain drain is caused by a variety of factors. To reverse the brain drain, it is necessary to seek further and delve deeper. Brain drain has also been linked to a lack of professional chances in specialized fields. Malaysia's economy is heavily reliant on production and manufacturing rather than research and development, making it difficult for people seeking skilled work to survive and expand. For this moment being, Malaysians will progressively seek greener pastures overseas if the government do not take action to address the falling living conditions (Admin, 2022). Economists and researchers told TODAY that Malaysia's talent exodus has not yet reached a critical level, but if allowed uncontrolled, it might eventually impair its economic growth and development. Malaysian workers who responded with TODAY said Malaysia must address political stability, the salary difference, and invest in infrastructure to persuade its diaspora to return. (Yeap, 2024)

Malaysia must take the issue of brain drain seriously; therefore, the Industrial interactions Act 1967 (Act 177) was enacted, which governs employer-employee interactions, workers' rights, unionization, and dispute settlement. By influencing the work environment and job security, it influences the incentives for qualified workers to remain in Malaysia. Perceptions of restricted working conditions or limited labor rights may prompt these professionals to seek better opportunities abroad, especially if they believe that other countries offer a more favorable working environment. Amendments to the IRA are intended to promote fair treatment, but more labor protections and career development opportunities are essential to prevent brain drain. However, the Employment Act 1955 (Act 265) also plays a similar role as it sets minimum employment standards covering areas such as working hours, minimum wages, benefits and conditions of dismissal. Although employment conditions such as job security, benefits and opportunities for professional growth are essential determinants in talent retention, low standards may motivate Malaysians to migrate abroad in quest of greater revenue, better benefits, and a better work-life balance. Strengthening this Act to provide more competitive employment circumstances could make the labour market more appealing to Malaysian professionals and deter them from looking for opportunities outside of Malaysia.

References

- Abd Hamid, N. H., Ali, H., & Han, C. J. (2022). Determinants Affecting Brain Drain Among Generation Y in Malaysia.
- Abidin, I. S. Z., Haseeb, M., Razak, A. A., Nguyen, T. T., & Nguyen, V. C. (2022). Impact of economic freedom, corruption and brain drain on economic development of Malaysia: a time series analysis. *International Journal of Trade and Global Markets*, 16(1-3), 163-177.
- Admin. (2022). *Malaysia's Brain Drain: What is the Cause?*. Retrieved from <https://aisling.com.my/malaysias-brain-drain-what-is-the-cause/>
- Bunyan, J. (2024). *What you should know about: Malaysia's brain drain and who's benefitting from it*. Retrieved from <https://www.malaymail.com/news/malaysia/2024/07/29/what-you-should-know-about-malaysias-brain-drain-and-whos-benefitfrom-it/144271>
- Burtler J., Francis J. & Shinn J. (2023). *Brain Drain Definition, Reduction & Examples*. Retrieved from <https://study.com/academy/lesson/what-is-brain-drain-in-economics-definition-causes-effects-examples>
- Cheong, J. W. (2020). *A qualitative study on the phenomenon of brain drain amongst youth in Malaysia*. Retrieved from <http://eprints.utar.edu.my/id/eprint/4029>
- Chiew, D. H., Jong, B. C., Low, T. L., & Tan, M. H. (2023). *The factors that affect the career choices of the young generation in private universities in Malaysia* (Doctoral dissertation, UTAR).
- Choo, S. L. (2023). *Factors that drive brain drain of generation z in Malaysia* (Doctoral dissertation, UTAR).
- Ezanee, A. a. (2023). *How brain drain distorts the future economy*. Retrieved from MalaysiaNow: <https://www.malaysianow.com/opinion/2023/01/12/how-brain-drain-distorts-the-future-economy>
- Gowda, A., Alhazza, H. N., Cahill, E. D., Ong, J. B., & Flaherty, G. T. (2022). Stemming the brain drain of medical graduates from developing countries: controversies and solutions. *International Journal of Travel Medicine and Global Health*, 10(3), 104-107.
- Guang-Xi, J. O. (2024). *Malaysian government study warns of "brain drain", finds 3 in 4 Malaysians living, working in Singapore skilled or semi-skilled*. Retrieved from <https://www.channelnewsasia.com/singapore/malaysia-government-study-brain-drain-working-living-singapore-skilled-salary-4140731>
- Hoo, Q., M Zainal, S., & Chai, G. (2016). Factors Influencing Return Intentions of Malaysia's Professional Diaspora. *OIDA International Journal of Sustainable Development*, 9(11), 15-38.
- Hussin, R. (2024). *Malaysian Brain Drain: Voices Echoing Through Research*. Retrieved from <https://www.emirresearch.com/malaysian-brain-drain-voices-echoing-through-research/>
- Jenscouler. (2024). *How To Stop Brain Drain & Retain Employees*. Retrieved from <https://employmenthero.com/my/blog/how-to-stop-brain-drain-retain-employees/>
- Malaysia Corporate Relations Department. (2021). *Industrial Relations Act 1967*.
- Kaushan, S., Yew, J. Z. D., Yong, S. L. Y., Lim, T. R. C., & Wai, R. E. (2024). *Brain drain in Malaysia's banking and finance industry: Causes, impacts, and strategies for talent retention* (Doctoral dissertation, UTAR).
- Mansor, M. F., Xuan, L. L., Abu, N. H., & Samah, I. H. A. (2024, April). "Brain drains": Evaluating international transfer intention among international business program graduates. In *AIP Conference Proceedings* (Vol. 2799, No. 1). AIP Publishing.
- Malaysia Corporate Relations Department. (2023). *Employment Act 1955*.
- Mohamed, N. A., Azis, R. A., Haini, F., Ahmad, M., & Ibrahim, K. (2023). *Diaspora of Brain Drain in Malaysia: Preliminary View of the Social Support Networks' Role in the Intention to Migrate Among Healthcare Workers*.

- Mokhtar, N., & Saleh, A. (2024). Transforming Brain Drain into Brain Circulation. *Malaysian Journal of Social Development*, 14(1), 44-59.
- Ramdan, F. & Yeow, J. & Nasreen, F. & Yeo, S. F. (2024). Brain Drain: The Determination of Students' Intention to Leave Malaysia. *Pakistan Journal of Life and Social Sciences*. 22. 15064-15074. <https://doi.org/10.57239/PJLSS-2024-22.2.001084>
- Ramoo, B. (2018). Salient Beliefs that Influence the Malaysian Engineers Intention to Migrate Abroad. *Border Crossing*, 8(1), 40-63.
- Rasyiqah, A. (n.d.). *Global Brain Drain Phenomenon: How Do We Overcome It?* Retrieved from <https://www.ajobthing.com/resources/recruiter-advice/global-brain-drain-phenomenon-how-do-we-overcome-it>
- Santani, S. J. (2024). *Reversing brain drain to brain gain [BTTV]*. Retrieved from <https://www.nst.com.my/business/corporate/2024/07/1071558/reversing-brain-drain-brain-gain-bttv>
- Sehar, T., Mushafiq, M., Asif, K., & Rafiq, W. (2021). Intellectual brain drain and economic growth in developing countries: A theoretical solution of strategic compensation.
- Shariff N., Krishnaswamy J., Abdullah D. & Chau A. (2018). The Influence of New Economic Model on Intention to Work Abroad: An Empirical Study to Address Brain Drain Issue in Malaysia.
- TalentCorp Celebrates Progressive Malaysian Employers With Return Of LIFE AT WORK Awards 2023*. (2023). Retrieved from Talent Corporation Malaysia Berhad: <https://www.talentcorp.com.my/resources/press-releases/talentcorp-celebrates-progressive-malaysian-employers-with-return-of-life-at-work-awards-2023/>
- World Bank. (n.d.). *Malaysia Economic Monitor: Brain Drain*. Malaysia.
- Yeap, A. (2024). *The Big Read: Malaysia's brain drain to Singapore – winners and losers in the long run not so clear-cut*. Retrieved from <https://www.channelnewsasia.com/today/big-read/big-read-malaysia-brain-drain-singapore-winners-losers-long-run-not-clear-4165636>
- Young, J. (2024b). *Brain Drain: Definition, Causes, Effects, and Examples*. Retrieved from https://www.investopedia.com/terms/b/brain_drain.asp