

**MALAYSIAN CONSTRUCTION
SELF-INITIATED EXPATRIATE (SIE):
CHARACTERISTICS, MOTIVATIONS AND
REPATRIATION FACTORS**

by

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EKSPATRIAT KENDIRI PEMBINAAN MALAYSIA: CIRI-CIRI, MOTIVASI DAN FAKTOR REPATRIASI

ABSTRAK

Ekspatriat sendiri merupakan satu sub-kelompok imigran dalam kajian migrasi antarabangsa. Mereka terdiri daripada profesional yang telah mengambil inisiatif sendiri bagi memulakan migrasi tanpa bergantung kepada mana-mana organisasi. Bilangan mereka semakin bertambah dan akibatnya negara semakin kehilangan tenaga kerja berkemahiran. Kajian lampau telah menunjukkan kesukaran dalam mengenalpasti ciri-ciri kumpulan ini dan memisahkan ekspatriat sendiri sebagai satu entiti di luar teori migrasi antarabangsa. Kajian lampau ke atas ekspatriat sendiri lebih menjurus ke arah pengurusan kerjaya dan kecenderungan sikap dan setiap satu hanya melihat kepada satu aspek sahaja. Oleh yang demikian kajian ini bertujuan mencadangkan kerangka teoretikal ekspatriat sendiri yang komprehensif. Objektif kajian adalah untuk menentukan demografi serta ciri-ciri ekspatriat sendiri dan faktor-faktor yang mempengaruhi penghijrahan mereka serta perubahan di negara asal mereka yang menyebabkan repatriasi. Objektif seterusnya adalah menentukan sumbangan mereka kepada pembangunan negara asal dan kaedah penyaluran kepakaran yang efektif bagi membolehkan mereka menyumbang kepada pembangunan negara. Kajian telah menggunakan pendekatan gabungan kaedah kuantitatif dan kualitatif. Borang soal selidik disebarikan melalui atas talian dan seramai 127 ekspatriat sendiri yang terlibat dan kesemua mereka ini telah bermigrasi

keluar dari Malaysia. Hanya empat responden yang setuju untuk ditemuramah. Penemuan menunjukkan usia semasa penghijrahan berkait rapat dengan faktor motivasi yang didominasi oleh faktor gaji, kecenderungan mengeksplorasi, mengembara dan mencabar diri. Persepsi ekspatriat sendiri terhadap penerimaan majikan di negara tuan rumah juga menunjukkan kelayakan akademik dan berpengetahuan dalam profesion lebih diutamakan. Mereka juga mahukan perubahan di Malaysia terutamanya dari segi kenaikan gaji dan kualiti hidup. Diaspora Malaysia secara efektifnya menyumbang kepada negara dengan membawa imej yang baik serta berkongsi maklumat dan pengetahuan yang diperolehi di negara tuan rumah di peringkat individu. Kajian terhadap ekspatriat sendiri pembinaan Malaysia juga menunjukkan terdapat hubung kait di antara teori migrasi antarabangsa dan teori pengurusan kerjaya.

MALAYSIAN CONSTRUCTION
SELF-INITIATED EXPATRIATE (SIE): CHARACTERISTICS,
MOTIVATIONS AND REPATRIATION FACTORS

ABSTRACT

Self-initiated expatriates (SIE) are a sub-group of immigrant workforce in the study of international migration. They comprise of professionals, who on their own, initiated the migration process without depending on any organization. Their numbers are increasing and resulting in a brain drain of skilled workforce from the nation. Previous studies have indicated difficulties in identifying specific features of this sub-group and separating the SIE as an entity outside of the international migration theory. Previous studies on SIE have focused on career management and personal orientation of individuals and the studies were fragmented. Therefore this study aims to propose a comprehensive theoretical framework of the SIE. The objective of this study is to identify the demographics and characteristics including factors that may influence their decisions to migrate and changes in their country of origin that causing their repatriation. Next objective is to determine their benefits towards home country and the effective method to channel their expertise that will contribute to the development of their country of origin. The study utilises both quantitative and qualitative approaches. Survey forms were distributed online involving 127 SIE respondents who had emigrated from Malaysia. However, only four respondents agreed to be interviewed. One finding indicated that age at migration is closely related to the motivation to migrate that in turn is dominated by salary, personal inclination, sense of adventure and the challenge to excel. SIEs have the perception that

acceptance by employers of host countries is based on the priority of academic excellence and knowledgeable of the profession. SIEs expect changes in Malaysia in terms of better salary and more conducive work environment in order to repatriate. Effectively the Malaysian diaspora has directly contributed to the country on personal capacity in terms of portraying good image of Malaysia and sharing of information and experience acquired in the host country. The study on Malaysian construction SIE also indicate that there is a relationship between the theory of international migration and the theory of career management.

CHAPTER 1

INTRODUCTION

1.1 Introduction

This Introduction Chapter on the Malaysian construction self-initiated expatriates starts with the presentation of the background of the study. Then it continues to describe the problems that initiated this study. Subsequently the research questions and objectives of this study are presented, followed by definitions of terms, scope and limitation and its significance. Lastly, the overall research framework is described.

1.2 Background

Globalisation has led to increasing international mobility among the educated and the highly skilled (Richardson & McKenna, 2002). The movement of the educated and the highly skilled can take two forms as mentioned by Inkson, Pringle, Arthur and Barry (1997). They described international mobility of the highly skilled as expatriate assignment (EA) and overseas experience (OE). In EA, home country's companies that operate internationally would send their employees to another branch in another country. While OE is the experience of an individual who took the initiative for international assignment, which is later labeled self-initiated expatriate (SIE) (Jokinen, Brewster, & Suutari, 2008; Thorn, 2009; Tharenou & Caulfield, 2010; Crowley-Henry, 2010; Doherty, Richardson, & Thorn, 2013). As such, a SIE individual may leave the country on his or her own account. This movement of SIE is what gives rise to brain drain (Pieretti & Zou, 2009; Crowley-Henry, 2010). SIEs are characterised by individuals who take personal responsibility of their career

trajectories without the direct support of an organisation (Carr, Inkson, & Thorn, 2005). However, brain drain does not apply to EA as their stay at host countries are temporary.

SIE migration has resulted in the brain drain especially from the developing to developed countries (Baruch, Budhwar, & Khatri, 2007). Brain drain is an international problem originated in the post-war period. In those years the United States became the undisputed leader of western science and magnet for top-level European scientists and technicians (Brandi, 2004). As early as the 1960s, the brain drain phenomenon became more noticeable and attracted much North-South debate. Among the important implications of this phenomenon is the net loss in education investment in developing countries brought about by the large number of talented people leaving those countries (Berry, 2012).

The UN Department of Economic and Social Affairs' Population Division estimated that in 2010 there were 214 million individuals who had left their countries to undergo international mobility. This represented an increase of 58 million since 1990 and about 3.1 percent of the total world population (Al Ariss & Crowley-Henry, 2013). This same report explains that for the period of 2010-2050, the number of individuals moving from developing to more developed regions is expected to be 96 million. Among these individuals, SIEs will continue to represent an important international human resource for organisations for various reasons.

The interest in this topic came about with the recognition by academic scholars, business, and policy-makers that SIEs are a valuable international human resource

that benefits organisations and economies (Al Ariss, 2011). Thus the amount of investment allocated does not reflect on the economic growth. This also leads to the shortage of skilled workers even though the educational system and opportunities have been greatly improved.

Economic changes have greatly influenced the migratory flow of the highly skilled including the immigration policy in receiving countries (Chang, 1992; Saxenian, 2002; Iredale, Guo, & Rozario, 2003). Insufficient advanced education in home countries and highly skilled jobs available in host countries are the main reasons as well (O'Neil, 2003). Most industrialised countries, notably the United States, Canada and Australia, but also France, United Kingdom and others have been competing with each other to attract highly skilled persons. And this competition among the developed countries is likely to fuel brain drain in the future (Brandi, 2004).

Various competing theoretical studies investigating the mechanism of international migration of highly skilled migrants, especially the push and pull determinants (Massey, Arango, Hugo, Kouaouci, Pellegrino, & Taylor, 1993; Massey & et al, 1994; Dorigo & Tobler, 2010). According to Piore (1979), immigration is not caused by push factors in sending countries (slow wages or high unemployment) but by pull factors in receiving countries (high demand for labour). Highly skilled migration has also been analysed in terms of different classification (Iredale, 2001). According to the Organisation for Economic Co-operation and Development (OECD SOPEMI, 1997), it includes highly skilled specialists, independent executives and senior managers, specialized technicians or tradespersons, investors, business persons, “keyworkers” and sub-contract workers. From the globalisation perspective,

international migration of the highly skilled, causing the emergence of transnational communities with multiple identities and multi-layered citizenship (Castles, 2002). And the trends of migratory flows have changed the status of a country from being an emigration zones to becoming an immigration destinations (Castles, de Haas, & Miller, 2005; Bijak, 2006).

1.3 Problem Statement

Competition for brains has never been more intense as globalisation opens up employment opportunities. So does the movement of highly skilled across borders given the development in government policies, economic reforms and cultural tolerance of receiving countries. In the Malaysian context, brain drain involves the international mobility of SIEs to countries such as Singapore, Australia, Brunei, United Kingdom, United States, United Kingdom, Canada and New Zealand has been reported (The World Bank, 2011a).

As revealed in the Malaysia Economic Monitor (The World Bank, 2011a), skilled human capitals are crucial in the development of Malaysia. To become a high-income country, Malaysia needs to step up in meeting the demands of a dynamic economy (The World Bank, 2015). Previously it was estimated that there were about 1 million Malaysians working abroad (The World Bank, 2011a) and 30 percent of which were skilled workers and contributed to the brain drain. Docquier and Rapoport (2011) estimated that the world average rate of brain drain is about five percent, while that of Malaysia is 10 percent. The number of Malaysians living in Organisation for Economic Co-operation and Development (OECD) countries such as the US, UK, Australia, New Zealand and Canada has been increasing – from 121,000 in 1990 to

311,000 in 2010 of which 54.5 percent have completed tertiary education (The World Bank, 2015). For those who had received their tertiary education and training in Malaysia, it is a loss to the Malaysian government in that it had expected a return on their investments when the individuals become economically active. Even for those who had studied abroad in universities, the loss is in the investment during their earlier education. Thus, migration among the highly skilled represents a loss to Malaysia because it loses out on the returns on the capital it had invested in the individuals. On top of that, ex-Deputy Prime Minister, Ahmad Zahid Hamidi had announced in a parliamentary session that a total of 54,406 Malaysians have renounced their citizenship from 2010 up until January 2016 (Lidiana, 2016).

In response to this concerning issue, several initiatives and efforts have been taken by the Malaysian government to retain and attract these highly skilled talents. One of the most important efforts is the establishment of Talent Corporation in January 2011. The corporation is part of the Government's efforts to strengthen Malaysia's talent pool for its economic transformation i.e. under Economic Transformation Plan (ETP). However so far this initiative still requires further effective measures since it did not manage to attract as many diaspora as expected even after four years of implementation (The World Bank, 2015).

Although there were researches examining the issue of brain drain among Malaysians, the studies were not comprehensive and none was on construction SIEs even though 7,200 Malaysians are estimated to be working in UAE alone, mainly in engineering sector including construction (Chaturvedi, 2017). Among the aspects investigated include the relationship between push and pull factors which prompted the propensity

among Malaysian accountants (Junaimah, 2011) and among Malaysian college and university students (Jian, Poh, Tee, & Shareen Shi, 2013; Mastura, 2014) in seeking employment overseas. There was also a conceptual study that examines from the individual perspective and their relationships with the intention to repatriate (Siti Fatimah, Yusliza, & Lilis Surlenty, 2013). Many home countries do not collect any qualitative data on their emigrants, and the data collected by host countries on their immigrants display a large heterogeneity, especially when dealing with migrants' educational attainments (Beine, Docquier, & Rapoport, 2001). This includes data on the international mobility of the Malaysian highly skilled, including the SIEs. In short there is a knowledge gap in SIE of construction professionals.

In addition, even studies of Malaysian diaspora in Australia are explored and debated (Hugo, 2011a). While remaining as diaspora, Malaysians in Australia still maintain linkages with Malaysia thus enabling potential impacts on economic development (Hugo, 2011b). However, at the professional level, this link between Malaysian SIEs and Malaysia and the methods of which this link took place have not been examined. Investigation on the impact of other country's immigration policy towards Malaysia international students in Australia is also conducted (Lucas & Robert, 2001; Zигuras & Law, 2006). Apart from Malaysian diaspora in Australia, the pathways and mechanisms of migration for Malaysians into Singapore is also discussed (Yi-Jian Ho, 2011). While anecdotes are abundant, unfortunately to date limited empirical and systematic studies have been conducted (Foo, 2011; The World Bank, 2011a; Siti Fatimah, Yusliza, & Lilis Surlenty, 2013)

In order to truly understand Malaysian self-initiated expatriates, there is the need to identify the demographics and characteristics of the Malaysian SIEs, in this case the construction SIEs. Also determining the push and pull factors of their migration need to be conducted. Even though the study on push pull factors originated from the Laws of Migration by Ravenstein (1885) more than 100 years ago, people are still looking at this issues (Dorigo & Tobler, 2010). In addition SIE is a new and developing body of knowledge (Jokinen, Brewster, & Suutari, 2008; Selmer & Luring, 2010; 2012) and there are many unknowns and avenues open for exploration (Vaiman & Haslberger, 2013). The literature mostly focuses on SIEs from developed countries such as Western Europe (Crowley-Henry, 2012), USA (Vance, 2005), Australia (Tharenou & Caulfield, 2010) and New Zealand (Thorn, 2009) and majority studies were carried out on academic SIEs (Selmer & Luring, 2012). Nevertheless, none of these theories is related to the construction industry.

In addition, the employers' perceptions on the SIEs also have bearings on the organisations' acceptability to recruit the SIEs (Makkonen, 2015), which directly increase the tendency of the SIE to migrate or imposed a stronger pulling factor. Employer's perceptions on the potential employee are crucial in ensuring successful employability, since the employer is like a gatekeeper. However the perceptions of the employers on the SIEs are largely neglected in the SIEs literature (Tharenou, 2013), and there is no literature that can be found in the case of the Malaysian SIE.

Thus the aim of this study is to propose a theoretical framework that describes the Malaysian construction SIEs holistically by determining their demographic profiles, characteristics, motivations of expatriation and repatriation, acceptability of their

employers towards them, their benefits toward home country, and methods to contribute their expertise towards Malaysia development, specifically in construction industry.

1.4 Research Questions

Therefore in addressing these issues, a few questions arise:

1. What are the demographic profiles and characteristics of the Malaysian construction-related SIEs?
2. What are the push and pull factors that motivate them to seek employment overseas?
3. What are the host country employers' perceptions of Malaysian construction SIEs?
4. What changes, personally as well as pertaining to Malaysia that would encourage the Malaysian construction SIEs to repatriate?
5. What will be the benefits and the effective method to tap into the Malaysian diaspora's expertise if they prefer not to return?

1.5 Research Aim and Objectives

The aim of this study is to propose a theoretical framework that comprehensively describes the Malaysian construction SIEs. The specific objectives of the study are as the following:

1. To identify and establish the demographic profiles and characteristics of the Malaysian construction-related SIEs.

2. To determine the push and pull factors, which motivate them to seek employment overseas.
3. To ascertain the host country employers' perceptions of Malaysian construction SIEs.
4. To identify changes, personally as well as pertaining to Malaysia, which would encourage Malaysian construction SIEs repatriation.
5. To determine the benefits and effective methods of tapping into the expertise of Malaysian construction diaspora if they prefer not to return.

1.6 Scope of Research

This research was carried out on construction-related SIEs (quantity surveyors, engineers and architects) working in the UK, Europe, Middle East countries, Australia, Singapore and China. These professionals were restricted to those working with consultant firms, contractors and property developers. It was also restricted to construction SIEs working with international companies; not home country companies, whereby the income generated does not contribute to the development of home country. These countries are selected based on the World Bank Report (2011) and also based on the highly active construction developments such as the Middle East countries and China.

Data limitations continue to be a huge challenge to work in this area. There is a pressing need for better data which tracks the flows of high-skilled workers back and forth as well as for specialised surveys to better understand the consequences of these movements. Nevertheless this study was not intended to quantify the number of

Malaysian construction SIEs. Instead it was aimed to holistically portray the Malaysia construction SIEs.

1.7 Research Contribution

To the best of the author's knowledge, past studies on SIEs focused on the career development of the individual and push and pull factors of expatriation but studies on the acceptance of host country employers and changes or improvements that encourage repatriations have not been done before. Thus on the practical note, this empirical study was specifically aimed to better understand the dynamics of the Malaysian construction SIEs in the highly competitive and globalised labour market.

On the theoretical side, this study aimed to propose a theoretical framework of Malaysian construction SIEs by combining established international migration theories and newer SIE theories such as Neo-Classical Economic theory, New Economics theory of Migration, Dual Labour Market theory, World Systems theory and from career management theories which are Protean Career and Boundaryless Career theory. To the best of the author's knowledge, combining the old and new theories to describe and explain SIE has never been done before by past scholars. Therefore, the theoretical framework developed in this study would provide credible and representative information as to comprehend this highly talented group of people.

1.8 Terminology

There are a few terms that are frequently used in this research:

- i. Self-Initiated Expatriates (SIEs) - This term refers to professionals who voluntarily relocated from their home country to foreign country without the

support of an employing company (Inkson & Myers, 2003; Selmer & Luring, 2011; Doherty, 2012; Al Ariss & Crowley-Henry, 2013) and are hired under a local host country contract (Crowley-Henry, 2007) for an indeterminable duration (Tharenou & Caulfield, 2010).

- ii. International migration – The movement of people from one country to another (Battistella, 2003).
- iii. Brain drain – Skilled emigration from developing to developed countries (Mountford & Rapoport, 2011).
- iv. Motivations – Factors considered influential to the decision to expatriate (Dickmann, Doherty, Mills, & Brewster, 2008) that covers a range of factors that push the individual away from their own country and pull towards other country (Jackson, et al., 2005). This research will use both the terms (motivation and push and pull factors) where appropriate.
- v. Repatriation - Repatriation is the return of an expatriate to his or her home country (Tharenou & Caulfield, 2010).
- vi. Diaspora - Expatriates that remain in a foreign country (Hugo, Rudd, & Harris, 2003; Constant & Zimmerman, 2016).
- vii. Characteristics – A typical or noticeable quality of someone (Cambridge University Press, 2008)

1.9 Organisation of Thesis

This thesis is organized into 7 chapters. Chapter 1 consists of the introductory background of the SIE and the international migration of the highly skilled. In addition this chapter also outlines the research problems, objectives, scope and contributions of research.

Chapter 2 presents the brain drain issue in Malaysian scenario and provides an extensive literature review on the related international migration and career management theories, the type of talents or sectors involved, micro and macroeconomic impact, push and pull factors, employers' acceptability, diaspora benefits and methods of tapping their expertise.

Chapter 3 introduces and justifies the methodology adopted for this research. The methodology is explained in detail focusing on the quantitative and qualitative approach.

Chapter 4 presents the empirical findings of the quantitative approach. These findings are analysed and discussed using SPSS 20.0 (PAWS) and Rasch Model of measurement analysis.

Chapter 5 presents case studies that were obtained from semi-structured interviews conducted on the SIEs. These are presented in the form of narratives and readers are able to compare the information provided in different settings.

Chapter 6 is where the elaborated discussions on the findings are presented.

Chapter 7, main summary, conclusions, and recommendation for the research are presented. It also provides the practical implication towards the construction industry in Malaysia and theoretical implication on the present international migration body of knowledge.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This section aims to present an overall scenario regarding the self-initiated expatriates. This chapter is divided into two themes. The first theme is introducing the history of international migration in Malaysia. The discussion covers the development of the labour demand during the pre and post war period. Then the history of Malaysians' emigration to Singapore is presented. The discussion proceeds to the current scenario of brain drain among Malaysians as revealed by the World Bank and other limited research and then talented and highly skilled Malaysian Diaspora are highlighted. Finally the initiatives and actions taken by the government to retain and entice the Malaysian Diaspora are discussed.

Next, this chapter proceeds to the presentation of theories related to motivations in the international migration of the highly skilled. Then it continues to elaborately describe the career management theories that are related to the demographics and characteristics of the SIE including their motivations of migration. The discussion proceeds to explain the push and pull factors of international migration and follows by acceptability of employers towards SIEs, factors of repatriation, the benefits of diaspora towards home country as well as the methods where these diaspora may contribute their expertise to home country. Finally a conceptual framework of SIE is proposed and explained.

2.2 History of International Migration in Malaysia

Situated at a very strategic location connecting between the East and West side of Asia, the Peninsular Malaysia anciently known, as “Golden Chersonese” has become the popular destination for international trades as early as the 14th century. Since then it encouraged the international migration among traders who came from all over the world. However the trend or pattern of the talent flow to and from Malaysia varies from time to time. Thus this chapter will highlights the direction of talent flow and the type of talent according to the period before the World War II up until now. Prior to the analysis of brain drain among Malaysian construction professionals, some relevant background and history of international migration in this country is required.

2.2.1 Pre-war Period

Little had been documented regarding the earliest diasporic history in the Peninsular Malaysia but Chinese texts recorded a wealth of exotic trades goods being merchandised in this region in the first millennium (Cartier, 2003). Looking at the history of talent mobility in Malaysia, there is a significant shift in the movement or direction of the talent flow. Dated back to as early as 1400 witnessed the flow of the Chinese and Indian traders to the Peninsular Malaysia (Saw, 2007). However this immigration was not significant until the early nineteenth century i.e. during the British colonial era. Demand for labour in the public works, primary production sectors coupled with good prospects in trade and commerce were irresistible attractions for others to grab since the labour supply from the indigenous were inadequate. These pulling factors were accompanied by pushing factors in the immigrants’ countries. Faced with political instability, population pressure and lack of

economic prospects, the Chinese were forced to leave their countries for Peninsular Malaysia.

Under the British colonial government, the Chinese immigrants were welcomed. Started out as coolies in the tin mines, pepper and tapioca farms and gambier and sugar cane plantations, slowly these immigrants became successful merchants or 'Kapitan Cina' (Freedman, 2000). The British relied on them to administer revenue farms, develop tin mining and plantation economies and keep the peace in Chinese communities. Apart from merchants, the immigrants were also come as shopkeepers, hawkers, artisans and others. The level of talent has increased from mere labourers to businessmen during this period. However during the early 1930s, widespread unemployment that followed the closure of some tin mines and rubber estates and the detrimental effect of the World Depression had resulted in the reduction of the Chinese immigrations to the Malay Peninsular (Saw, 2007).

On the other hand, 95 percent of the Indians who came to Peninsular Malaysia seemed to have entered the country between 1786 and 1957 (Sandhu, 1969). In 1800s, the Indians were mostly merchants and traders. However, in the 19th century there were different groups of Indian immigrants coming to Peninsular Malaysia and at this point of time they came under the 'indentured labour system' (Arasaratnam, 1979). It was a system where a person who was bound to work for another for a specified period of time. Some of them were convicts who involved in public construction projects that involved hard labour. Others came to seek employment in the plantations and harbor ports and even as labourers in public and construction works, and municipal services. In addition they also came as sepoy, lascars, domestic servants

and camp followers in the British Army. These were the English-educated South Indians and Ceylonese Tamils and Sikhs (Periasamy, 2007).

2.2.2 Post-war and Post – Independence Period

During the early post war period, the overall demand for labour was not rapidly increasing as before the war. This was due to the adequate supply of labour from the indigenous Malays and the earlier generation of immigrants (Saw, 2007). In addition during the World Depression many immigrants had went back to their country of origin due to lack of unemployment. This situation continued during the Japanese Occupation and in fact it was observed that there was more outflow compared to the inflow of migrants.

In 1953 the Immigration Ordinance 1953 came into force and replacing the Aliens Ordinance 1933, thus controlled the entry of unskilled labour (Saw, 2007). The Aliens Ordinance was enacted to regulate the arrivals and to monitor the labourers especially those from China. By enforcing the Immigration ordinance, the British had already restricted the permanent entry of immigrants among others for persons who can contribute to the expansion of commerce and industry and who can provide specialised services not available locally. After the independence, the new Malayan state implemented a program of import-substitution industrialisation, reconstructing its national, racial, cultural and economic borders and introduced further restrictions on immigration (Kaur, 2008). Consequently, only skilled migrants were allowed to enter Malaya and this followed the implementation of the new Immigration Act 1959. In general this ordinance has provided a very strict and effective control over the quantity and quality of immigrants of all races entering Peninsular Malaysia during

the postwar years. Later it was observed that the level of talents had increased when the Indians started to come in as lawyers, doctors, journalist, teachers and other university-educated men (Periasamy, 2007).

The expulsion of Singapore from Malaysia in 1963 also plays an important role in the further tightening of the immigration between Malaysia and Singapore. At this point of time Singapore was at the early phase of developing port facilities and in order to curb unemployment, the migration of people were restricted (Tremewan, 1994). When Singapore became the busiest port among the Commonwealth countries in 1964, it was found that they lacked the expertise in running the industries in a large scale. Due to this the Singapore government allowed the inflow of unskilled labour, mainly from Malaysia (Akkemik, 2009), to meet the demand of labour in the industrialisation of Singapore.

2.3 Current Scenario

As early as in the nineties, a research on Malaysia brain drain has been conducted and the result was quite alarming (William & Enrica, 1998). Malaysia has the highest brain drain of tertiary educated population among Asian countries. A more recent study has reported that the once attractive migration country, Malaysia starts to loose her best and talented brains to other countries in this region especially to Singapore (World Bank, 2011). According to the Malaysia Economic Monitor (NEAC, 2010a):

“Malaysia faces an exodus of talent. Not only is our education system failing to deliver the required talent, we have not been able to retain local talent of all races nor attract foreign ones due to poor prospects and a lack of high-skilled jobs.”

Up until 2010, it is estimated that 1 million Malaysians are working abroad and from this figures, 30 percent are Malaysians with tertiary education i.e. the highly talented or skilled people (World Bank, 2011). Table 2.1 shows the number of Malaysians who are living in major cities of other countries through surveys conducted by World Bank (Rupa, 2015). With a base of slightly more than 11 million high-skilled Malaysian-born workers aged 25 years or older, 0.3 percentage points corresponds to 33,000 more high-skilled workers being drawn away from Malaysia (Foo, 2011). Deputy Prime Minister, Ahmad Zahid Hamidi had announced in a recent parliamentary session that a total of 54,406 Malaysians have renounced their citizenship from 2010 up until January 2016 (Lidiana, 2016).

Table 2.1 Number of Malaysians abroad

Country	Diaspora		Brain Drain	
	2000	2010	2000	2010
Singapore (residents only)	303,828	385,979	66,452	121,662
Australia	78,858	101,522	38,620	51,556
United States	51,510	61,160	24,085	34,045
United Kingdom	49,886	65,498	12,898	16,609
Canada	20,420	24,063	12,170	12,807
Brunei	60,401	76,567	6,438	10,208
New Zealand	11,460	15,995	4,221	6,708
Other countries	81,211	96,602	19,130	22,962
Total	657,574	827,387	184,014	276,558

Source: Docquier, Marfouk, Ozden and Parsons (2010), Lohest and Marfouk (2007)

Consequently this situation leads to the establishment of the Talent Corporation (TalentCorp) in January 2011. TalentCorp was announced during the tabling of the 10th Malaysia Plan (10MP) by YAB Prime Minister, Dato' Sri Mohd Najib bin Tun Abdul Razak. Set up under the purview of the Prime Minister's Department, Talent Corporation's challenge is to identify shortages in key sectors by attracting and retaining the necessary skilled human capital. In line with the Economic

Transformation Programme (ETP), TalentCorp is expected to spearhead Malaysia's initiative to develop a diverse and competitive talent pool – a requirement for a high-income economy.

Though efforts from Talent Corporation to attract and entice high-skilled Malaysian talents to come back, skilled immigration is found to be more effective and more economic than to bring back Malaysian talents from abroad (Harnoss, 2011). This is because when taken into account the investment cost of education and the training given for each Malaysian, it is so high. According to the Institute of Management Development (IMD) World Competitiveness Year Book 2010 (IMD, 2010), Malaysia took the fourth spot out of 59 countries for its high public expenditure on education versus Gross Domestic Product. Deputy Education Minister Datuk Dr Wee Ka Siong said the Government spent an average of RM3,354 for every primary school pupil and RM4,039 for a secondary student yearly since 2008. In 2009, Malaysia spent 60% of its GDP per capita per tertiary pupil and was ranked second among East Asia and Pacific countries (UNESCO, 2009).

On the other hand, the inflow of low skilled talent from Indonesia, Bangladesh, Philippines and Vietnam has seen major increment in their numbers (Lucas & Robert, 2001; Battistella, 2003). One of the negative impacts of having so many unskilled labour is low level of average productivity among Malaysia's workers. This has been partly blamed on immigration, because migrant workers have low levels of education and occupy low-paid positions, they have low productivity, which, in turn, lowers Malaysia's productivity and detracts from its international competitiveness (Hugo, 2011b). It is considered that because migrant workers are willing to accept depressed

wages, they are preventing technological innovation and progress in the sectors of the economy where they are employed thus trapping the Malaysian economy in the middle-income level.

Another research that quantifies and determines the brain drain key factors shows that livability and wages differentials are significant drivers of emigration (Foo, 2011). In addition, it is argued that there is a relationship between economic and educational policies in tackling the brain drain issues from youth perspectives (Tyson, 2011). Specific characteristics of Malaysian education and political economy is said to contribute to the country's brain drain. For more than four decades, there has been government intervention in the Malaysian economy in the form of preferential treatment for Malays in order to achieve a more equitable distribution of wealth between ethnic groups (Hugo, 2011a). However, this research will not focus on the ethnicity aspect.

In 2012, the United Nation Development Programme (United Nations Development Programme, 2013) has classified Malaysia's human capital into 'high human development' and ranks 64 of 186 countries. Statistics from the Ministry of Higher Education (MOHE, 2009; 2010; 2011; 2012; MOHE, 2013) show that there are a large number of Malaysians studying abroad (refer to Table 2.2) and the numbers are increasing each year.

Table 2.2 Malaysian students overseas

Year	Number of Malaysian Students
2002	42,780
2003	42,109
2004	43,279
2005	56,609
2006	53,924
2007	54,915
2008	59,107
2009	58,937
2010	79,254
2011	89,580
2012	81,282

Source: Ministry of Higher Education (2009, 2010, 2011, 2012, 2013)

For the student, studying in a foreign country provides the opportunity to acquire country-specific knowledge and to adjust to the country's society before making a longer-term commitment regarding staying in the host country (Asian Development Bank Institute, 2014). For employers, graduates with local degrees are readily recognized in the host country's labour market.

Malaysia, having a large number of students overseas may lose more of her talents once these students are graduated and decided to remain in the host country. In countries where duration of residence criteria applies for access to permanent residency, years of study can be given a higher weight (Asian Development Bank Institute, 2014). Often, this is rather implicit, for example by counting twice the years of residence before a certain age, as has been the case in Switzerland. Likewise, having a domestic degree facilitates access to citizenship for migrants such in China 1000 Talent Plan.

2.3.1 Malaysia Talents

Frequently news regarding successful Malaysian diaspora has been reported. They are from business background, science and technology, hospitality, art and design and many more. Among the prominent and successful diaspora in the field of art and design, is Datuk Jimmy Choo, a Penang born shoe designer who is currently based in London (Goldstein, 2009). He started his career as a shoemaker at the tender age of 11. Meanwhile Datuk Michelle Yeoh, a multiple award winner actress had an international break in her career after moving to Hong Kong (Jay, 2006). Manchester based chef and a restaurateur; Norman Musa first went abroad as a quantity surveying student and later decided to stay for good in pursuing his passion in culinary (Norman Musa, 2011). He was also appointed as the Malaysia F1 Team chef in 2010. Zang Toi, New York based fashion designer was born in Kuala Krai, Kelantan on 11 June 1961 (House of Toi, 2010). The latest loss in term of highly talented people is the Ex-Petronas chief executive officer (CEO) Tan Sri Mohd Hassan Marican (Singapore Power, 2012). He is currently the Chairman and non-independent director of Singapore Power Limited starting from Jun 2011. These are some of the significant examples of Malaysian losses in the war of talents to other countries. All of them had left Malaysia and work in other countries on their own initiatives, not due to being sent by their employer. This method of expatriation is called self-initiated expatriations (SIE) and will be discussed in detail in section 2.5.

In order to further investigate and identify the causes and impacts of brain drain, firstly the type of talent must be identified. Solimano (2008) categorized types of talent into three broad types. The first one is directly productive talent such as entrepreneurs, engineers and other technical talent, technology innovators and

business creators. Secondly, academic talent such as scientist, scholar and international students. Lastly, talent in social and cultural sectors that encompasses of medical doctors and nurses in health sectors. In addition the Economic Transformation Programme (ETP) has categorised the type of talent according to talent required under the National Key Economic Area (PEMANDU, 2011). It encompasses the 11 industry sectors and one geographical territory: Oil, Gas and Energy; Palm Oil; Financial Services; Tourism; Business Services; Electronics and Electrical; Wholesale and Retail; Education; Healthcare; Communications Content and Infrastructure; Agriculture; and the Greater Kuala Lumpur/Klang Valley which includes the physical construction and development.

2.3.2 Programmes and Initiatives in Retaining & Attracting Malaysian Talents

The first brain-gain programme, called the Returning Scientist Programme, was launched in 1995. The programme, which ended three years after its launch, managed to attract only 93 researchers, scientists and engineers, 70 of who were foreigners and 23 Malaysians (The Star, 2010). Since its inception in January 2001 until February 2010, the Ministry of Human Resource has processed 1,455 applications, of which 840 applications have been approved. From that number, 601 approved applicants have officially come back and are already working in various sectors in Malaysia. The experts who have returned are in Medical and Health (278), ICT (176), Finance, Accounting and Economics (147), Industry (129), Science and Technology (44) and others (66). For medical doctors, dentists and pharmacists, there are immediate vacancies to be filled both in the public and private sectors.

Currently there are a few programme and initiatives that are intended to attract Malaysian talents working abroad to come back home. Under Talent Corp there are Returning Expert Programme (REP), Scholarship Talent Attraction and Retention (STAR) and Talent Acceleration in Public Service (TAPS) programme (Talent Corporation, 2012). Highly skilled expatriates who wish to reside and work in Malaysia may apply for Resident Pass (The World Bank, 2011b) and it is issued for a longer duration and is not employer-specific. In addition, a Resident Pass is also offered to Malaysian diaspora and their children who have renounced their citizenship.

Past Minister of Ministry of Human Resource, Datuk Seri Dr Fong Chan Onn said that since REP was introduced in 2001, approximately only 400 experts from various fields, especially medical and health, information communication technology (ICT) and accountancy, had returned and established their businesses here (The Star, 2011). Due to low numbers of returning experts, in April 2011 the REP was revised to become more attractive by providing with incentives. Since then it was reported that a total of 576 qualified Malaysians had returned (The Star, 2011).

The REP was originally introduced in 2001 and over the 10 years, a total of approximately 750 Malaysians were approved and returned under the programme (Talent Corporation, 2012). Applicants are approved based on qualifications held and overseas work experience. The REP has been revised to better meet the needs of the economic transformation (Talent Corporation, 2012) and the main revisions involve:

- The qualifying criterion now places a greater emphasis on relevant work experience as opposed to qualifications. Diploma holders with at least 10 years of overseas work