

# Brain Drain in Malaysia: What is Needed to Fix the Gap?

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## ABSTRACT

For more than two decades, Malaysia has experienced a persistent outflow of highly skilled professionals despite sustained economic growth, expanding higher education, and repeated policy interventions aimed at talent retention and repatriation. This study examines why brain drain in Malaysia remains entrenched and what structural reforms are required to address it effectively. Rather than treating skilled migration as a function of individual choice or wage differentials alone, the thesis conceptualises brain drain as a systemic and multi-level phenomenon shaped by interacting economic, institutional, career, and innovation ecosystem factors.

Adopting a qualitative dominant research design supported by secondary data analysis, the study integrates Human Capital Theory, push-pull and relative deprivation models, and institutional and innovation ecosystem theory. Primary data are derived from semi structured interviews with Malaysian professionals who have remained in the country, emigrated, or returned after working abroad, enabling comparative analysis across migration outcomes.

The findings reveal that constrained career mobility and slow promotion velocity outweigh wage considerations in migration decisions, particularly at mid career stages. Perceived erosion of meritocracy significantly undermines institutional trust, while shallow innovation and scale up ecosystems limit professional fulfilment and leadership opportunities. Existing policy responses are widely perceived as incentive driven and transactional, lacking the systemic reform necessary to rebuild long term confidence.

The study concludes that Malaysia's brain drain cannot be resolved through isolated or short term measures. Sustainable talent retention and re attraction require coordinated reforms that strengthen meritocratic career pathways, institutional credibility, innovation ecosystems, and absorptive capacity for brain circulation. Reframing brain drain as a nation building challenge, rather than a defensive retention exercise, is essential for Malaysia's transition toward a high income, innovation led economy.

**Keywords:** Brain drain; Talent retention; Brain circulation; Meritocracy; Innovation ecosystem; Institutional credibility; High-income economy; Malaysia

## INTRODUCTION

For more than two decades, Malaysia has faced a persistent and complex challenge in retaining its skilled workforce. Highly educated professionals engineers, medical specialists, academics, technologists, financial experts, researchers, and entrepreneurs have increasingly chosen to pursue long term careers abroad. While labour mobility is a natural feature of a globalised economy, the scale, duration, and structural nature of Malaysia’s talent outflow indicate a deeper systemic issue. This phenomenon, commonly described as brain drain, has evolved beyond a temporary migration trend into a long term constraint on national development.

Brain drain is often discussed in emotive terms, framed around patriotism or individual choice. However, such narratives obscure the more important reality: talent migration is fundamentally an economic and institutional response to opportunity structures. Individuals do not leave simply because wages are higher elsewhere; they leave because alternative systems offer faster career progression, clearer meritocratic pathways, stronger institutional trust, deeper innovation ecosystems, and greater long term security for themselves and their families. In this sense, brain drain is not the root problem but a symptom of broader structural gaps within the domestic economy and governance framework.

Malaysia’s experience is particularly paradoxical. Over several decades, the country has invested heavily in education, producing a steady supply of graduates across science, technology, engineering, medicine, finance, and professional services. Public universities, private higher education institutions, and government linked scholarship programmes have collectively expanded access to tertiary education and professional training. Yet the domestic economy has struggled to generate a commensurate number of high value, globally competitive roles capable of absorbing and retaining this talent.

Part of the reason that the domestic economy is unable to produce high value roles is the decades long affirmative action preventing meritocratic economic and talent development and the ease and over-reliance on government projects for enterprise success. This also discourages innovation and risk taking entrepreneurship. The result is a widening mismatch between human capital formation and labour market absorption.

At the macroeconomic level, the consequences of sustained brain drain are significant. The loss of skilled workers reduces productivity growth, weakens innovation capacity, and limits the country’s ability to move up global value chains. It also undermines fiscal sustainability, as public investment in education yields returns that are increasingly captured by other economies. Over time, talent outflow can entrench a middle income trap, where growth continues but fails to transition into high income, innovation led development. In this context, addressing brain drain is not merely a social or labour policy concern; it is a strategic economic imperative.

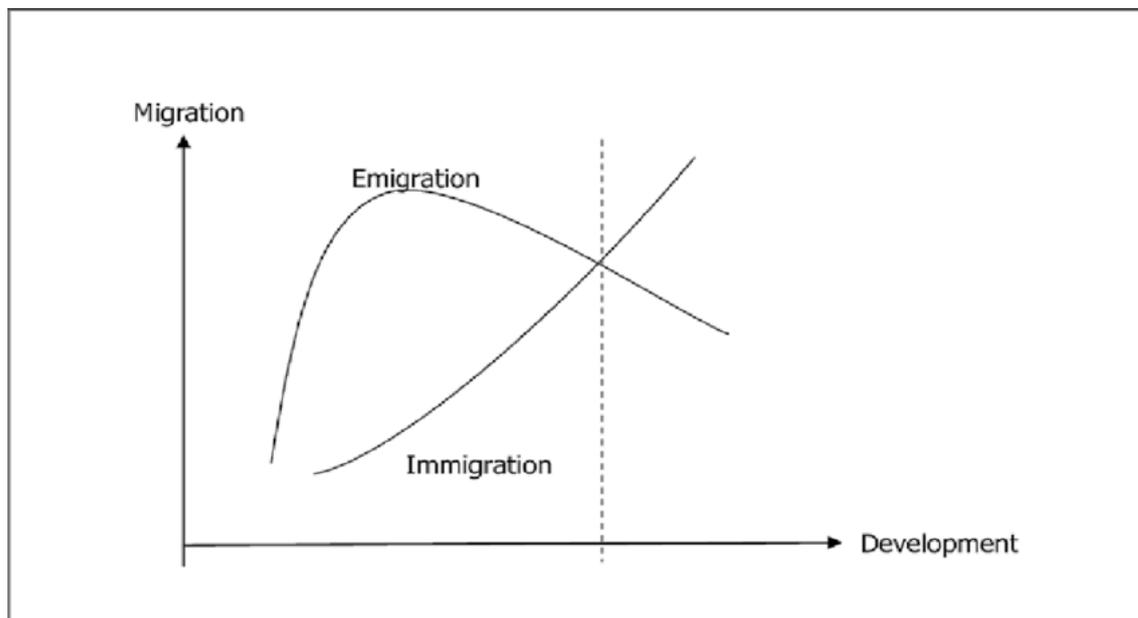


Image 1

Successive Malaysian governments have acknowledged the problem and introduced a range of initiatives aimed at talent retention and repatriation. These include tax incentives for returning professionals, specialised visas and residence passes, digital economy strategies, entrepreneurship grants, and upskilling programmes. While these measures demonstrate policy awareness, their impact has been uneven and limited in scale. More critically, they have tended to focus on incentives rather than systems, treating talent decisions as transactional rather than structural. As a result, many initiatives have struggled to reverse long term migration patterns or rebuild confidence among globally mobile professionals.

One of the central challenges lies in wage competitiveness relative to cost of living. Although Malaysia offers lower absolute living costs compared to developed economies, the wage gap for skilled professionals remains substantial, particularly in high demand sectors such as technology, healthcare, finance, and advanced engineering. When adjusted for housing costs, education expenses, and long term savings potential, many professionals perceive remaining in Malaysia as economically constraining. This is especially pronounced among mid career individuals who prioritise wealth accumulation, children's education, and retirement security.

However, focusing solely on wages risks oversimplifying the issue. Empirical evidence from talent migration studies consistently shows that career velocity the speed at which individuals can grow, lead, and influence outcomes is often a stronger determinant than salary alone. In many Malaysian organisations, both public and private, career progression remains heavily influenced by seniority, hierarchy, and informal networks. High performing individuals may find themselves advancing slowly despite strong results, while leadership opportunities are limited by organisational inertia or governance constraints. Over time, this erodes motivation and pushes talent towards environments perceived as more merit driven.

Institutional trust and policy predictability also play a critical role. Professionals making long term life decisions such as purchasing property, starting families, or building enterprises require confidence in the stability and fairness of the system. Frequent policy shifts, regulatory uncertainty, and inconsistent implementation weaken this confidence. Even when policies are well intentioned, the perception of unpredictability can deter both domestic talent and diaspora professionals from committing their futures to the local ecosystem. In contrast, competing destinations often differentiate themselves through clarity, consistency, and long term planning horizons.

Another structural factor contributing to brain drain is the limited depth of Malaysia's innovation and scale up ecosystem. While the country has made progress in supporting startups and early stage entrepreneurship, many high potential ventures struggle to access growth stage capital, advanced technical talent, and global market linkages. As companies reach critical inflection points, founders and key team members frequently relocate to jurisdictions with deeper venture capital markets and stronger innovation networks. This not only accelerates talent outflow but also shifts intellectual property, corporate headquarters, and future job creation abroad.

The education and research ecosystem further illustrates the systemic nature of the challenge. Malaysian universities produce capable graduates and conduct meaningful research, yet pathways from academia to industry remain underdeveloped. Commercialisation of research, industry funded doctoral programmes, and large scale collaborative R&D projects are comparatively limited. As a result, researchers and academics seeking to work on cutting edge problems with real world impact often pursue opportunities overseas, where funding, infrastructure, and industry integration are more robust.

Importantly, Malaysia's brain drain should not be viewed solely as a loss. The Malaysian diaspora represents a significant reservoir of global experience, networks, and capital. Many professionals abroad maintain strong emotional and professional ties to their home country and express willingness to contribute if credible opportunities exist. The challenge, therefore, is not only to encourage permanent return, but to design mechanisms that enable brain circulation allowing talent to move fluidly between global and domestic ecosystems while contributing meaningfully to national development.

This thesis argues that Malaysia's brain drain problem cannot be solved through isolated or short term interventions. Tax incentives, return programmes, and promotional campaigns, while useful, are insufficient without deeper structural reform. What is required is a coordinated, multi level strategy that aligns government

policy, private sector practices, and institutional capabilities around a shared objective: making Malaysia a place where talented individuals can build globally relevant careers with dignity, purpose, and long term security.

Perhaps Malaysia should not view brain drain as a problem but acknowledge that Malaysia has transited from a Developing nation to a Developed nation as it’s talents are readily sought after by developed nations. One of the indicator of a developed nation is its citizenry having moved up the skill ladder to avoid 3 D jobs. It’s inevitable that foreign labour will be needed to fill these 3D jobs and not viewed with xenophobic narrative that foreigners are taking our jobs. Let our talents be educated, trained, globalised and skill enhanced by developed nations .

While these talents are gaining the wealth of experience, skill and financial means, Malaysia’s policies should be to retain their patriotism. A majority of the diaspora are still truly Malaysian at heart. One example is the Philippines recognising their overseas workers that they have fast-track arrival lanes at their airports. Their ties still remains in Malaysia as most will still have parents or siblings back home. Malaysia has to take advantage of these familial and sense of piety in brain re-gain policies. Example would be as parents age, a lot of the diaspora will be inclined to return to take care of the elderly. These talents will by then have spent enough years abroad to have acquired high value skills, experience and financial wealth. Additional incentives towards the elderly parents of these returning talents can be provided, preferential visa treatment for returning Malaysian-born talents who have taken up foreign Citizenship and also according spouses (male and female) or off-springs, citizenship or long-term permanent residency automatically. These returning talents, if not in local high value employment do provide trickle-down economic effect of mentoring or investing or providing global connectivity to develop high value job opportunities and enterprises.

Three foundational gaps must be addressed to achieve this objective. First, the meritocracy and career mobility gap must be closed through transparent, performance based progression systems across both public and private sectors. Second, the opportunity gap must be narrowed by creating and scaling high value industries capable of offering competitive roles, leadership opportunities, and wealth creation mechanisms such as equity participation. Third, the confidence gap must be rebuilt through predictable policies, institutional trust, and credible long term national missions that give talent a sense of direction and purpose.

By examining the structural drivers of Malaysia’s brain drain and evaluating the limitations of existing policy responses, this study seeks to identify what is truly needed to fix the gap. Rather than framing talent retention as a defensive exercise aimed at preventing departure, the thesis reframes the issue as a nation building challenge: how Malaysia can redesign its economic and institutional systems to compete effectively in a global talent market. Ultimately, the question is not whether Malaysians are willing to contribute to their country, but whether the country is prepared to offer an environment worthy of their ambitions.

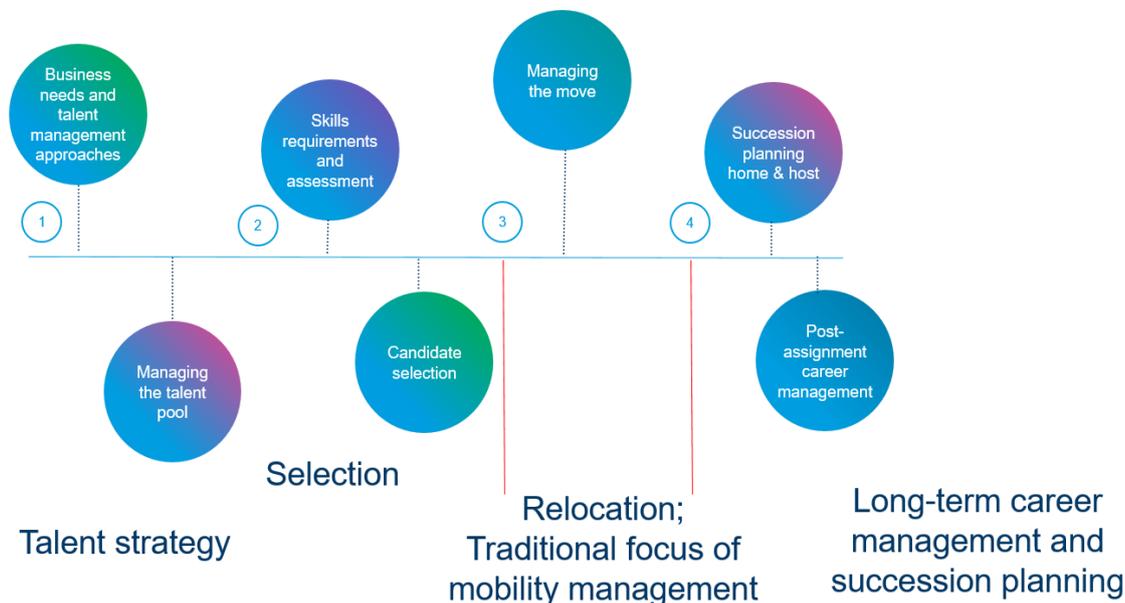


Image 2

## LITERATURE REVIEW AND THEORETICAL FRAMEWORK

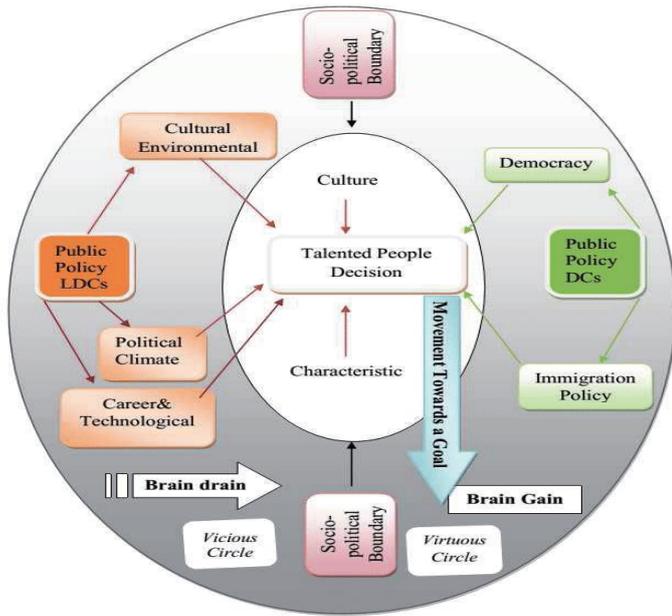


Image 3

### Introduction to the Brain Drain Discourse

The phenomenon of skilled labour migration, commonly referred to as brain drain, has been a central subject of development economics and migration studies for more than half a century. Initially conceptualised in the post war period, brain drain described the emigration of scientists, engineers, doctors, and other highly educated professionals from developing economies to advanced industrial nations. While early studies focused on absolute losses of human capital, subsequent scholarship has revealed a far more complex and dynamic process shaped by globalisation, institutional quality, and structural transformation.

In the context of Malaysia, brain drain has evolved into a persistent and systemic challenge rather than a temporary development stage phenomenon. Despite sustained economic growth, rising educational attainment, and integration into global markets, Malaysia continues to experience significant outward migration of skilled professionals. This persistence raises fundamental questions about the adequacy of traditional explanatory models and the effectiveness of existing policy responses.

This literature review synthesises key theoretical and empirical contributions relevant to understanding brain drain in Malaysia. It is organised into six thematic strands: (1) classical brain drain theory, (2) human capital and migration decision making, (3) push pull and relative deprivation models, (4) institutional quality and governance, (5) innovation ecosystems and labour absorption, and (6) brain circulation and diaspora engagement. Together, these strands provide the analytical foundation for the theoretical framework developed in the subsequent section.

### Classical Brain Drain Theory: From Loss to Complexity

Early literature on brain drain framed skilled migration as a unidirectional and permanent loss for sending countries. Pioneering economists such as Bhagwati (1976) argued that developing nations effectively subsidised the growth of advanced economies by educating professionals who subsequently emigrated. The fiscal cost of this migration was considered substantial, particularly where education systems were publicly funded. This view positioned brain drain as inherently detrimental to national development.

However, by the late 1980s and 1990s, scholars began to challenge this static interpretation. Grubel and Scott (1966) introduced the idea that migration could increase global efficiency, while later studies emphasised the

potential benefits of remittances, skill upgrading, and return migration. The emergence of global labour markets and transnational professional networks further complicated the traditional loss based narrative.

Nevertheless, critics of the “brain gain” argument caution that its benefits are highly uneven and context dependent. For middle income countries with limited absorptive capacity, outward migration may persist without sufficient compensatory inflows of capital, knowledge, or return talent. In such cases, brain drain becomes entrenched and self reinforcing, eroding domestic institutions and labour markets over time.

Malaysia’s experience aligns closely with this latter scenario. Despite participation in global knowledge flows, the scale and persistence of skilled emigration suggest that the country has yet to fully harness the potential benefits of brain circulation. This underscores the need for frameworks that move beyond binary gain–loss perspectives and instead focus on structural and institutional conditions.

### **Human Capital Theory and Migration Decisions**

Human capital theory, as formalised by Becker (1964), remains a foundational framework for analysing skilled migration. Within this model, individuals are viewed as rational actors who invest in education and skills to maximise lifetime returns. Migration is conceptualised as an extension of this investment strategy, undertaken when expected returns are higher in alternative locations.

Empirical research consistently confirms that wage differentials play a significant role in skilled migration decisions. Studies across OECD and ASEAN countries show strong correlations between income gaps and professional mobility, particularly in sectors such as technology, healthcare, and finance. However, contemporary scholarship increasingly emphasises that income alone cannot fully explain migration patterns among highly skilled individuals.

Extended human capital models incorporate non-monetary returns, including career advancement opportunities, access to advanced infrastructure, research funding, and professional autonomy. These factors are particularly salient for professionals whose productivity depends on institutional and ecosystem support. For example, researchers may prioritise access to laboratories and grants, while entrepreneurs seek capital markets and regulatory clarity.

In the Malaysian context, several studies indicate that while wage gaps are a motivating factor, perceived underutilisation of skills and limited career progression are equally, if not more, influential. Highly educated professionals often report frustration with hierarchical organisational cultures, slow promotion cycles, and constrained leadership opportunities. This suggests that migration decisions reflect a broader assessment of professional fulfilment rather than narrow income maximisation.

### **Push–Pull Theory and Relative Deprivation**

The push–pull framework remains one of the most widely applied models in migration studies. Push factors typically include limited employment opportunities, low wages, institutional inefficiencies, and political or social instability. Pull factors encompass higher incomes, better working conditions, meritocratic systems, and superior quality of life in destination countries.

While this framework provides a useful heuristic, its explanatory power is limited when applied to skilled migration in middle income economies. Contemporary scholars argue that relative deprivation and aspirational mismatch are more accurate descriptors of skilled migration dynamics. Individuals compare not only absolute conditions but also perceived future trajectories, including career ceilings, innovation potential, and social mobility.

In Malaysia, push–pull dynamics are shaped by both domestic constraints and regional competition. Proximity to high income economies with integrated labour markets intensifies comparative pressures. Skilled professionals are acutely aware of alternative opportunities and often benchmark their career trajectories against peers abroad. Even when domestic employment is available, perceived stagnation can act as a strong push factor.

Furthermore, push–pull processes are increasingly mediated by global networks. Alumni associations, multinational firms, professional platforms, and diaspora communities reduce information asymmetries and migration costs. Once migration pathways become established, they generate path dependency, reinforcing outflows over time. This network effect is particularly relevant for Malaysia, where long standing diasporic communities continue to attract successive cohorts of professionals.

### **Institutional Quality, Governance, and Trust**

A growing body of literature highlights institutional quality as a critical determinant of skilled migration. Acemoglu and Robinson (2012) argue that inclusive institutions characterised by transparency, accountability, and meritocracy are essential for sustained economic development. Conversely, weak or extractive institutions discourage innovation and high skilled participation.

For skilled professionals, institutional quality directly affects productivity and career outcomes. Regulatory clarity, intellectual property protection, public sector efficiency, and policy predictability shape the operating environment for businesses, researchers, and professionals. Frequent policy changes or inconsistent implementation increase uncertainty, particularly for individuals making long term life decisions.

Qualitative studies on Malaysian diaspora populations frequently cite governance related concerns as contributing factors in migration decisions. These include perceptions of limited merit based advancement, bureaucratic inefficiencies, and policy inconsistency. While such concerns may not independently trigger migration, they compound economic and career considerations, tipping the balance toward emigration.

Importantly, the literature emphasises perception as much as reality. Even incremental governance improvements may fail to alter migration patterns if credibility and trust are not restored. This highlights the importance of signalling and institutional reform in addressing brain drain.

### **Innovation Ecosystems and Labour Absorption**

Innovation ecosystem theory provides a crucial lens for understanding talent retention. Scholars such as Porter (1990) and Florida (2002) emphasise that knowledge driven growth depends on dense networks linking talent, capital, institutions, and markets. Countries that successfully retain skilled workers typically offer robust ecosystems where innovation can be commercialised and scaled.

Malaysia has made notable progress in developing early stage entrepreneurship and digital economy initiatives. However, the literature consistently identifies a scale up gap. Access to growth stage capital, advanced technical talent, and global market integration remains limited. As firms reach higher levels of complexity, they often relocate headquarters or key functions to jurisdictions with deeper ecosystems.

This ecosystem constraint has direct implications for brain drain. When domestic firms cannot offer senior leadership roles, cutting edge projects, or wealth creation mechanisms such as equity participation, skilled professionals seek opportunities elsewhere. Over time, this weakens domestic demand for advanced skills, creating a feedback loop that perpetuates talent outflow.

### **Brain Circulation and Diaspora Engagement**

More recent literature reframes brain drain as a potential resource through the concept of brain circulation. Saxenian (2005) demonstrates how diaspora networks can facilitate technology transfer, investment, and institutional learning. Rather than emphasising permanent return, brain circulation models advocate flexible engagement through short term assignments, advisory roles, and transnational collaboration.

For Malaysia, diaspora engagement represents a significant but underutilised opportunity. Studies suggest that many overseas Malaysians maintain strong emotional and professional ties to their home country. However, the effectiveness of diaspora engagement depends on domestic absorptive capacity and institutional readiness. Without credible opportunities and governance reform, diaspora initiatives risk being symbolic rather than transformative.

## Theoretical Framework

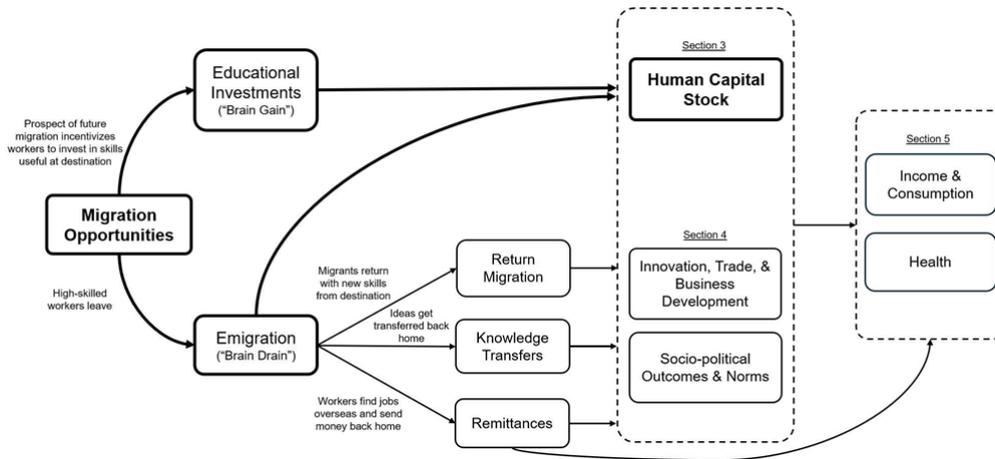


Image 4

This study adopts an integrated theoretical framework to explain the persistence of brain drain in Malaysia, conceptualising skilled migration as a systemic and multi level phenomenon rather than the outcome of isolated individual choices. While migration decisions are ultimately made by individuals, they are deeply embedded within broader economic structures, institutional arrangements, and innovation ecosystems that shape opportunity, expectations, and long term confidence. By situating talent mobility within this wider context, the framework moves beyond narrow explanations based solely on wage differentials or personal preferences and instead captures the structural forces that continue to drive skilled emigration from Malaysia.

The framework integrates three complementary theoretical perspectives: Human Capital Theory, Push–Pull and Relative Deprivation Models, and Institutional and Innovation Ecosystem Theory. Human Capital Theory provides the foundational logic for understanding why individuals invest in education and skills and subsequently seek environments that maximise returns on those investments. From this perspective, migration is a rational response to differences in income, career prospects, and professional opportunities across countries. However, while this theory explains the economic motivation for mobility, it is insufficient on its own to account for the persistence of brain drain in middle income economies that continue to grow and invest in education, such as Malaysia.

Push–pull and relative deprivation models extend this analysis by emphasising comparative and forward looking decision making. Skilled professionals do not evaluate conditions in absolute terms alone; they compare their current and anticipated career trajectories with those available elsewhere. Push factors, such as limited advancement opportunities, perceived stagnation, or institutional inefficiencies, interact with pull factors, including meritocratic systems, faster career progression, and stronger innovation environments abroad. Relative deprivation further highlights that dissatisfaction often arises not from poverty or unemployment, but from the perception that one’s potential cannot be fully realised within the domestic system. In Malaysia, this comparative logic is intensified by regional proximity to high income economies and dense professional networks that lower the cost and risk of migration.

Institutional and innovation ecosystem theory adds a critical structural dimension to the framework. This perspective emphasises that talent retention depends not only on individual firms or wages, but on the overall quality of institutions, governance predictability, and ecosystem depth. Innovation driven economies are characterised by strong linkages between universities, industry, capital markets, and the state, creating sustained demand for advanced skills and leadership. Where such ecosystems are shallow or fragmented, skilled professionals face limited opportunities to apply, develop, and scale their expertise. In this sense, brain drain reflects not only supply side factors but also weaknesses in domestic demand for high level human capital.

Within this integrated framework, the drivers of brain drain are represented by a set of structural independent variables. Wage competitiveness remains an important factor, particularly for globally mobile professions, as large income gaps can significantly alter lifetime earnings and savings potential. However, the framework

emphasises that wages operate in conjunction with career mobility and promotion velocity. Even when salaries are competitive at entry or mid level positions, slow advancement and limited access to leadership roles can generate strong incentives to migrate. Institutional quality and policy predictability further shape long term decision making by influencing trust in the system. Professionals making choices about family formation, property ownership, or enterprise development are especially sensitive to regulatory clarity and governance consistency. The depth of the innovation ecosystem, including the availability of high value projects, research infrastructure, and globally connected firms, determines whether advanced skills can be productively utilised. Finally, access to growth stage capital is a crucial determinant for entrepreneurs and senior professionals, as the absence of such capital often forces relocation at critical stages of business or career development.

The influence of these structural drivers on migration outcomes is mediated by a set of perceptual and experiential variables. Perceived meritocracy plays a central role, shaping beliefs about whether effort, competence, and performance are fairly rewarded. Where promotion and recognition are seen as opaque or constrained by non-performance factors, motivation and attachment to the system weaken. Professional fulfilment reflects the extent to which individuals feel intellectually challenged, impactful, and able to grow within their roles. Long term confidence, encompassing family security, wealth accumulation, and future stability, acts as a final evaluative filter through which all other factors are assessed. Even when structural conditions are moderately favourable, weak perceptions in these mediating dimensions can significantly increase the likelihood of emigration.

The dependent variable in this framework is the skilled migration outcome, conceptualised as a continuum rather than a binary choice. Outcomes include remaining in the country, emigrating, returning after a period abroad, or engaging in forms of brain circulation that involve transnational careers and periodic contributions. This broader conceptualisation reflects contemporary migration patterns, where professionals increasingly reassess their options over time and respond dynamically to changing domestic and global conditions.

From these relationships, the framework advances four theoretical propositions. First, it proposes that insufficient wage competitiveness combined with constrained career mobility significantly increases the likelihood of skilled emigration. This interaction is critical, as improvements in one dimension alone are often insufficient to retain talent. Second, the framework posits that institutional quality mediates the relationship between economic incentives and migration decisions. Higher levels of governance trust and policy predictability can reduce emigration pressures even when wage gaps persist. Third, it argues that weak innovation ecosystems accelerate brain drain by limiting demand for advanced skills and leadership roles, thereby pushing highly capable individuals toward environments where their expertise is more fully valued. Fourth, the framework suggests that brain circulation becomes viable only when domestic institutions demonstrate credible reform and sufficient absorptive capacity; without these conditions, outward migration is more likely to result in permanent loss rather than reciprocal exchange.

The integrated model explains Malaysia's persistent brain drain as the outcome of reinforcing structural gaps. An economic gap limits material incentives and long term financial prospects, a career gap constrains advancement and leadership development, an institutional gap erodes trust and predictability, and an ecosystem gap restricts access to high value opportunities. These gaps interact to shape perceptions and expectations, amplifying migration pressures over time. Addressing any single gap in isolation is therefore unlikely to produce sustained results. Effective talent retention and re-attraction require coordinated reforms across economic policy, organisational practice, institutional governance, and ecosystem development.

The framework carries important implications for policy and research. At the policy level, it supports a shift away from narrowly targeted, incentive based interventions toward system based reform that addresses underlying structural conditions. For research, it provides a coherent basis for empirical testing through mixed methods, combining quantitative migration data with perception surveys and qualitative interviews. By framing brain drain as a systemic issue rather than an individual failure of loyalty, the framework sets the foundation for a more effective evaluation of Malaysia's existing policy responses, which is undertaken in the next chapter.

## RESEARCH METHODOLOGY

This study adopts a qualitative dominant research design supported by secondary data analysis to examine the persistence of brain drain in Malaysia and to identify the structural gaps that must be addressed to improve talent retention, return, and circulation. The decision to focus exclusively on qualitative methods and secondary data is deliberate and conceptually grounded. Brain drain is not merely a numerical phenomenon reflected in migration statistics; it is fundamentally a structural and perceptual issue shaped by how skilled individuals experience economic opportunity, career mobility, institutional quality, and long term security. These dimensions are best explored through qualitative inquiry and interpretive analysis rather than primary quantitative measurement alone.

The methodological approach is aligned with the theoretical framework developed in the preceding chapter, which conceptualises brain drain as a systemic and multi level outcome of interacting economic, institutional, and ecosystem forces. Accordingly, the research design prioritises depth of understanding, contextual explanation, and analytical generalisation over statistical representativeness.

### **Research Design and Philosophical Orientation**

The study is situated within an interpretivist research paradigm, which assumes that social reality particularly migration decision making is socially constructed and shaped by individual perceptions, meanings, and experiences. From this perspective, brain drain cannot be fully understood by observing aggregate flows alone; it requires careful examination of how skilled professionals interpret structural conditions and translate those interpretations into action.

The research design combines two complementary components:

1. Secondary data analysis to establish structural context, trends, and policy environments
2. Qualitative empirical inquiry to examine lived experiences, perceptions, and decision making processes

Together, these components enable the study to connect macro level structures with micro level experiences, consistent with the multi level nature of the theoretical framework.

### **Use of Secondary Data**

#### **Rationale for Secondary Data Analysis**

Secondary data analysis plays a central role in this study by providing the empirical backdrop against which qualitative findings are interpreted. Brain drain is a long term and structural phenomenon; therefore, understanding its evolution requires longitudinal and comparative data that extend beyond the scope of primary fieldwork. Secondary data also allow the study to situate Malaysia's experience within regional and global contexts, particularly in relation to other middle income and talent exporting economies.

Rather than treating secondary data as merely descriptive, the study adopts an analytical and interpretive approach, using existing datasets to examine patterns, institutional arrangements, and policy trajectories relevant to skilled migration.

#### **Sources of Secondary Data**

Secondary data are drawn from a range of national and international sources, including:

- Government publications and policy documents related to labour markets, education, talent management, and economic development
- National labour force and migration statistics produced by official agencies
- Reports from international organisations, think tanks, and research institutions on skilled migration, human capital, and innovation ecosystems

- Academic literature examining Malaysia's labour market, governance structures, and development trajectory

These sources are selected based on relevance, credibility, and consistency with the study's analytical focus. Where possible, multiple sources are triangulated to reduce reliance on any single dataset or institutional perspective.

### **Analytical Use of Secondary Data**

Secondary data are analysed thematically rather than purely descriptively. Key variables identified in the theoretical framework such as wage competitiveness, career mobility, institutional quality, and ecosystem depth are used as organising lenses for analysis. For example, labour market data are examined not only to assess wage levels, but also to identify structural features such as occupational segmentation, sectoral concentration, and advancement bottlenecks. Policy documents are analysed to assess coherence, continuity, and alignment with talent retention objectives.

This approach allows secondary data to inform and contextualise qualitative findings, strengthening the study's explanatory capacity.

### **Qualitative Research Methodology**

#### **Rationale for Qualitative Approach**

The qualitative component forms the core of the research methodology. While secondary data can reveal where and when skilled migration occurs, it cannot explain why individuals choose to stay, leave, return, or circulate. Qualitative methods are therefore essential for uncovering the meanings, evaluations, and trade offs that shape migration decisions.

A qualitative approach is particularly appropriate for this study for three reasons. First, brain drain involves complex and often sensitive considerations related to career satisfaction, fairness, identity, and future aspirations. Second, migration decisions are frequently triggered by cumulative experiences and critical life events that are not easily captured through structured instruments. Third, policy effectiveness depends on how interventions are perceived by their intended beneficiaries, making qualitative insight essential for meaningful evaluation.

#### **Sampling Strategy**

The study employs purposive sampling to select participants who can provide rich and relevant insights into skilled migration decision making. Three broad groups of participants are included:

1. Malaysian professionals currently working in Malaysia
2. Malaysian professionals currently working abroad
3. Malaysian professionals who have returned after a period overseas

This sampling strategy enables comparative analysis across different migration outcomes and avoids an exclusive focus on emigration. Participants are selected to reflect diversity in sector, career stage, and professional background, with particular attention to fields commonly associated with high mobility, such as technology, healthcare, engineering, finance, academia, and professional services.

The aim of sampling is not statistical representativeness, but theoretical relevance that is, selecting participants whose experiences illuminate the structural drivers and mediating perceptions identified in the theoretical framework.

### **Data Collection Methods**

Primary qualitative data are collected through semi structured interviews. This method provides a balance between consistency across interviews and flexibility to explore issues that emerge organically during conversation. An interview guide is developed based on the theoretical framework and research questions, covering themes such as:

- Career trajectories and promotion experiences
- Perceptions of wage competitiveness and economic security
- Experiences with organisational and institutional systems
- Evaluations of innovation opportunities and ecosystem support
- Critical decision points influencing migration choices
- Views on existing policy interventions and reform needs

Interviews are conducted in person or via secure online platforms, depending on participant location. With informed consent, interviews are recorded and transcribed verbatim to ensure analytical accuracy.

### **Data Analysis**

Qualitative data are analysed using thematic analysis, following a systematic and iterative process. Analysis proceeds in two stages. In the first stage, deductive coding is applied using categories derived from the theoretical framework, such as career mobility, perceived meritocracy, institutional trust, and ecosystem opportunity. In the second stage, inductive coding allows new themes and patterns to emerge from the data, ensuring that analysis remains grounded in participants' lived experiences.

Comparative analysis is conducted across participant groups to identify similarities and differences in how structural conditions are perceived and experienced. Particular attention is paid to recurring narratives, critical incidents, and turning points that influence migration decisions. This approach enables the study to move beyond individual anecdotes and identify broader explanatory patterns.

### **Integration of Qualitative Findings and Secondary Data**

Integration occurs at the interpretive stage of analysis. Secondary data provide the structural and institutional context within which individual experiences are situated, while qualitative findings explain how those structures are perceived and navigated. For example, documented limitations in innovation financing or promotion pathways are interpreted through interview narratives describing stalled careers or forced relocation.

This form of triangulation enhances analytical robustness and allows the study to link macro level conditions with micro level decision making. Where qualitative findings align with secondary data trends, confidence in the conclusions is strengthened. Where discrepancies arise, these are treated as analytically valuable, prompting closer examination of perception–reality gaps.

### **Trustworthiness and Ethical Considerations**

To ensure the trustworthiness of qualitative findings, several strategies are employed. These include transparent documentation of research procedures, careful attention to data saturation, and reflexive analysis to minimise researcher bias. Consistency in interview protocols and coding procedures further enhances credibility.

Ethical considerations are central to the research design. Participation is voluntary, informed consent is obtained from all participants, and confidentiality is strictly maintained. Given the sensitivity of discussions related to employers, institutions, and governance, all identifying information is anonymised, and data are stored securely.

### **Methodological Limitations**

The study acknowledges certain limitations inherent in a qualitative and secondary data based approach. Findings are not statistically generalisable, and interpretations are shaped by participant perspectives and available data. However, the objective of the research is analytical generalisation to develop theoretically informed insights that explain underlying mechanisms rather than to produce population level estimates. The combination of qualitative depth and secondary data context mitigates these limitations by providing a well rounded and credible analysis.

## Summary

In summary, this research methodology is designed to provide a deep, context sensitive understanding of brain drain in Malaysia by focusing on qualitative inquiry and secondary data analysis. This approach aligns closely with the study's theoretical framework and research objectives, enabling the identification of structural drivers, mediating perceptions, and systemic gaps that shape skilled migration outcomes. By prioritising explanation over enumeration, the methodology lays a strong foundation for evaluating existing policy interventions and proposing reforms capable of addressing the root causes of brain drain, rather than its symptoms.

## RESULTS, ANALYSIS, AND DISCUSSION

This chapter presents a comprehensive interpretation of the findings derived from qualitative interviews and secondary data analysis conducted in this study. Anchored in the theoretical framework developed earlier, the discussion examines how structural conditions in Malaysia are experienced and interpreted by skilled professionals, and how these interpretations shape decisions to remain in the country, emigrate, return after a period abroad, or participate in forms of brain circulation. Rather than treating empirical findings as discrete or descriptive outcomes, this chapter integrates them analytically with theory to explain why brain drain persists despite Malaysia's sustained economic growth, expanding educational attainment, and repeated policy interventions aimed at talent retention and repatriation.

The chapter is organised into five main sections. It begins with an overview of key findings, followed by a detailed presentation of qualitative results. These findings are then analysed in relation to the theoretical propositions, before being situated within a broader discussion of their implications. The chapter concludes by synthesising the results and highlighting their significance for understanding Malaysia's brain drain as a systemic and multi level phenomenon.

### Overview of Key Findings

Across interviews and secondary sources, four dominant and recurring themes emerged with remarkable consistency. First, career stagnation particularly slow promotion velocity and limited access to leadership roles was found to outweigh wage considerations in shaping migration decisions. Second, a perceived erosion of meritocracy significantly undermined institutional trust, weakening professionals' confidence in long term career prospects. Third, shallow innovation and scale-up ecosystems constrained professional fulfilment, especially for individuals engaged in advanced, high impact, or innovation driven work. Finally, policy incentives implemented in the absence of deeper systemic reform were widely perceived as having limited credibility and impact.

These themes were evident across all participant groups, including professionals who had remained in Malaysia, those currently working abroad, and those who had returned after a period overseas. The critical distinction among these groups lay not in whether the issues existed, but in the degree of tolerance individuals had for them and the point at which these issues became decisive in shaping migration outcomes. For some, strong family ties or lifestyle considerations temporarily offset structural frustrations; for others, similar frustrations rapidly triggered emigration. This variation underscores the importance of examining not only structural conditions, but also how they are perceived and weighed at different stages of the life course.

### Results: Qualitative Findings

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## **Career Mobility and Promotion Velocity**

One of the most striking and consistently articulated findings across interviews was the centrality of career mobility in migration decision making. Participants repeatedly emphasised that slow career progression and limited leadership pathways were among the most powerful drivers of emigration. Promotion systems within organisations were frequently described as opaque, seniority driven, or dependent on informal networks rather than transparent performance based criteria.

Many respondents were careful to note that entry level or early career compensation in Malaysia was not necessarily uncompetitive. Several participants who had remained in Malaysia acknowledged that their initial employment experiences were positive and that salary levels were broadly adequate in the early stages of their careers. However, as individuals progressed into mid career phases typically associated with increased responsibility, family commitments, and expectations of leadership they encountered what was often described as a “career ceiling.” Advancement into strategic, decision making, or leadership roles was perceived as slow, uncertain, or inaccessible, regardless of individual performance or capability.

Professionals who had emigrated drew sharp contrasts between their experiences in Malaysia and those abroad. They frequently cited clearer promotion criteria, faster progression timelines, and earlier access to leadership responsibilities in overseas organisations. These differences were not limited to multinational corporations or elite firms; rather, respondents suggested that organisational cultures in destination countries placed greater emphasis on capability utilisation and accountability. Returnees, in particular, often described their overseas experience as professionally transformative, noting that accelerated career progression abroad had fundamentally altered their expectations of what constituted a viable career trajectory.

Importantly, these narratives suggest that career stagnation functions as a cumulative rather than immediate trigger. Individuals often tolerated slow progression for extended periods, but once frustration reached a threshold often coinciding with key life transitions such as marriage, parenthood, or senior professional milestones emigration became a rational and sometimes inevitable response.

## **Wage Competitiveness and Long Term Economic Security**

While wage differentials were acknowledged as an important consideration, interview data revealed that long term economic security mattered more than headline salary comparisons. Respondents consistently framed income considerations in relation to housing affordability, children’s education, healthcare costs, and retirement planning rather than monthly pay alone. In this sense, migration decisions were less about immediate income maximisation and more about long term financial resilience and predictability.

Secondary data analysis supports these perceptions. Although Malaysia remains cost competitive in absolute terms relative to many developed economies, wage growth for skilled professions has lagged behind rising urban living costs, particularly in major metropolitan areas. Participants described this imbalance as creating a “financial treadmill,” where increased professional effort and responsibility did not translate into proportional improvements in long term security.

Respondents who chose to remain in Malaysia often cited non-financial compensations such as proximity to family, cultural familiarity, or lifestyle preferences. However, even among this group, there was widespread acknowledgement that these factors alone would be insufficient if career mobility and institutional conditions continued to deteriorate. This finding reinforces the view that wage considerations interact closely with career and institutional factors, rather than operating independently.

## **Perceived Meritocracy and Institutional Trust**

Among all themes identified, the perceived erosion of meritocracy emerged as one of the most emotionally charged and analytically significant findings. Participants consistently differentiated between formal policies that emphasised performance and merit, and actual practices that they perceived as inconsistent or selectively

applied. Scepticism toward nominally performance based systems was widespread, particularly among high performing individuals.

Many respondents described decision making processes within organisations and institutions as insufficiently transparent. Promotions, access to key projects, and leadership appointments were often perceived to be influenced by tenure, personal relationships, or non-performance considerations. For high achieving professionals, these perceptions were experienced not merely as professional obstacles, but as signals that effort and excellence would not be reliably rewarded.

Secondary sources reinforce these qualitative findings, highlighting persistent concerns regarding institutional effectiveness, bureaucratic rigidity, and policy inconsistency. Interviewees repeatedly stressed that perception of fairness mattered as much as actual outcomes. Even isolated experiences of perceived injustice such as a single missed promotion or opaque decision were sufficient to erode long term confidence in the system. Once trust was undermined, individuals became more receptive to opportunities abroad, even when those opportunities involved short term uncertainty.

### **Innovation Ecosystem and Professional Fulfilment**

Another critical theme was the limited depth of Malaysia's innovation and scale-up ecosystem, particularly for advanced, high impact work. Professionals in technology, research, and entrepreneurship described difficulty accessing complex projects, cutting edge infrastructure, and growth stage opportunities that matched their capabilities and ambitions.

Entrepreneurs and senior technical professionals frequently reported that while Malaysia was relatively supportive of early stage initiatives, pathways to scale were constrained by limited access to growth capital, specialised talent, and international markets. As businesses or projects reached critical inflection points, relocation was often framed not as a strategic preference but as a necessity for survival and growth.

Returnees who had attempted to re-integrate into the local ecosystem often expressed frustration with fragmented support structures and slow institutional processes. These experiences reinforced the perception that ecosystem weakness contributes not only to initial emigration but also to low return rates. In several cases, returnees described being motivated to contribute locally but encountering systemic barriers that limited their ability to do so effectively.

### **Evaluation of Existing Policy Interventions**

Across all participant groups, awareness of government talent initiatives was relatively high. However, confidence in their effectiveness was consistently low. Respondents characterised many programmes as incentive focused, short term, or administratively burdensome. Tax incentives and return schemes were generally viewed as helpful at the margin but insufficient to offset deeper structural issues related to career mobility, institutional trust, and ecosystem depth.

Several participants expressed concern about policy discontinuity, noting that frequent changes reduced credibility and predictability. Returnees, in particular, highlighted mismatches between policy promises and on-the-ground realities, which discouraged further engagement and reinforced scepticism toward future initiatives. These findings suggest that while policy awareness exists, trust in policy effectiveness remains fragile.

### **Analysis: Linking Results to the Theoretical Framework**

#### **Interaction Between Wage Competitiveness and Career Mobility**

The findings provide strong support for Proposition 1 of the theoretical framework: wage competitiveness alone does not determine migration outcomes; its effect is amplified when combined with constrained career mobility. Interview data demonstrate that even moderate wage gaps become decisive when individuals perceive stagnation in advancement or limited access to leadership roles.

This interaction helps explain why emigration often accelerates at mid-career stages rather than immediately after graduation. Early career professionals may accept lower wages or slower progression in exchange for experience, but tolerance diminishes as expectations of advancement increase. The findings also clarify why purely financial incentives have limited retention impact if underlying career structures remain unchanged.

### **Institutional Quality as a Mediating Variable**

Findings provide strong qualitative support for Proposition 2, which posits institutional quality as a mediating variable between economic incentives and migration decisions. High levels of institutional trust were associated with greater tolerance for wage or ecosystem limitations, while low trust significantly increased emigration propensity.

This mediating role helps explain why similar economic conditions produce different migration outcomes across individuals and sectors. It also underscores why governance reform, though politically sensitive, is central to any effective brain drain strategy. Without credible improvements in transparency and consistency, incentive based measures are unlikely to restore confidence among skilled professionals.

### **Ecosystem Depth and Demand for Advanced Skills**

The results align closely with Proposition 3, demonstrating that weak innovation ecosystems reduce domestic demand for advanced skills and leadership roles. Interview narratives reveal that professionals are willing to remain in Malaysia when they perceive meaningful, challenging work with growth potential. Conversely, absence of such opportunities accelerates outward migration regardless of personal attachment to the country.

Secondary data on venture capital flows, research intensity, and firm scaling reinforce this interpretation, pointing to structural constraints on ecosystem maturity. The findings suggest that ecosystem development is not a peripheral concern but a central determinant of talent retention.

### **Conditions for Brain Circulation**

Evidence supports Proposition 4, showing that brain circulation is viable only when domestic institutions demonstrate credible reform and absorptive capacity. Participants abroad expressed openness to contributing remotely or returning temporarily, but only under conditions of improved governance, clearer career pathways, and stronger ecosystem support.

This finding challenges simplistic narratives that assume diaspora engagement can substitute for domestic reform. Instead, diaspora participation emerges as a multiplier that amplifies existing strengths rather than compensating for systemic weaknesses.

## **DISCUSSION: IMPLICATIONS AND INTERPRETATION**

The results suggest that Malaysia's brain drain is not driven by a single dominant factor, but by the cumulative interaction of multiple structural gaps. Economic, career, institutional, and ecosystem deficiencies reinforce one another, shaping perceptions and expectations over time. Migration decisions thus emerge as rational responses to systemic constraints rather than expressions of disloyalty or opportunism.

The findings also highlight a critical temporal dimension: tolerance for systemic imperfections declines as individuals advance in their careers and assume greater family and financial responsibilities. This explains why early career retention does not necessarily translate into long term talent sustainability.

From a policy perspective, the study suggests that incentive based interventions are unlikely to succeed unless embedded within broader system level reform. Talent responds more strongly to signals of institutional credibility, career mobility, and ecosystem vitality than to short term financial benefits. Restoring confidence requires consistent policy execution, transparent governance, and visible pathways for professional growth.

### **Summary**

In summary, the results of this study confirm the explanatory value of the proposed theoretical framework and demonstrate that brain drain in Malaysia is best understood as a systemic and multi level phenomenon. Qualitative evidence reveals that skilled migration decisions are shaped less by immediate economic conditions and more by long term assessments of opportunity, fairness, and institutional trust. The analysis underscores that sustainable talent retention and circulation require coordinated reform across economic policy, organisational practice, governance structures, and innovation ecosystems. These findings provide a robust empirical foundation for the recommendations and policy implications presented in the subsequent chapter.

## CONCLUSION AND RECOMMENDATIONS

This study set out to examine the persistence of brain drain in Malaysia, with the central objective of understanding why skilled migration continues despite sustained economic growth, expanding access to higher education, and repeated policy efforts aimed at talent retention and repatriation. Drawing on qualitative interviews and secondary data analysis, and guided by an integrated theoretical framework, the study approached brain drain not as an individual or moral issue, but as a systemic and multi level phenomenon shaped by interacting economic, institutional, career, and ecosystem factors.

The findings of this research clearly demonstrate that Malaysia's brain drain cannot be attributed to a single dominant cause, such as wage differentials or lifestyle preferences. Instead, skilled migration decisions emerge from the cumulative interaction of multiple structural gaps that shape how individuals perceive their long term prospects. Career stagnation, particularly slow promotion velocity and limited access to leadership roles, consistently outweighed wage considerations in migration decision making. While income differentials mattered, they became decisive primarily when combined with constrained career mobility and uncertainty about future progression.

Equally significant was the role of perceived meritocracy and institutional trust. The study found that professionals were willing to tolerate moderate wage gaps and ecosystem limitations when they believed that systems were fair, transparent, and predictable. Conversely, even isolated experiences of perceived unfairness or opacity were sufficient to erode long term confidence and trigger emigration. This finding highlights that brain drain is driven as much by *perceptions of system quality* as by objective economic conditions.

The limited depth of Malaysia's innovation and scale-up ecosystem further compounded these challenges. While early stage initiatives and entry level opportunities were viewed positively, pathways to high impact, advanced, and scalable work remained constrained. For entrepreneurs, researchers, and senior professionals, relocation was often framed not as a lifestyle choice but as a structural necessity to access growth capital, specialised talent, and global markets. Weak ecosystem absorptive capacity thus contributed not only to outward migration, but also to low rates of return and limited effectiveness of diaspora engagement initiatives.

Finally, the study found that existing policy interventions, while well intentioned, were widely perceived as insufficient because they focused primarily on incentives rather than systemic reform. Tax benefits, return schemes, and promotional programmes were seen as marginally helpful but incapable of offsetting deeper issues related to career mobility, institutional credibility, and ecosystem maturity. Frequent policy changes further undermined trust and predictability, reinforcing scepticism among both domestic professionals and the diaspora.

Taken together, these findings confirm the explanatory value of the theoretical framework adopted in this study. Brain drain in Malaysia is best understood as the outcome of reinforcing structural gaps rather than isolated push or pull factors. Migration decisions reflect rational, forward looking assessments of opportunity, fairness, and long term security. Addressing brain drain therefore requires a shift in perspective: from attempting to "persuade" talent to stay or return, toward redesigning systems that make staying, returning, or circulating professionally viable and attractive.

This conclusion has important implications for policy, governance, and national development. Brain drain is not merely a loss of individual talent; it represents a leakage of institutional capacity, leadership potential, and innovation momentum. If left unaddressed, it risks entrenching a development ceiling in which Malaysia continues to grow, but struggles to transition into a high income, innovation driven economy. Conversely, if

addressed through credible, coordinated reform, brain drain can be transformed into brain circulation, leveraging the Malaysian diaspora as a strategic asset rather than a symptom of failure.

## **Recommendations**

Based on the findings of this study, the following recommendations are proposed. These recommendations are structured around system level reform, rather than isolated programmes, and are designed to address the root causes of brain drain identified in the analysis.

### **Rebuild Career Mobility and Leadership Pathways**

The most immediate and impactful intervention to address brain drain lies in improving career mobility and promotion velocity, particularly at mid-career and senior levels. Malaysia's public sector, government linked companies (GLCs), and large private organisations should undertake a systematic review of promotion and leadership development frameworks. Clear, transparent, and competency based promotion criteria should be institutionalised, with explicit timelines and performance benchmarks. Promotion decisions should be documented and communicated in ways that enhance trust and reduce perceptions of arbitrariness.

Leadership pipelines should be strengthened to ensure that high performing individuals gain early exposure to decision making roles, cross functional responsibilities, and strategic projects. This is particularly important for professionals in their thirties and forties, who are most likely to emigrate if they perceive career stagnation. Accelerated leadership tracks for critical skills and high potential talent should be normalised rather than treated as exceptional.

Importantly, career mobility reform must extend beyond formal policy statements. Organisations should invest in managerial capability, ensuring that line managers are trained and incentivised to develop talent rather than hoard it. Without changes in managerial practice, formal promotion frameworks are unlikely to alter lived experiences.

### **Strengthen Meritocracy and Institutional Trust**

Perceived meritocracy emerged as a central mediating factor in migration decisions. Restoring institutional trust therefore requires visible and credible improvements in governance and transparency.

At the organisational level, decision making processes related to promotions, project allocation, and leadership appointments should be made more transparent. While not all decisions can be fully disclosed, the rationale behind key outcomes should be communicated in ways that reinforce fairness and accountability.

At the institutional level, policy consistency and predictability are critical. Long term strategies related to talent, innovation, and economic development should be clearly articulated and insulated, as far as possible, from frequent changes. Where reforms are introduced, implementation timelines and evaluation criteria should be explicit, allowing professionals to plan their careers with greater confidence.

Crucially, reforms must prioritise credibility over publicity. Symbolic initiatives or headline announcements that are not matched by implementation risk further eroding trust. Incremental but consistently executed reforms are likely to have a greater impact on perceptions than ambitious but short lived programmes.

### **Deepen the Innovation and Scale Up Ecosystem**

Addressing brain drain requires strengthening domestic demand for advanced skills, not merely increasing the supply of educated workers. This necessitates deeper investment in Malaysia's innovation and scale up ecosystem.

Policy efforts should shift from an overemphasis on early stage support toward enabling growth stage development. This includes improving access to growth capital, facilitating connections to international markets,

and attracting specialised talent capable of supporting scale. Public funding mechanisms can play a catalytic role, but should be designed to crowd in private capital rather than substitute for it.

University–industry collaboration should be strengthened to create clearer pathways from research to commercialisation. Researchers and technical professionals are more likely to remain or return when they can see tangible routes to impact and application. Simplifying intellectual property processes and reducing administrative friction can significantly enhance ecosystem attractiveness.

Importantly, ecosystem development should be geographically and sectorally focused rather than diffuse. Concentrated clusters with sufficient scale are more likely to generate the density of opportunity required to retain high level talent.

### **Reframe Talent Policies Around Systems, Not Incentives**

The study’s findings suggest that incentive based policies alone are insufficient to address brain drain. Future talent strategies should therefore be reframed around system level reform rather than short term benefits.

Return programmes and tax incentives should be integrated into broader career and ecosystem strategies. For example, returning professionals should be matched with roles that offer genuine leadership responsibility, clear advancement pathways, and access to high impact projects. Without such alignment, financial incentives risk being perceived as transactional and short lived.

Policy continuity is essential. Talent decisions are long term decisions, often involving family, education, and financial planning. Policies that change frequently or unpredictably undermine confidence and reduce participation, particularly among the diaspora.

### **Enable Brain Circulation Through Absorptive Capacity**

Rather than focusing exclusively on permanent return, Malaysia should prioritise creating conditions for meaningful brain circulation. The study shows that many Malaysians abroad are open to contributing through short term assignments, advisory roles, collaborative projects, or partial returns, provided that domestic systems are credible and effective.

Diaspora engagement initiatives should therefore be linked to concrete projects with clear objectives and authority, rather than symbolic networks. Opportunities for contribution must be professionally substantive, time bound, and aligned with individuals’ expertise.

However, diaspora engagement cannot substitute for domestic reform. Brain circulation becomes viable only when institutions demonstrate absorptive capacity defined by the ability to integrate external expertise, act on recommendations, and deliver outcomes. Strengthening this capacity should be a priority across public and private sectors.

### **Adopt a Life Course Perspective on Talent Retention**

The findings highlight that tolerance for systemic imperfections declines as individuals advance in their careers and assume greater responsibilities. Talent strategies should therefore adopt a life course perspective, recognising that retention challenges differ across career stages.

Early career initiatives should focus on skill development and exposure, while mid-career strategies should prioritise leadership opportunities, financial security, and institutional trust. For senior professionals, opportunities to influence strategy, mentor others, and shape ecosystems are particularly important.

Aligning policies with these evolving needs can significantly improve long term retention outcomes

### **Final Reflection**

In conclusion, this study underscores that Malaysia's brain drain is not a failure of individual commitment, but a reflection of systemic misalignment between talent aspirations and domestic opportunity structures. Addressing this challenge requires moving beyond incentives and slogans toward sustained, credible reform of career systems, institutions, and ecosystems. If such reform is undertaken with consistency and seriousness, Malaysia has the potential not only to slow brain drain, but to transform it into a dynamic system of brain circulation that supports long term national development.

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