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Author 1	Tay, Wilson
Author 2	NA
Author 3	NA
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Abstract	The right talent is fast becoming a scarce resource, especially with international labour mobility and increased competition from other countries. The war for talents will intensify as demand for high performers escalates and as they become aware of their market value. We must quickly muster the political and industry will to avoid falling behind!

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Creating and Retaining the best brains and human assets [\[RETURN\]](#)

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Beyond the festivity of an office farewell or retirement party is the stark reality that an incredible amount of institutional history, memory, professional knowledge, competence and expertise might be leaving the company or, worse still, the country. As no one can remain in the corporate driving seat forever, we management leaders understand our responsibility to leave the organisation a better place. Hence, the challenge of management leadership is to build and retain the talent capacity that fortifies the company. This requires deliberate transition and change management which involves talent and succession and knowledge management.

Results of a survey by Accenture (*As US Workforce Ages, Employee Knowledge and Experience at Risk, 2005*) on over 500 US workers between the ages of 40 and 50 reveal that over half the respondents' companies lacked a formal workforce planning process (talent and knowledge management system) to capture organisational knowledge.

If we posed the same question in Malaysia, how would we fare?

Brain drain versus brain gain

"Human capital flight" is the emigration of trained, talented individual human capital to other nations or jurisdictions due to conflicts, lack of opportunity, health hazards where they are living or other compelling reasons. It parallels the term "capital flight" which refers to financial capital no longer invested in the country where its owner lived and earned it. The expression "brain drain" was coined by the Royal Society of London to describe the outflow of scientists and technologists to Canada and USA in the early 1950s.

Brain drain can occur either when individuals who complete their education abroad do not return to their home country, or when individuals educated in their home country emigrate for higher wages or better opportunities. The latter is arguably worse because it drains more resources from the home country which has not only lost its sunk investment in training and development but also lost its potential and opportunity cost for future contribution.

The converse of brain drain is "brain gain". Nations such as Singapore, Ireland, USA and Canada - and very soon China and India - have their own brain gain strategy, enticement programmes and initiatives to draw the best talents to their respective countries. Offerings include attractive remuneration packages, research and business opportunities, family benefits, tax incentives and exemptions.

Talent Mobility

Exacerbated by globalisation and free movement of people, brain drain is problematic for developing nations where higher education and professional certification are often a "passport to migration".

According to statistics from our Home Affairs Ministry, about 100,000 Malaysians are emigrating overseas and the number is still increasing. This is especially acute in the highly skilled areas of advanced financial markets, telecommunication, biotechnology, material science and nanotechnology with increased outbound migration of surgeons, doctors and highly specialised educationists and professionals.

Here are some management insights to consider when creating and retaining the best talents in the country:

Management Insight #1: Identify and provide talents with better job incentives and remuneration packages to attract and retain them.

Identify talents both internal and external to the organisation. Engage, review and remunerate their salaries to match the amount of work and personal contribution, taking cognizance of market rates. Keep these employees motivated, support their personal development and offer a conducive, nurturing environment. Engaged employees are more productive (*Gallup Management Journal*, 12 January 2006), which implies that engaged employees are more profitable, more customer-focused and more likely to withstand temptations to leave.

Management Insight #2: Create the right environment and new business opportunities that can put the talent's skills to good use.

Take advantage of the current robust economy to create the right environment and generate new business opportunities to draw local and foreign talents to Malaysia. Provide an impetus for skill development and job opportunities to attract highly skilled and knowledge workers. Give talented people a stake in the organisation through bonus, profit sharing, stock options or share partnership so they will invest in it for their own growth and future wealth.

Management Insight #3: Inculcate a culture of diversity, meritocracy, innovation, excellence and recognition.

Fill up key positions with the best talents based on meritocracy, regardless of nationality, race or religion. Nurture a culture of excellence, innovation and exacting maintenance, culling fears of favouritism and cronyism. The Government's recent move to attract non-bumiputera Malaysians into public sector institutions to enhance multi-racial integration and efficiency in public service should also apply to Government-linked companies (GLCs) and institutions of higher learning (IHLs).

Management Insight #4: Increase opportunities and benefits for women and retirees to stay longer in the workforce.

Enable women as well as capable retirees to remain in the workforce longer. Increase the retirement age from 55 to 60 with optional early retirement. Offer short-term working contracts, flexible to both parties.

Provide opportunity for these experienced people to be trained and keep up with the latest technology to be relevant, and engage them to transfer their tacit and experiential knowledge as well as being mentors to the Y-generation workers.

Management Insight #5: Government and companies must collaborate to look for ways to ensure staff satisfaction at the workplace.

Constantly upgrade employees' competencies and professional marketability. Fulfil both employer and employee aspirations through an integrated talent management and succession planning framework. As part of corporate social responsibility, conduct pre-retirement programmes early to prepare long-serving employees for retirement, lifelong learning and life enrichment.

Management Insight #6: The Government must step up its training expectation and compel companies to use their Human Resource Development Fund (HRDF) allocation to upgrade their employees' skills and long-term organisational investment in human capital.

Human capital is now recognised as the key to future national growth, productivity and competitive success. Although many companies contribute to the statutory HRDF, they are reluctant to send their people for training and development, fearful of losing them after training. Nevertheless, we must develop the culture of continuous training and development - despite the inter-organisational swing and roundabout of employees, the country will benefit as a whole, ultimately leading to a more competent workforce.

Management Insight #7: Allocate more funds for education, training, research and development in targeted fields and industries that are commercially viable.

Promote an education hub with 'elite' or apex universities in Malaysia to train, develop and prepare graduates for the real business environment. Harness the triple helix synergies of government, industry and academia to play a significant role in national economic growth through more effective collaboration that is market and industry driven.

Management Insight #8: Create a Centre of Excellence for RDC (Research, Development and Commercialisation) to attract Malaysian talents residing overseas and further enhance our innovation capability, pursuit of excellence, high performing culture and enhanced workforce skills.

Give priority to a truly commercially driven RDC centre (similar to CSIRO in Australia or the APEC SME Innovation Centre in Korea) that could be the main catalyst of the country's innovation and sustainable growth. A cluster of RDCs well-equipped with the latest technological innovation will attract talents who have the passion to pursue their expertise especially in new areas like advanced manufacturing, material science, biotechnology, nanotechnology and stem cell research, to name a few.

Management Insight #9: Provide attractive package, including perks and tax breaks to talented individuals from abroad to spearhead high-tech industries.

Give incentivise both locals and expatriates to spearhead high-tech and

emerging industries through an overall package including tax exemption, research and business opportunities, and better healthcare and remuneration offerings.

Management Insight #10: Create a national Network Tracer System (NTS) and Talent Bank (NTB) to track, network and recall these talents who are abroad, whenever and wherever necessary, for the growth of the industries.

The Government can work with local universities and embassies to create a tracer system and repository of Malaysian talents who might be residents, graduates, students or Government-sponsored scholars in their host countries. The NTB can be the reference and network source for organisations scouting for these talents, matching their skills and expertise with the right job in the right sector.

The right talent is fast becoming a scarce resource, especially with international labour mobility and increased competition from other countries. The war for talents will intensify as demand for high performers escalates and as they become aware of their market value. We must quickly muster the political and industry will to avoid falling behind!

Dr Wilson Tay, MMIM, MIM-CPT is CEO of the Malaysian Institute of Management, the professional national management organisation of Malaysia. MIM invites companies and professional managers to be members. Contact MIM Membership Support and Outreach at (603) 2164 5255; fax (603) 2165 4681; e-mail: enquiries@mim.org.my or visit www.mim.org.my.

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Contact Us

Malaysian Institute of Management

Management House, 227 Jalan Ampang, 50450 Kuala Lumpur, Malaysia.
Tel: 603-2164 5255 Fax: 603-2164 3171 email: enquiries@mim.org.my
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