

1.0 INTRODUCTION

1.1 Purpose of the Study

Under the Ninth Malaysian Plan (2006-2010) there are 5 thrust being identified as policies and initiatives towards realizing Vision 2020. Thrust 2 “To raise the capacity for knowledge and innovation and nurture first class mentality” stressed the importance of nurturing and development of knowledge workers progressing towards knowledge-based economy. Thrust 2, which is still an on-going progress, was reviewed from time to time where Mid-term review of the Ninth Malaysian Plan revealed that Malaysia remains at 17th position on The Knowledge-Based Economy Development Index by Country, 2007. In addition to that, Malaysia is also among the top five countries that registered the largest progression to a knowledge-based economy since 2000 after Korea, China, Japan and United Kingdom.

Mid-term review of 9th Malaysian Plan released by The Economic Planning Unit, Prime Minister’s Department Putrajaya in year 2008 forecasted a total of 625,000 new jobs to be created for the remaining period of the plan till 2010. Knowledge Workers would consist of 47% of total jobs created, forming an average increment of 3.1% per annum. This figure could further increase for years to come as knowledge workers are essential for Malaysia to move up to the Knowledge Economy ladder. Knowledge workers are versatile, autonomous, and highly skilled and able to leverage and build knowledge to produce useful action with very strong analytical skills. However, all these progress could come to a halt shall Malaysia continue to loss out on its talented KW, who

either migrated or moved on in search of better working conditions, remuneration package and other motivation factors.

The migration of Malaysian workforce to our neighbouring country namely Singapore was not a new phenomenon given the lucrative remuneration package available as well as perceived better career advancement opportunities. This is due to Singapore, being a regional hub for most multinational companies, provides more exposure to the outer world. In addition to that, students who studies abroad have a high tendency to continue their work abroad rather than return and serve in Malaysia. (United Nations Global Migration Database 2010) Table 1.1 represents the total Malaysian resident currently abroad, typically Singapore; its number had increased from 120,104 in year 1981 to almost 3 times 20 years later with 303,828. Although there are no latest figures shown, it was predicted to have increased until date. The other statistics also shows that Malaysian resides overseas have increased 100 times in 45 years from 9,576 in year 1960 to 1,489,168 in year 2005. The critical figures did not stopped there, as a glance into the profile of these migrants in Table 1.2 suggests that numbers of Malaysian with tertiary education residing in the Organization for Economic Co-operation and Development (OECD) countries totalled about 72,649 with Australia, US and UK amongst the popular destination in year 1990. The following figures shown at Table 1.3 suggested further worrying signs as from the total of 132,468 that move abroad in year 2000, 77.24% of them consists of graduates with tertiary education. In addition to those stats, recent report by National Economic Advisory Council (NEAC) on the New Economic Model (NEM) reported some 350,000 Malaysians are working abroad with

over half of them having tertiary education.

This phenomenon has been a critical hit to the country's ambition towards Vision 2020, especially the loss of professionals such as medical personnel, engineers, researcher, accountants and etc. (Table 1.4 and Table 1.5) The scenario was made even worse as most of these graduates were under government and to certain extent private scholarship programs. Thus, the country has spent capitals to develop our own professionals and KW, who eventually elected to serve in more developed countries. Much was debated on reasons of the loss of knowledge worker in Malaysia while general perception of this phenomenon was due to remuneration package; it is believed there is more reason behind this issue, which make it a crucial yet interesting topic to be researched.

1.2 Significance of the Study

Since 2000, Malaysian government campaigned hard to woo back Malaysians who are now working overseas. In the mean time, the Prime Minister also announced a campaign to attract 5000 skilled foreign workers a year to help the nation into the information age. (Economic Research Services Department, 2000) The campaign received mixed receptions as the important aspects is to ways to strike balance between skilled foreign worker and local workforce, in turn achieve the main objective of technical knowledge transfer. On the other hand, it is important to strategize and emphasize on the right efforts to retain current KW. This was fully supported by report

released by National Economic Advisory Council (NEAC) on the New Economic Model (NEM); which lamented that our country is not able to produce talent, while losing the ones that we currently have. The country's effort could be useless if the country struggled to retain its current crop of KW. In order to retain local KW, effort such as identifying the motivation factors of KW should be studied in order to implement suitable strategies to achieve its target. Retaining KW is as important aspects if not more than obtaining skilled foreign workers to fill up the quota required moving Malaysia towards the information age.

Knowledge is a perishable commodity and can become obsolete overnight. KW with the abilities to create, manipulate and process new knowledge was sought after by competing organizations over the world. (Drucker, 1998) Sensing the importance of knowledge worker to the country's economy, it is important to identify the factors and its significance of organization commitment among different levels of KW. Efforts to attract and retain KW should not only lie on the shoulder of government but from organization of all sizes inclusive of sole proprietary to Public Listed Companies. This is due to government policies generally focused on macro-issues such as immigration and benefits (taxations); on the contrary; organization human resource departments played the role of identifying the talents and targets from inside to outside of the organization and strategizing the best strategy in retaining their services, while looking for opportunity to recruit new ones as well. This research could provide insights into this issue by identifying the motivation factors towards organization commitment among KW, thus allowing HR departments to formulate effective strategies to suit the "needs" in order to

motivate KW.

Although much work were done to study the relationship of factors such as rewards (pay), formal organization career management and informal organization career management towards organization commitment, (Lee & Maurer, 1997; Orpen, 1997; Daigle-LeBlanc, 2001; Sturges *et al.*, 2002) there are limited literatures studying these relationships with regards to different levels of KW and its effect with various factors. The unique characteristics, which will be further discussed in literature review suggests that there should be contrast between the needs of low and high KW.

In the new world of knowledge worker, attracting and retaining high-talent people is at least as important as anything else in a company. This statement was echoed by world renowned KW gurus, Peter Drucker, who suggests that the first sign of decline of a company is the loss of appeal to qualified, able and ambitious people. Hence, it is important to distinguish the different factors affecting the organization commitment of knowledge workers and looking forward for ways to attract and retain KW within the organization. Thus, this research would prove to be important study towards identifying the significant factors to improve the organization commitment of different level of knowledge workers.

This research is able to gauge the significance of motivation factors such as pay satisfaction, formal organization career management and informal organization career management on different group of sough-after knowledge workers.

1.3 Research Questions

1. How do reward (pay), personal growth, mentoring and career planning relates to affective organizational commitment?
2. How does the type of KW moderate the relationship between HR practices (rewards (pay), personal growth, mentoring, career planning) and affective organization commitment?

1.4 Research Objective

1. To determine the relationship between employees' rewards (pay) and affective organization commitment.
2. To determine the relationship between employees' personal growth and affective organization commitment.
3. To determine the relationship between employees' mentoring program and affective organization commitment.
4. To determine the relationship between employees' career planning program and affective organization commitment.
5. To study how different levels of knowledge worker moderates the relationship on employees' rewards (pay), personal growth, mentoring and career planning with affective organization commitment.

1.5 The Scope of Study

The present study intends to examine whether knowledge workers demonstrates moderating effect on the relationships of 1) Affective Organization Commitment – Rewards (Pay), 2) Affective Organization Commitment – Personal Growth, 3) Affective Organization Commitment – Mentoring, 4) Affective Organization Commitment – Career Planning. The target respondents are working adults from Klang Valley, Malaysia.

1.6 Organisations of the Study

The research is organised in five chapters with subtopics in each. With an introductory chapter (Chapter 1), consists of purpose and significance, research questions and objectives, scope, and limitations of the study. Chapter 2 reviews the related and relevant literatures. While Chapter 3 discussed the research methodology inclusive of hypotheses development, measurement selection, sampling design, data collection procedure, and data analysis techniques.

Research results are discussed in chapter 4, which includes summary of statistics, analyses of measures and hypotheses testing. The last chapter of the study concluding the research, where summary and conclusion are drawn, suggestion for future research and further implications of this study to organisations are provided. Each chapter is then being concluded with a brief summary.

1.7 Summary

Research questions and objectives are developed based on the intended purpose of the study while scope, limitations, and justification of the study are pointed out. This chapter is the overview of the content of the study. The following chapters go into literature review, research methodology, results, and conclusion with recommendation.