

1. INTRODUCTION

Malaysia has set its goal to achieve the developed nation status in 2020. Human capital, both home grown and imported, is an integral part to achieve this target.

The workforce today can seek employment on a global market. Highly skilled workers of the fast growing industries are in demand worldwide. Based on their skills, these workers will find it easier to migrate. Developed countries like the United States and England adapt their migration policies to the needs of the economy. This leads to a high concentration of skilled labour in a few parts of the world. The movements associated with such concentration are generally from developing to developed countries.

Globalisation in the perspective of developed countries facilitates their international companies to expand further. New markets will become accessible and the ongoing quest to find the best location for each business process begins. International companies make large use of expatriates* to ensure their successful operations.

Companies send ahead expatriates in managerial functions to set up a subsidiary, a production site or a sales office. Production, sale and maintenance of complex products requires technical and professional expatriates.

Migration and expatriation move skilled labour around the globe. Development and innovation will be higher in areas with a concentration of skilled labour. The United States had a big magnet in Silicon Valley during the past decade. Malaysia is building its magnet with the Multimedia Super Corridor (MSC).

The need for skilled labour to keep the MSC alive is recognized and the immigration policies for companies with MSC status accordingly adapted.

* The term expatriate in this study includes both the male and female sex, unless otherwise specified.

Malaysia is in an ongoing competition with Singapore. The new tax laws effective in 2003 aim to attract headquarters and regional offices to Malaysia. Under the new tax law, expatriates employed in regional function are taxed only for the time they are in Malaysia. This new rule is expected to bring great tax savings to the company and the employee. Together with the lower overhead costs, Malaysia profiles itself as a cost-effective place to operate regional business.

Many Malaysians study in the United States, England or Australia. A significant number of them will find attractive job opportunities and will not return home upon completion of their studies.

The decision for an expatriate to leave his home country to go global is an individual decision. For many expatriates, Malaysia is the country that their company chooses to send them. For other expatriates it is the place that they like and where they want to live.

The availability of skilled labour will be a significant factor for Malaysia in the progress towards the developed nation status. The expatriates in Malaysia are a group of skilled labour that contribute to the achievement of this goal. It is therefore beneficial to have a better understanding of the expatriate work force. This study is the first academic work aiming to profile and describe the satisfaction of a sample of expatriates in Malaysia.

1.1. OBJECTIVES OF THE STUDY

Malaysia is facing the problem that local scientists and academics have a tendency to seek employment overseas, depleting their country needs of what it needs. In response, the Malaysian government introduced a program in 1995 to motivate Malaysian scientists to return home. The result was far from successful. In 2002 the Ministry of Science, Technology and Environment (MOSTE) asked University of Malaya to conduct a research project to analyse the problem. In order to identify the failure of the program, the research project aimed to explore the factors that may have an effect on Malaysian scientist's and academic's decision to seek employment in Malaysia or abroad.

In response to, and complementary to that research, this research paper analyses the motivation of expatriates that work in Malaysia. The research has exploratory character, as no comparable study on expatriates in Malaysia has been conducted in the past. The objective of this study is to identify what elements of the working and non-working environment bond the expatriate to the host country Malaysia. It is the aim of the study to:

- Portray a profile of the expatriates working in Malaysia
- Determine their job profile
- Discover their motivation to work in Malaysia, the length they intend to stay, as well as possible reason to move out of Malaysia.
- Determine which factors are important to the expatriates
- Gauge the their level of satisfaction with those factors
- Identify satisfiers and dissatisfiers of expatriates

1.2. SIGNIFICANCE OF THE STUDY

This study is important because no other studies have yet tried to identify factors that motivate foreign expatriates to seek employment in Malaysia. The study is expected to provide information on the following issues:

- Factors that attract expatriates to Malaysia
- Factors that dissatisfy expatriates
- Possible reasons of the expatriate to leave Malaysia

The results of this study will be of significant value for Malaysia as the host country, foreign organisations who post expatriates to Malaysia, as well as domestic companies that employ expatriates. The expatriate himself can get a general idea of where he can expect his satisfaction to derive from. Factors that attract expatriates can be used to promote Malaysia to companies and knowledgeable individuals of specific industrial sectors. Factors that dissatisfy expatriates should be worked on in order to keep expatriates that contribute to the local economy. This will strengthen Malaysia's ability to attract valuable human capital.

The qualifications of the expatriates are expected to be similar to that of the Malaysians that take up overseas employment. In this way the study also can contribute to understand what might dissatisfy the Malaysian equivalent of the expatriate, and so encourages these Malaysians to expatriate overseas.

1.3. SCOPE OF THE STUDY

The study is targeted to expatriates living in the Klang Valley. The expatriate must be from developed countries (except Singapore). Respondents are asked to forward the questionnaire to their expatriate friends in Malaysia.

1.4. ORGANISATION OF THE STUDY

This research paper contains five chapters. The first chapter presents the background of the study. It describes the motivation for the study to be conducted and well as its significance.

The second chapter reviews the literature of previous research that is related to the topic at hand. Also factors that influence the satisfaction of expatriates will be reviewed.

The research methodology will be reviewed in the third chapter. This includes research methodology, the experience survey that led to the questionnaire design, as well as distribution and administration of the survey.

Chapter four is the integral part of the study, as it presents the results of the study. After the profile of the respondents and their job, the research results are presented.

Chapter five will summarise the paper, provide suggestions for additional research and conclude the paper with a discussion of the implications of the study.