






# “The development of talent management in Malaysian public sector: a comprehensive review”

<b>AUTHORS</b>	Sharmaine Sakthi Ananthan  <a href="http://orcid.org/0000-0001-9175-7612">http://orcid.org/0000-0001-9175-7612</a> Halimah Abdul Manaf  <a href="http://orcid.org/0000-0001-5391-9887">http://orcid.org/0000-0001-5391-9887</a> Mega Hidayati  <a href="http://orcid.org/0000-0002-8591-9395">http://orcid.org/0000-0002-8591-9395</a> Dian Suluh Kusuma Dewi  <a href="http://orcid.org/0000-0001-9867-617X">http://orcid.org/0000-0001-9867-617X</a>
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Halimah Abdul Manaf,  
Mega Hidayati, Dian Suluh Kusuma  
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Sharmaine Sakthi Ananthan, Ph.D.,  
London School of Science and  
Technology (LSST), United Kingdom.

Halimah Abdul Manaf, Ph.D.,  
School of Government, College of  
Law, Government and International  
Studies, Universiti Utara Malaysia,  
Kedah, Malaysia.

Mega Hidayati, Ph.D., Doctoral  
Program on Political Islam -Political  
Science, Universitas Muhammadiyah  
Yogyakarta, Indonesia.

Dian Suluh Kusuma Dewi, Lecturer,  
Department of Government, Faculty  
of Social and Political Science,  
Universitas Muhammadiyah  
Ponorogo, Indonesia; Students  
of Doctoral Program, Political  
Islam -Political Science, Universitas  
Muhammadiyah Yogyakarta,  
Indonesia.



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Sharmaine Sakthi Ananthan (United Kingdom), Halimah Abdul Manaf (Malaysia),  
Mega Hidayati (Indonesia), Dian Suluh Kusuma Dewi (Indonesia)

# THE DEVELOPMENT OF TALENT MANAGEMENT IN MALAYSIAN PUBLIC SECTOR: A COMPREHENSIVE REVIEW

## Abstract

The aim of this current study was to analyze recent development of talent management among public service managers in Malaysia. The study brings understanding on talent management and broader human capital issues within Malaysia context by analysing the comprehensive literature. Government of Malaysia is emphasizing on development of talent in the public sector, as it is the most significant resource for the public service. The study found that the government has invested in various programs and initiatives to develop and produce key talented human capital within the public sector. However, despite the initiatives taken by the government, Malaysia is still short of talented people and struggling to develop talent, and talented skilful people are leaving. The study also indicated that year after year increasing number of graduates are being produced at the public universities, but the education system is not producing the right skilful individuals for the particular position or task, resulting in talent mismatch. Another key issue is the incapability to retain talented people that led to poor innovation and creativity within the country. Is key issue is part of the factors discussed in the 10<sup>th</sup> and 11<sup>th</sup> Malaysia Plan, and is a concern, as it plays a role in preventing the progress of Malaysia in achieving a developed nation by 2020. As one of the key aspirations of Malaysia is to enrich public service in Malaysia as a citizen centre that is having talented human capital. The study revealed that there is a need for in-depth quantitative and qualitative further research to discover new insights on talent management and retain talent among the public sector managers in Malaysia.

**Keywords** talent management, public sector, human capital, retain talent

**JEL Classification** O15

## INTRODUCTION

Talent management is seen to have created the interest of many academics and practitioners both within the public service and private sectors globally. Talent war is not something new, as it has been an on-going issue for the past 10 years, which has drawn interest of many researchers (Thunnissen et al., 2013), however, in the recent two years, it has become more complicated and though there has been many research done in the perspective of talent management, yet there is still no consensus of proper definition of talent management, theoretical backgrounds and scope (Gallardo-Gallardo et al., 2015). Some researchers have also criticized that talent management has limited by focusing on selective organizations, for instance, US-based organisations, and multinational (MNC's) and private organizations (Collings et al., 2011; Powell et al., 2013) and lack of emphasis is seen on the public sector in addition to shortage of empirical studies (Skuzza et al., 2013). Talent management is important for country such as Malaysia that is moving towards being a developed country (Vaiman et al., 2012), whereby the government pays serious attention to increasing human capital through talent development (Tymon et al., 2010; Vaiman et al., 2012).

Main pressure and emphasis are seen for much more focused aspects of talent management, as constant changes are seen in the environment globally in the recent years. This has resulted in shortage of skilful people, changing in the demographic aspects such as aging, gender diversification, educational aspects that increases the competition among talent that has huge impact on organizations today (Thunnissen et al., 2013; ManpowerGroup, 2015). In addition to that, transformations are seen from the perspective of businesses, for instance, moving forward from product-based to knowledge-based economies requires creative and innovation conceptual mind thinkers of employees to carry out such complex issues that look upon quality, skills, characteristics of talents that are in search (Schuler et al., 2011; Vaiman, Scullion, & Collings, 2012).

As it is Malaysia's aspiration to be a developed nation by 2020, bearing this in mind, the government has entered into its final phase with the 11<sup>th</sup> Malaysia Plan. The 11<sup>th</sup> Malaysia Plan works towards helping Malaysia to strive the challenges and opportunities ahead positively towards being innovative to step up Malaysia's development. One of the key driving forces is the human capital development. In the 21<sup>st</sup> century, where volatility, uncertainty, complexity and ambiguity are major concerns, the skilled human resources are known to be the most valuable asset.

It has been noted that great emphasis has been given to the public sector of Malaysia on the aspects of talent management and yet there is an on-going debate on creating and cultivating talents within the nation, especially in the public sector (EPU, 2016). The public sector is responsible for designing and monitoring policies practices (Taylor & Wright, 2004), including being responsible for the governmental duties and regulations (Sandhu et al., 2011). Decisions that are carried out in the public sector have an impact on entire people and credibility of government itself. Therefore, it is vital to develop key potential talented public servants with the relevant key competencies to ensure efficient public service delivery. Studies and researchers have shown that Malaysia is struggling to retain talent (Nasir et al, 2012; EPU, 2016), this current study is carried out to assist the policy makers in terms of talent development, particularly among managers in public sector. The discussion of the study is expected to bring the understanding on talent development among managers in Malaysian public sector context to cultivate and transform skilful resources across the board to meet with the 2020 nation's mission. As such, the aim of this study is to identify key factors and prevailing issues on talent management in Malaysia and propose suggestions to minimize those issues on talent management among the Malaysian public service managers. The study contributes to the body of talent management literature with the main focus on the perspective of the Malaysian public sector servants from a developing country's viewpoint.

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## 1. THEORETICAL BASIS AND RESULTS

### 1.1. Talent management

Talent management was first reviewed and introduced by the McKinsey Company in the end of 1990's. During the 1990's, the McKinsey Company was concerned about the aspects of talent and company performance and a research was carried out. The study was carried out in 1997 across 6,000 managers to investigate the measures undertaken by the successful firms that are capable to retain talented managers (Chambers et al., 1998). Assumptions were made on successful organizations to remain talented managers of the organization that has good mitiga-

tion plans and process of the human resources management in place compared with the less effective organization. The study proved that the assumptions made were incorrect. It revealed that the processes of human resources management in both the effective organizations and less efficient organizations are at the same level. McKinsey Company's research further revealed that is it not the aspects of processes of human resources management that make organizations to be succeeding, but the key is the attitude of the leaders across the organization that makes the difference. Leader's attitude reflects the ability to remain and develop talent continuously with productivity heading to the organizations' visions.

This was the beginning of the talent management with specific individual capabilities in performing

duties using knowledge, practical experience, best practices and strategic intelligence (Michaels et al., 2001). McKinsey (2009) asserts that talent is to choose the individuals that have potential and smart thinking. Smart (2005) supports the view and found that talented employees can be seen among top 10% of employees in good rank of job positions and high salary. Similarly, Robertson and Abbey (2003) focus on managing the talent based on the best and the brightest. Robertson and Abbey (2003) further described that these individuals with the best and brightest can be categories as the exclusive group with high impact that have the ability to manage complexity, as they have wise strategic thinking.

In contrast to the above, talent management has been defined by many researchers in different terms and there is no one concrete or consensus on the definition of talent management. It is vital to acknowledge that there is non-informality in terms of talent management (Tansley, 2011). According to Tansley et al. (2007), talent is focused on individual characteristics that attracted different definition, but it can be noted that the common relation on the definition was organization-specific and evolved around the nature of work, vision and culture of the organization (Tansley et al., 2007; Iles, Chuai, & Preece, 2010). Meyers and van Woerkom (2014) defined talent management as systematic process to identifying and filtering potential employees to grow and be highly committed with work. Gallardo-Gallardo et al. (2013) carried out their study on conceptualization of talent consisting of commitment, abilities to perform outstanding work and naturability. Meanwhile, Lewis and Heckman (2006) have defined talent management from different dimensions, including:

- talent management as part of human resources development;
- focus on the growth of human potential;
- leading human talent to organization productivity.

Collings and Mellahi (2009) described talent management from the perspective of job position as more valuable to the organizations rather than developing individual talent. Dries (2013) stresses that the inconsistency in the definitions of talent management leads organizations to have dis-

crepancies between organization’s intentions and practices. Table 1 shows variances of definitions of talent management by different researchers.

**Table 1.** Definition of talent

Researchers	Definition
Lewis and Heckman (2006)	Talent able to create different image of people
Tansley et al. (2011)	Talented employees have a significant impact on organizational productivity in the short or long term of working duration
Cheese et al. (2008)	There are main elements of talent consisting of attitudes, knowledge, working experience and abilities of people
Silzer and Dowell (2010)	Talent can be developed from employees interest in the organization
Bethke-Langenegger et al. (2011)	Talent can be seen obviously from people interest that helps to contribute to organizational performance
Capelli and Keller (2014)	Talent involves employees in the job description related with planning for organizational strategies
Sparrow and Makram (2015)	It is combination of work commitment and knowledge that contributes to people competitive advantage

Despite the competing definitions on talent management, talent management and its perspective have transformed from being the ‘old reality’ (people need organization) to the ‘new reality’ (organisation needs people) (Chambers et al., 1998) (see Table 2). In the current century, many organizations, including public and private sectors locally and globally, are facing scare of skilful, talented people, though there are jobs, but organizations are unable to fill in that positions with the right person. It is vital to understand that in the present and in the future, there are bright prospects for talented individual to get job either in business, industry, government, non-governmental agencies or multinational companies.

**Table 2.** Comparison of different priorities in the past and present

Source: Michaels et al. (2001).

The old reality	The new reality
Workers are looking for employers	Employers are looking for talented workers
Equipment, money, land are organization’ capital	Talented workers are organization’s asset
Talent leads to small advantage	Talent leads to huge advantage
Limited jobs are available	Limited talented people are available
Workers obey and have a protected job	Workers are mobile and have various obligations
Workers are easily accepting the job offered	Workers are negotiating their talent and return

## 1.2. Key issues of talent management in the public sector of Malaysia

Talent management is the key success of any organizations to sustain and remain competitive, similarly, at the public sector, it is vital to ensure that the talent is managed appropriately, as it resembles and portrays the country as a whole (Collings & Mellahi, 2009). According to the CIPD survey (2012), only 6% of organizations consider that they have talent management systems to be effective. Thunnissen et al. (2013) claim that talent management if often than otherwise is overlooked, although organizations have pool of talent, but it is not going to success if the talent is unable to retain and develop. In order for the public sector in Malaysia to strengthen, the human capital is vital to identify, analyze and evaluate the existing issues of talent within the sector.

The main key issues under the talent management in the public sector of Malaysia are as follows:

- 1) Vision 2020 – to be able to have advancement in technology, well educated and trained public servants across the government bodies with the strength of networking towards achieving a developed nation and to be able to create sustainable development of skilful resources (OECD, 2013);
- 2) lack of potential employees with the right expertise and employability skills, including transferability skills (PwC, 2013);
- 3) talent mismatched – between skills demand and supply in job market (OECD, 2013);
- 4) weak productivity growth due to shortage of creativity and innovation in producing work and rely more on unprofessional workers (National Economic Advisory Council, 2010);
- 5) inability to attract talent has led to low innovation (NEAC, 2010).

Malaysia has taken various steps and measures to address the above issues and to be in line with the aim to drive towards the Vision 2020 with the national transformational framework to get the nation towards highly skilled workforce and into the

developed economy (OECD, 2013). The measures that are taken will be discussed at length under the 10<sup>th</sup> and 11<sup>th</sup> Malaysian Plan, especially for the public sector in Malaysia, to develop the civil servants in the country. However, despite the measures taken, Malaysia is still lacking in managing their talents and to develop skilful resources (PwC, 2016).

## 1.3. The economy of Malaysia

In 2016, the population of Malaysia is approximately 31.7 million with 1.5% of population growth rate that are unevenly distributed among thirteen states (DOSM, 2016). Malaysia is also accommodating approximately 3.3 million of migrants and refugees (DOSM, 2016). The age structure of the population in Malaysia is as follows: majority of the Malaysian population are between the age of 16-64 years (69.4%), around 24.5% are between the age of 0-14 years and 6% are 65 years and above (DOSM, 2016).

Malaysia has attained a strong economic growth over the last twenty years and has become an upper income nation. With gradual success achieved over the years, Malaysia's Prime Minister has developed a Vision for the country working towards 'The Vision 2020' that has an objective to be developed nation by 2020. In order to meet and achieve the objectives, various plans were set and government played many roles to develop the nation and one part of it is to develop potential calibre talented public servants in the country.

In 2013, Malaysia appeared to be the highest among upper-middle income countries in the World Economic Forum (WEF)'s first global Human Capital Index (HCI) ranking with a global rank of 22 (WEF, 2013). However, Malaysia was not able to sustain the ranking as after 3 years; Malaysia has dropped in the ranking to the 4<sup>th</sup> placing among the upper-middle income nations and holding a global rank of 42 (PwC, 2016). The index measurements consist of country's capability to grow and nurture according to healthy, educated workforce. Table 3 shows the comparison of the top 10 upper-middle income countries in World Economic Forum Human Capital Index Ranking for 2013 and 2016. This shows that Malaysia as a whole is struggling to strengthen the talent within the country.



**Table 3.** Top 10 upper-middle income countries according to World Economic Forum (WEF) Human Capital Index Ranking

Source: PwC (2013), WEF (2016).

No.	2013		No.	2016	
	Country	Global ranking		Country	Global ranking
1	Malaysia	22	1	Kazakhstan	29
2	Costa Rica	35	2	Cuba	36
3	Panama	42	3	Romania	38
4	China	43	4	Malaysia	42
5	Thailand	44	5	Bulgaria	43
6	Kazakhstan	45	6	Thailand	48
7	Mauritius	47	7	Panama	52
8	Jordan	52	8	Ecuador	53
9	Hungary	54	9	Azerbaijan	54
10	Bulgaria	56	10	Mongolia	55

One of the initiatives taken by the government of Malaysia is embarked on a national transformation framework that has a main focus to become a high income country by 2020. The national transformation framework comprises of three pillars:

- 10<sup>th</sup> Malaysia Plan (2011–2015);
- new economic model (NEM);
- economic transformation program (ETP) that requires highly skilled and innovative workers as par as in developed countries (OECD, 2013).

In Malaysia, the 10<sup>th</sup> Malaysia Plan between 2011 and 2015 focused on critical aspects of the government administration reform and strengthening human capital in public sector. Specifically, the 10<sup>th</sup> Malaysia Plan agenda are:

- restructuring the existing government organisations structure and hierarchy;
- priorities to building national identity;
- creating performance measurement and assessment units;
- raising and maintaining talented and skilled workers in government services.

In addition to the 10<sup>th</sup> Malaysia Plan, 11<sup>th</sup> Malaysia Plan (2016–2020) was also introduced that stress-

es the focus to strengthening talent management for public service of the future (EPU, 2016). The emphasis is made that talent within the public sector is crucial and is significant resource for the growing public service. It is vital to strengthen the talent management, capabilities and leadership for improved quality and services.

To achieve the 11<sup>th</sup> Malaysia Plan (2016–2020) on strengthening talent management in the public sector, the following has been brought forward (EPU, 2016).

1. **Recruit employees on a contractual basis to find talented employees.** This is to invite specific and specialized talented skilful individual for available positions on a contractual basis within the public sector. Successful applicants would be given flexible pay and structured KPI's (Key Performance Indicators). This would eventually secure the talented employees and help the organizations to plan for development of human capital (EPU, 2016).
2. **Flexibility of work schedules.** The government will be open towards flexible working arrangement and accommodate to individual needs where possible to provide with a work-life-balance with much more flexibility within the public sector. Examples: flexible working hours, part-time opportunities to retain skilful individuals and minimize on new recruitment – this would encourage more women to consider or single parents – women that have to care for their children.
3. **Empowering ministries to customize talent management.** The government will bring in place a bottom-up approach to minimize the centralized approach. The agencies will plan and develop talent management programs based on the requirements and priorities. In addition to that, initiatives were taken to standardize performance evaluation based on individual roles and functions across each agency, introduce a standardized fair appraisal system in the public sector that enables rewards, job promotion, training and career path being offered equally to public servants (EPU, 2016).

**4. Competence and contemporary training approach.** To enhance the leadership development by improved curriculum, courses and training programs by INTAN (National Institute of Public Administration) and RSOG (Razak School of Government) is to provide with the appropriate leadership capabilities in line with changes of public servants working attitude, mind set and public demands (EPU, 2016). The government also has to review the policies and procedures on the training policies to focus on developing transferable skills that would be beneficial to both the government and individual. It is to include newer perspective of multi-skills development, to develop training in various fields and specialization such as green human resource, digitalization management, sustainability economy, forensic accounting, practical intelligence and learning development (EPU, 2016). It is also vital to restructure the public sector training institutes within greater specialization to support with the transformation and changes that are taking place in the current situation.

The aim of talent management within the public service sector is to provide pools of public servants with outstanding characteristics to serve public, stakeholder and sustain competitive advantage in the long run (EPU, 2016). Key importance to produce and retain talented skilful individuals in the public sector is that these individuals' frames set the image of the country. Though many initiatives were taken by the government to plan, organize and develop the talent in the public sector, there is still a long way to be successful in retaining the talent and skilful resources within the public sector.

#### 1.4. Public servants in Malaysia

Malaysia is known to have the highest number of civil servants in the country and it is vital to recognize that to plan and manage 1.4 million public servants that deliver different type of services across three layers of government is highly complex that requires huge level of commitment, involvement, participation, effort and contribution of the public sector Human Resource (HR) managers (Chacko, 2015). There is a lot of work and involvement required for effective and efficient

smooth transformation for the successful revolutionizing of the public service.

The government introduced the 10<sup>th</sup> Malaysian Plan and 11<sup>th</sup> Malaysia Plan to impulse the public sector to join hands and work as a group to create high impact services in aspects of social, economic, politic, technology, social and others. The concept and main aim of the public sector with the 10<sup>th</sup> Malaysia Plan and 10<sup>th</sup> Malaysia Plan is for the public service agencies to incorporate and jointly work across different portfolio margins in achieving a shared common goal of the government to combat and retain skilful talented individuals. The government is emphasizing on the notion of "single purpose organizations" that aims to provide best-in-class public services to the citizens (EPU, 2016). This notion of the government can only be achieved if there are right skilful and talented employees in the private sector that are participating and working towards the common initiatives of the government.

Malaysia has recorded that the ratio of a civil servants per population as 1: 19.37 people that represent huge number of public servants from entire citizens (Malaysia Digest, 2017). In Malaysia, there are 1,268,758 public servants serving across more than 700 government agencies (including local authorities) (MOHR, 2015). Table 4 shows the number of male (M) and female (F) public servants across three main categories of job positions in public agencies, which consist of top management, professional and management group, and supportive group. The civil servants play an important role in the transformation and modernization of the country towards the challenges of becoming a developed nation by 2020 (Malaysia Digest, 2017). According to the Deputy Director General of Public Service Datuk Jalil Marzuki during his speech at the Malaysia's Journey towards high income advanced economy (August 9, 2016), "252 schemes of service in the public service were reviewed and number of schemes have reduced to 240 schemes" (Malaysia Productivity Cooperation, 2016, p. 23). The Jabatan Perkhidmatan Awam or known as the Public Service Department is accountable for managing human resource in public agencies. The Public Service Department is obligated by Suruhanjaya Perkhidmatan Awam (SPA) or the

**Table 4.** Number of public servants in Malaysia (1995–2015)

Source: Ministry of Human Resource (2015).

Year	Top management (Grade Jusa C (Supergrade) and above)			Management and professional (Grade 41-54)			Supportive (Grade 1-40)			Overall total		
	M	F	Total	M	F	Total	M	F	Total	M	F	Total
1995	431	32	463	44,992	34,170	79,162	364,776	226,557	519,333	410,199	260,759	670,958
1996	435	42	477	44,803	35,067	79,870	360,393	228,796	589,189	405,631	263,905	669,536
1997	416	41	457	44,891	36,139	81,030	354,235	230,717	584,952	399,542	266,897	666,439
1998	511	77	588	44,875	37,090	83,697	349,767	232,268	582,035	395,153	269,435	664,588
1999	481	73	554	45,269	38,428	87,789	344,594	233,538	578,132	390,344	272,039	662,383
2000	468	82	550	46,393	41,396	108,368	346,390	241,176	587,566	393,251	282,654	675,905
2001	550	99	649	51,694	56,674	132,905	345,539	265,301	610,840	397,783	322,074	719,857
2002	609	111	720	60,896	72,009	214,201	358,917	289,115	648,032	420,422	361,235	781,657
2005	1,345	320	1,665	97,826	116,375	243,619	381,999	326,522	708,521	481,170	443,217	924,387
2006	1,259	425	1,684	111,392	132,227	256,523	371,032	331,540	702,572	483,683	464,192	947,875
2008	1,229	363	1,592	100,661	155,862	267,724	354,157	362,451	716,608	456,047	518,676	974,273
2009	1,242	405	1,647	105,463	162,261	273,972	369,981	376,367	746,348	476,685	539,033	1,015,719
2010	1,086	519	1,605	107,041	166,931	277,284	376,116	387,536	763,652	484,243	554,986	1,039,229
2011	1,137	522	1,659	109,319	167,965	296,400	387,452	395,139	782,591	497,908	563,626	1,061,534
2012	1,966	752	2,718	114,159	182,241	331,313	381,553	394,242	775,795	497,679	577,235	1,074,913
2013	1,732	880	2,612	125,756	205,557	380,499	389,523	414,632	804,155	517,011	621,069	1,138,080
2014	2,559	1,260	3,819	136,824	243,675	501,953	387,038	430,328	817,366	526,421	675,263	1,201,684
2015	2,611	1,413	4,024	174,081	327,872	501,953	366,218	396,563	762,781	542,910	725,848	1,268,758

Public Services Commission, as they oversee the rules and regulation on managing public servants starting from appointment until retirement phase. It is vital for the government of Malaysia to develop and retain the existing public servants and to provide with the required training needs and skill development to ensure that each and every one of the public servants has the abilities and capabilities to deliver the required services to the public at large. At the same time, by developing and retain the existing public servants the government would be moving towards their Vision in achieving a developed nation.

### 1.5. Education

Education is an important aspect of building human capital and is the key to support the nation's objectives. It is worth to acknowledge that within the local public universities in Malaysia in 2015, there has been a total of 540,638 enrolment of students. Table 5 shows the detailed number of enrolment of students at each of the public universities in Malaysia. It is also noticed that high number of women is seen to be entering 63% in comparison to men 37%; enrolment in the public universities of female students is 60% and male

are 40%; and the number of graduates for women is 63% in comparison to men 37% (see Tables 6 and 7). This shows that more women are seen to be more interested in further education in the public universities in comparison to men. Also 95% of the students in the public universities comprises of local students and 5% are international students (see Table 8) (MOE, 2016). Most of the students are enrolled into the undergraduate programs (78%), postgraduate programs (18%) and 4% on other programs (Table 9). Table 9 indicates that undergraduate program consists of Diploma, Advanced Diploma and Degree, postgraduate program consists of Postgraduate Diploma, Master and Ph.D.; and others refer to Matriculation, Professional, Certificate and Pre-Session. These indicated that there has been development within the enrolment of tertiary education, in particular among women. This achievement is vital as Malaysia achieved universal primary education (MDG1) and gender equality in education (MDG3) in United Nations Development Program's Millennium Development Goals (United Nations, 2011).

These statistics in the education aspect indicates that women in Malaysia have invested in



**Table 5.** Number of public universities enrolment

Source: Planning, Research and Policy Coordination Division, MOE (2016).

No.	Public universities	Enrolment	
1	Universiti Malaya	UM	27,452
2	Universiti Kebangsaan Malaysia	UKM	27,239
3	Universiti Sains Malaysia	USM	30,853
4	Universiti Putra Malaysia	UPM	30,670
5	Universiti Teknologi Malaysia	UTM	31,066
6	Universiti Utara Malaysia	UUM	29,143
7	Universiti Islam Antarabangsa Malaysia	UIAM	31,526
8	Universiti Malaysia Sarawak	UNIMAS	16,962
9	Universiti Malaysia Sabah	UMS	18,531
10	Universiti Sultan Pendidikan Sultan Idris	UPSI	21,587
11	Universiti Teknologi MARA	UiTM	174,755
12	Universiti Sultan Zainal Abidin	UniSZA	9,947
13	Universiti Malaysia Terengganu	UMT	10,665
14	Universiti Sains Islam Malaysia	USIM	14,781
15	Universiti Tun Hussein Onn Malaysia	UTHM	16,436
16	Universiti Teknikal Malaysia Melaka	UTeM	12,370
17	Universiti Malaysia Pahang	UMP	9,909
18	Universiti Malaysia Perlis	UniMAP	13,769
19	Universiti Malaysia Kelantan	UMK	9,882
20	Universiti Pertahanan Nasional Malaysia	UPNM	3,095
Total			540,638

Note: Data as of October 2015 (updated May 18, 2016).

**Table 6.** Entrants, enrolment and graduates at public university by fields of study and gender

Source: Planning, Research and Policy Coordination Division, MOE (2016).

Fields of study	Entrants			Enrolment			Graduates		
	M	F	T	M	F	T	M	F	T
Education	2,485	6,454	8,939	10,980	28,383	39,363	4,326	11,887	16,213
Arts and Humanities	5,567	10,332	15,899	18,054	32,477	50,531	3,569	6,518	10,087
Social Sciences, Business and Law	17,136	39,680	56,816	555,795	118,749	174,541	12,165	28,201	40,366
Science, Mathematics and Computer	9,545	18,223	27,768	29,236	53,740	82,976	6,391	11,441	17,832
Engineering, Manufacturing and Construction	19,670	17,224	36,894	68,357	56,382	124,739	13,921	11,157	25,078
Agriculture and Veterinary	2,170	3,026	5,196	6,141	8,467	14,608	1,368	1,660	3,028
Health and Welfare	2,346	6,564	8,910	9,223	24,547	33,770	1,674	4,497	6,171
Services	2,647	4,229	6,876	7,258	11,746	19,004	1,684	2,453	4,137
General Program	284	545	829	343	763	1,106	0	0	0
Total	61,850	106,277	168,127	205,384	335,254	540,638	45,098	77,814	122,912

Note: Data as of October 2015 (updated May 18, 2016).

**Table 7.** Percentage and ratio of students at public higher education institutes by gender

Source: Planning, Research and Policy Coordination Division, MOE (2016).

Males		Females		Student ratio	
Number	%	Number	%	Enrolment	Males to female
205,384	37.99	335,254	62.01	540,638	1: 1.63

**Table 8.** Enrolment and percentage of international students at public higher education institutes

Source: Planning, Research and Policy Coordination Division, MOE (2016).

Local students	%	International students	%	Total
514,233	95.12	26,405	4.88	540,638

**Table 9.** Enrolment and percentage of graduates at public higher education institutes

Source: Planning, Research and Policy Coordination Division, MOE (2016).

Undergraduate	%	Postgraduate	%	Others	%	Total
421,820	78.02	95,753	17.71	23,065	4.27	540,638

the preparation for career by considering higher education, where it is noticed that proportion of women in public universities in Malaysia now equal or greater than men. However, sadly, the rate of career development and opportunities for women within the position of managerial and professions is still continuing to be slow (Tarr-Whelan, 2009; Davidson & Burke, 2011). Davidson and Burke (2011) stress that women in developing countries are seen to be gathering and preparing themselves all the necessary career advancements, but still struggling within the corporate growth.

In addition, despite this development seen in the education and with increase of graduates into the country, Malaysia is still handicapped by only having small number of workers that are skilled as compared with developed countries. It has been recorded that in Malaysia, skilled workers was only 25.5% in 2015 and 27.3% in 2016 (TalentCorp, 2016), against the OECD average of 37.6%. It is encouraging to understand that the education background of the labor force is gradually improving. The share of tertiary educated labor force has increased by 1.8% as compared to 2015, this shows that more managerial, professional and technical roles are being filled.

## DISCUSSION AND CONCLUSION

The current paper indicates that overall as a nation, Malaysia is still facing difficulties in developing talent and those talented skilful individuals in Malaysia are gradually leaving. Simultaneously, the education system is producing graduates each year, but these graduates are unable to fulfil the skills demanded by the organization. Malaysia's human capital situation is at the critical phrase not only with skill shortage, but also criticisms on lack of creativity and English proficiency, constantly has been ranked high among the top obstacles faced (NEAC, 2010). Comparing Malaysia on unskilled and semi-skilled labors with some of the advanced economies, for instance, Japan, Singapore, and Taiwan, indicates that Malaysia is still in higher rank of the group.

Government has taken tremendous measures with the 10<sup>th</sup> and 11<sup>th</sup> Malaysia Plan to compete and to identify that talented workers as valuable assets in the public sector for the growing economy to meet the status of a developed nation, however, this result is not satisfying, as there is still shortage of the dynamic talent. The government has introduced different program within the public sector to develop and attract skilled talent, but still unsuccessful. The government still requires aggressive improvement in developing the human capital by having higher value added activities (NEAC, 2010).

This research suggests that Malaysia's public sector has to reach out by committing, participating and to be involved in developing and enhancing the skills. Public servants must strive to make improvement and changes to develop the talent within the sector. The current study shows that the human capital in Malaysia is improving at a very slow pace. Malaysia is losing the skilled talent that is needed to drive

the country into a developed country by 2020 and for further growth. In order for Malaysia to move closer towards the Vision 2020 and be a developed nation, investments with respective development plans have to be concise, focused, standardized across all government agencies and systematically avoid sector silos. Another suggestion is 'attitude of the leader' is vital within the public sector agencies, as it contributes to drive the sector towards making the differences. The leader's attitude is important in the development of talent and its activities towards emphasizing on continuous development, transferability skills and gradually the ability to strengthen the to retain and create the talent pool within the public sector. As the public sector plays a major role of the image of the country, it is suggested that proficiency of English language to be improved and the education system to develop the transferable skills, and skills requirements based to meet with the demand of the industry. These are needed, as Malaysia is at the core of a vibrant region and strategic location that draws interest of international investments that looks for innovative skills and offer value added and embrace new technology. In order to meet the international aspects, investment talent in Malaysia, especially in the public sector, has to be strengthened.

The paper fills in the gap in the talent management studies by contributing from a different perspective to exploring talent management aspects, especially for the public sector in Malaysia. Though previous studies have been carried out, the author believes that further in-depth quantitative and qualitative studies would provide with new insights on talent management and retaining talent of public servants in Malaysia. Therefore, perhaps future field study can examine differences of talent in the public and private sector.

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