

EMPOWERING INDONESIAN MIGRANT WORKERS IN PENANG, MALAYSIA THROUGH FINANCIAL LITERACY AND MICRO-ENTERPRISE TRAINING

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ABSTRACT

This article presents the results of a community service program aimed at enhancing financial literacy and entrepreneurial readiness among Indonesian migrant workers (IMWs) in Penang, Malaysia. Many IMWs, especially those working in informal sectors, face challenges in managing their personal finances and lack the skills needed to initiate small businesses. In collaboration with NGO Permai Malaysia, the program delivered participatory training sessions covering basic financial management, daily expense recording, savings and debt planning, and simple micro-business development. The program was designed using a participatory action research (PAR) approach and evaluated through pre- and post-training assessments, focus group discussions, and a satisfaction survey. The findings revealed a significant increase in financial knowledge and confidence, with participants expressing enthusiasm and readiness to apply the skills gained. The training also promoted peer support through digital communication and inspired participants to pursue responsible and sustainable business practices. The success of the program demonstrates the importance of culturally relevant, practical education in empowering migrant workers toward economic independence. This paper highlights the training design, implementation stages, and evaluation outcomes, while offering recommendations for future development and scale-up. The initiative supports the Sustainable Development Goals (SDGs), particularly those related to quality education, decent work, and reduced inequalities.

Keywords: Financial, Literacy, Migrants, Entrepreneurship, Engagement.

1. INTRODUCTION

Indonesian migrant workers (IMWs) have long contributed to the country's economic stability, primarily through the steady flow of remittances which support household needs, local consumption, and rural economic activity. Bank Indonesia reported that in 2023 alone, these remittances surpassed USD 9.5 billion, reflecting the substantial financial role played by IMWs. Despite this contribution, many migrant workers particularly those working in informal sectors in countries like Malaysia continue to face serious obstacles in managing their finances due to limited financial literacy and minimal entrepreneurial training. Financial decision-making requires more than basic skills it involves planning, behavioral confidence, and context-specific understanding (OECD/INFE, 2020).

Female migrant workers in Malaysia, who often take up jobs as domestic helpers or caregivers, encounter various structural challenges such as irregular income, language limitations, and a lack of access to formal financial services. These barriers prevent them from practicing effective budgeting or planning for long-term financial independence. Preliminary assessments carried out by NGO Permai in Penang, Malaysia, indicate that many Indonesian workers have never received formal education on managing household finances or operating small businesses, despite showing great interest in economic self-sufficiency.

Addressing this issue requires a multifaceted intervention that combines financial literacy with practical entrepreneurial training. Entrepreneurship education must emphasize real-world application, behavioral change, and social relevance, particularly for marginalized populations (Lee & Lee, 2021). Financial capability is more than just the ability to calculate or save it involves critical decision-making, future planning, and behavioral change. Financial education, when delivered through targeted and culturally relevant modules, can significantly improve micro-entrepreneurial planning (Musari & Ramdani, 2020).

In line with this approach, Puspitasari et al. (2024) and Utami et al. (2023) underscores the value of participatory financial education, especially among women working overseas. Her research highlights that contextualized, hands-on financial training can significantly enhance confidence, improve savings behavior, and motivate micro-business development. Moreover, she emphasizes that training programs should be adapted to the sociocultural environment of the participants to ensure higher engagement and knowledge retention (Puspitasari et al., 2023).

Building on these insights, the community service program described in this article was developed as a collaborative initiative between Universitas Mercu Buana and NGO Permai Malaysia. It aims to provide Indonesian migrant workers in Penang with accessible, practical education on personal financial management and entrepreneurship. The program also incorporates elements of sustainability and gender equity, contributing to several United Nations

Sustainable Development Goals (SDGs), including Goal 4 (Quality Education), Goal 5 (Gender Equality), and Goal 8 (Decent Work and Economic Growth).

By focusing on real-world application, this initiative not only seeks to increase financial awareness but also to foster economic independence among migrant workers through small-scale business development. The outcomes of this program offer valuable insights into how educational interventions can be structured to support inclusive economic growth and long-term empowerment for marginalized groups abroad.

2. METHOD

This study adopted a quantitative descriptive approach to evaluate the effectiveness of a community service program through the lens of participant perceptions. Specifically, a Gap Analysis method was employed to compare community expectations with their perceived performance outcomes. This method is widely applied in service quality assessments to identify performance discrepancies and guide program improvements (Ali et al., 2021; Farooq et al., 2022).

Research Design

The research design used in this study was a descriptive quantitative design with the application of Gap Analysis as the primary analytical framework. This design is suitable for measuring how far the implementation of a community program aligns with the expectations of its beneficiaries and identifying areas for improvement (Raharjo & Suryanto, 2023). The Gap Analysis approach facilitates an evaluation of whether the services provided meet, exceed, or fall short of expectations in a measurable way. This is particularly relevant in community-based interventions, where perception plays a crucial role in determining success and sustainability (Widysari et al., 2020).

Research Procedure

The population of this study consisted of individuals who participated directly in a structured community service program conducted by university faculty and students. The sampling technique used was purposive sampling, which selected respondents who had meaningful and direct involvement in the program activities. This method was appropriate to ensure that the data collected came from informed participants (Palinkas et al., 2015).

Data collection was conducted using a structured questionnaire consisting of 12 indicators that evaluated various aspects of the program, including content relevance, delivery, team competence, facilities, community participation, and satisfaction. Each indicator was assessed through two dimensions:

- Expectation (prior to program participation)
- Performance (after program implementation)

Responses were measured on a 4-point Likert scale ranging from 1 (Strongly Disagree) to 4 (Strongly Agree). The questionnaire was reviewed by experts in community engagement to ensure its content validity and clarity.

The survey was administered immediately following the completion of program activities to allow participants to reflect freshly on their experiences. To enhance response accuracy, confidentiality and anonymity were assured, and facilitators were present to clarify any ambiguous items during the completion process.

Data Analysis

The collected data were processed and analyzed using descriptive statistical techniques. The average scores for each indicator were calculated separately for the expectation and performance dimensions. The gap value was computed for each indicator using the formula:

$$\text{Gap} = \text{Expectation Score} - \text{Performance Score}$$

A positive gap (Expectation > Performance) indicates that the program failed to fully meet community expectations, while a negative gap (Performance > Expectation) reflects that the program exceeded those expectations (Khan & Fasih, 2019). The results of the gap analysis were presented in tabular form to identify key strengths and weaknesses across all program components. Furthermore, the size of the gap was used as a diagnostic measure. Small gaps (< 0.10) indicate marginal dissatisfaction and may require minor operational adjustments, while large gaps (> 0.20)

signify areas that need strategic improvement such as facilitator training or program duration enhancement (Farooq et al., 2022). This analysis provided not only a summative evaluation of program performance but also an evidence-based foundation for planning more impactful community engagement in the future.

3. RESULTS AND DISCUSSION

The results of the gap analysis reveal important insights into the alignment between the community's expectations and the actual performance of the community service program. A structured questionnaire consisting of twelve indicators was used to measure two dimensions—expectation and performance—on a 4-point Likert scale. The descriptive analysis showed that the community had relatively high expectations across all indicators, with average scores ranging from 3.53 to 3.82, while performance ratings ranged from 3.40 to 3.84.

To identify specific areas for improvement, the gap score was calculated for each indicator by subtracting the performance score from the expectation score. A positive gap indicates that performance fell short of expectations, while a negative gap reflects that performance exceeded expectations.

Table 1. Gap Analysis Result

Assessment Aspect	Expectation	Performance	Gap (Expectation - Performance)
1. Relevance of materials to community needs	3.53	3.54	-0.01
2. Appropriateness of methods to program goals	3.58	3.55	+0.03
3. Adequacy of facilities and infrastructure	3.65	3.63	+0.02
4. Team cohesion during implementation	3.82	3.84	-0.02
5. Team competence on subject matter	3.64	3.40	+0.24
6. Creativity in program delivery	3.61	3.58	+0.03
7. Active community participation	3.76	3.67	+0.09
8. Perceived benefits from the program	3.67	3.60	+0.07
9. Interest and enthusiasm of participants	3.67	3.47	+0.20
10. Overall community satisfaction	3.71	3.60	+0.11
11. Alignment of program with expectations	3.71	3.60	+0.11
12. Suitability of program duration	3.71	3.43	+0.28

As shown in Table 1, the largest performance gap was found in the suitability of program duration (+0.28), indicating that participants desired more time or a longer-term commitment from the program organizers. The second-largest gap was related to team competence (+0.24), suggesting a perceived need for facilitators with greater subject matter expertise. Other notable gaps appeared in participant enthusiasm (+0.20) and overall satisfaction (+0.11). Interestingly, two indicators had negative gaps: team cohesion (-0.02) and material relevance (-0.01). This indicates that the program performed better than expected in these dimensions, which is a strong indicator of effective team dynamics and relevance of content to real community needs.

Discussion

The findings demonstrate that Gap Analysis is an effective tool for identifying discrepancies between community expectations and actual experiences in public or community-based services (Ali et al., 2021; Farooq et al., 2022). The presence of both positive and negative gaps reveals that while many aspects of the program were positively received, several key areas still require enhancement. The significant gap in program duration is consistent with prior research emphasizing that the length and continuity of engagement can strongly influence the perceived effectiveness of

community interventions (Raharjo & Suryanto, 2023). Program planners may need to extend future activities or incorporate follow-up mechanisms to meet this expectation.

Similarly, the high gap in team competence supports the literature suggesting that service quality and satisfaction are strongly influenced by the technical and interpersonal skills of facilitators (Khan & Fasih, 2019). Training and professional development for program implementers could be a strategic investment. The negative gap values for team cohesion and material relevance are noteworthy strengths of the program. These findings echo Widyasari et al. (2020), who emphasize the importance of content contextualization and coordinated teamwork in successful community service initiatives. Overall, these findings offer a dual perspective: confirmation of what worked well and clear guidance on what must be improved. Addressing the performance gaps in future iterations of the program will enhance community satisfaction, increase program credibility, and foster deeper community engagement.

4. CONCLUSION

This study adopted a quantitative descriptive design incorporating Gap Analysis to evaluate the performance of a university-led community service program from the perspective of its direct beneficiaries. By comparing the community's expectations with their perceived experiences, the study revealed meaningful insights into both the strengths and shortcomings of the program. The results demonstrated that while overall satisfaction was relatively high, critical gaps remained in key dimensions such as program duration (+0.28), facilitator competence (+0.24), and participant engagement (+0.20). These gaps signal that although the program was appreciated, it did not fully meet the depth and breadth of expectations held by the community. On the other hand, negative gap values in team cohesion and relevance of materials revealed areas where the program surpassed expectations, reflecting the effectiveness of well-organized implementation and contextually appropriate content.

The implications of these findings extend beyond this particular program and offer broader lessons for designing and sustaining impactful community engagement. First, the consistent presence of high expectation scores across all twelve indicators (>3.5) signifies that the community views academic institutions not just as knowledge providers, but as partners in development. This perception demands a higher level of responsibility and consistency from universities when delivering service-based interventions. Second, the results highlight the importance of tailoring program design based on community voices, reinforcing the growing emphasis in contemporary development literature on participatory and co-creation models of service delivery. Furthermore, the observed performance gaps—particularly in duration and competence—suggest that logistical and human resource elements play a critical role in perceived program success, reaffirming previous findings in public service literature (Farooq et al., 2022).

Nonetheless, this study is subject to several limitations that should be acknowledged. The research was conducted within a single geographic and sociocultural context, limiting the external validity and generalizability of the findings. The cross-sectional nature of the data also provides only a snapshot in time, lacking the capacity to capture evolving perceptions or long-term outcomes. Additionally, reliance on self-reported quantitative data carries inherent risks of bias, such as overreporting satisfaction or misinterpreting scale points due to educational or literacy differences among respondents. Future research would benefit from employing mixed methods combining surveys with interviews or focus group discussions to yield a more nuanced understanding of impact.

In light of the above, several recommendations are proposed. Program organizers should consider extending the duration and increasing the frequency of community service activities to create deeper and more lasting engagement. There is also a strong case for investing in continuous capacity-building for facilitators, particularly in pedagogical techniques and community communication strategies, to bridge competence gaps. Community service programs should evolve toward co-designed models, where community members are not merely recipients but active collaborators throughout planning, execution, and evaluation stages. Institutional leaders are also encouraged to integrate monitoring and evaluation tools, such as gap analysis, as a routine part of program design to ensure responsive and adaptive service delivery. Finally, future initiatives should consider building feedback loops through digital surveys, post-program interviews, or community assemblies to create a culture of learning and accountability.

In conclusion, this study underscores the dual nature of community engagement: as a platform for empowerment and as a mechanism for accountability. Bridging the gap between intention and perception requires not only effective design and delivery but also deep listening and adaptive learning. By incorporating the voices of the community, enhancing facilitator readiness, and institutionalizing evidence-based evaluation, future outreach programs can become more equitable, relevant, and transformative.

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