

DEVELOPMENT OF HUMAN RESOURCE COMPETENCIES FOR INDONESIAN MIGRANT IN MALAYSIA (PERSPECTIVE ON ANALYZING HUMAN RESOURCE NEEDS IN THE DIGITAL ERA)

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ABSTRACT

This study aims to analyze the development of human resource competencies for Indonesian migrant workers in Malaysia, particularly in addressing the challenges of the digital era. The rapidly evolving digital era has brought significant changes to the labor market, affecting both traditional and digital industry sectors. As a result, Indonesian migrant workers are required to acquire new competencies to remain competitive and adapt to these changes. This research employs a qualitative approach, with data collected through in-depth interviews and literature reviews. The focus of the study is to identify the competencies needed in sectors impacted by digitalization, the differences in competencies between traditional and digital sectors, the challenges faced in competency development, and the role of governments and training institutions in supporting this process. The findings indicate that Indonesian migrant workers need to enhance their competencies, particularly in digital and technological skills, to survive in Malaysia's increasingly competitive labor market. The challenges encountered include limited access to training, educational gaps, and language barriers. Governments and training institutions, both in Indonesia and Malaysia, play a crucial role in providing training programs relevant to modern industry needs. The study concludes with recommendations for competency development strategies, including improving access to technology training, fostering collaboration between the public and private sectors, and providing continuous education programs. It is hoped that this research can serve as a reference for governments, educational institutions, and related parties in formulating effective policies for the development of competencies among Indonesian migrant workers in the digital era.

Keywords: Human Resource Competencies, Migrant Workers, Digital Era, Competency Development

INTRODUCTION

Competition in the world of work in the current global era has become a matter of concern to the wider public, not only the general public, but also the role of the government in reducing the increasingly high unemployment rate needs to intervene in the provision of jobs. Tight competition cannot be separated from efforts to improve the competence of human resources, the priority of domestic human resource competence will be the main provision in mainstreaming the reduction of unemployment rates, in fact not a few Indonesian people decide to look for work in foreign countries, here is a list of countries that are the main destinations for Indonesian migrant workers:

Looking at the Data of the Five Main Destination Countries for Indonesian Migrant Workers, in 2021 alone, around 1.62 million people or 50.03% of the total Indonesian migrant workers were in Malaysia. In addition to being the most popular destination, Malaysia is also the country with the highest number of complaints from Indonesian migrant

workers throughout 2021. In fact, in January 2022, 64 new complaints had emerged.

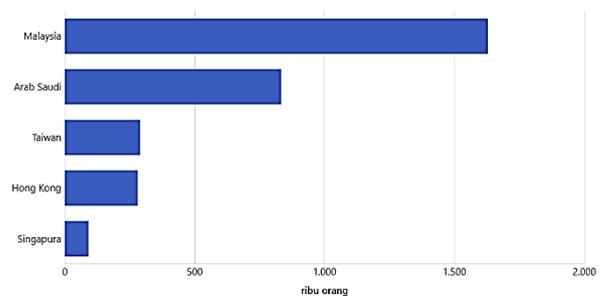


Figure 1. Five Main Destination Countries for Indonesian Migrant Workers

Source: <https://databoks.katadata.co.id/> (2021)

On April 1, 2022, the governments of Indonesia and Malaysia signed a memorandum of understanding on the

Placement and Protection of Indonesian Migrant Workers in Malaysia, renewing a similar agreement that ended in 2016. After Malaysia, Saudi Arabia is the second most popular destination for Indonesian migrant workers, with around 833,000 people in 2021, followed by Taiwan, Hong Kong, and Singapore.

Seeing the above phenomenon, Malaysia has become an attractive country for immigrants looking for work, besides being located not far from Indonesia, various social activities, food, and culture can be said to be almost similar, so that it becomes a magnet for Indonesian immigrants to easily adapt in neighboring Malaysia.

The increasing number of Indonesian people who migrate to Malaysia to find work is certainly not without competency, especially in the current era of sophisticated technology, it is very demanding that the ability to be technologically literate in the digital era needs to be an important capital as Indonesian immigrants in global job competition. This is evident that the shift in the way of working towards technology has begun to be widely adopted in various lines of work. Likewise in Malaysia.

Even the Minister of Communications and Digital Malaysia, Fahmi Fadzil. Saying "Malaysia is in a very good position to achieve the vision of a golden digital era in the context of Madani Malaysia due to several factors including a highly skilled workforce to spur the digital economy". This expression certainly implies that Malaysia will move towards the era of digitalization, therefore all human resource competencies in the digital era really need to increase and develop human resource competencies. Of course, this needs to be a concern for Indonesian immigrants who are in Malaysia to be able to develop the competencies needed in the neighboring country of Malaysia so that they are able to compete, especially in the digital era.

Further updated currently, that Indonesian migrant workers in Malaysia are one of the largest migrant groups in Southeast Asia. According to data from the Indonesian Ministry of Manpower and Transmigration, around 1.5 million Indonesian workers will be in Malaysia in 2023. Most of these workers work in sectors such as plantations, construction, and domestic. However, with the development of technology and rapid changes in the global labor market, the needs and competencies required by these migrant workers are also undergoing transformation.

There are several further issues related to this with the existence of various social gap phenomena that are the reason Indonesian immigrants must explore their relationship to the digital era such as changes in the global labor market landscape, this The digital era has changed the way work and competency needs around the world. Automation, digitalization, and artificial intelligence (AI) are changing the way various industrial sectors operate. Data from the McKinsey Global Institute shows that by 2030, up to 800 million jobs could be lost due to automation (McKinsey Global Institute, 2017). In Malaysia, digital transformation in certain sectors is creating new skills needs that many migrant workers currently do not possess (Department of Statistics Malaysia, 2022). Also related to the Migrant Worker Competency Gap, Indonesian migrant workers are often trapped in low-skilled jobs and do not receive sufficient training to upgrade their skills (ILO, 2021). This has the potential to limit their mobility in the labor market and their contribution to economic

productivity in Malaysia. Moreover, for Competency Needs in the Digital Era, with the increasing adoption of technology, migrant workers need to have new skills that are relevant to current industry needs. Skills such as the use of cloud-based software, basic data analysis, and an understanding of cybersecurity are increasingly important (World Economic Forum, 2020). Sectors such as manufacturing and services that typically employ migrant workers are also changing with the integration of technology, creating new needs for technical and non-technical skills. In addition to the Challenges in Training and Development, many migrant workers do not have access to adequate training to upgrade their skills, either due to language barriers, limited access to resources, or lack of support from employers (ILO, 2021). Existing training programs are often not in line with the needs of the labor market or are not designed with rapid technological changes in mind. Seeing the issue of immigrants in Malaysia and the phenomenon of digitalization in every line of work is something that needs to be considered, especially in the readiness of the competency of human resources working in Malaysia. This research focuses on the development of human resource competencies, especially in the Digital era.

METHOD

This research uses a qualitative research type, a qualitative approach is used to explore and analyze the human resource competencies needed by Indonesian migrant workers in Malaysia in the digital era, as well as the challenges faced and strategies needed to develop these skills. with data collection methods through observation and interviews. The research samples also includes entrepreneurs, training institutions, and government officials involved in the development and placement of migrant workers.

This study involved several informants selected through purposive sampling based on their relevance, knowledge, and direct experience with Indonesian migrant labor issues in Malaysia. The informants consist of Indonesian migrant workers and institutional representatives who have insight into competency needs and development in the digital era.

Indonesian Migrant Workers in Malaysia

These informants are Indonesian workers employed in various sectors, both traditional and digital. They have firsthand experience related to competency requirements and challenges in accessing skills development while working in Malaysia. Characteristics: Age: 25–45 years, Length of employment in Malaysia: 2–10 years, Employment sectors: manufacturing, services, domestic work, logistics, and digital sectors (e.g., e-commerce, digital marketing, informal online services). Contribution to Data: Personal experience regarding required competencies, Challenges in skill development and training access, Perceptions of digital era demands

Government Representatives or Official Institutions

These informants represent Indonesian government agencies or related institutions responsible for the protection and competency development of Indonesian migrant workers. Examples of Institutions: Labour Attaché, Embassy of the Republic of Indonesia Kuala Lumpur, Indonesian Migrant Worker Protection Agency. Contribution to Data: Government policies supporting migrant workers, Training and certification programs, Implementation challenges in Malaysia

Training Institutions / Migrant Community Representatives

These informants are from organizations or communities providing assistance and training for Indonesian migrant workers. Digital skill trainers for migrant workers, Indonesian diaspora professional community members in Malaysia, NGOs/communities assisting migrant workers. Contribution to Data: Information on training and competency development programs, Required skills in the digital era, Barriers to training implementation.

RESULT AND DISCUSSION

Human Resource Competencies Required by Indonesian Migrant Workers in Malaysia in the Current Digital Era

The results of interviews with Indonesian migrant workers, employers, and training institutions indicate that there are several key competencies that are highly needed by migrant workers in Malaysia, especially in the digital era. Most respondents acknowledged that basic computer literacy and the ability to operate digital tools have become mandatory across many occupations. A migrant worker interviewed at a technology-support company stated:

“Now almost every job needs at least basic computer skills. Even filling forms and reports is done online. If we don’t understand technology, we will be left behind.” (Informant 1, Migrant Worker)

Most respondents acknowledged that basic computer literacy and the ability to operate digital tools have become mandatory across many occupations. A migrant worker interviewed at a technology-support company stated: These competencies include Information and Communication Technology (ICT) Skills: Many respondents mentioned that basic skills such as the use of office software, programming, and data management are very important. Jobs in the digital industry sector require a deep understanding of the latest technologies, including skills in specific software applications and digital collaboration tools. Data Analysis Skills: Migrant workers, especially in the digital industry sector, are required to have good data analysis skills.

“We expect workers to know how to use office software, communication platforms, and sometimes industry-specific applications. The digital transformation is pushing us to hire people who can adapt to new systems.” (Informant 2, Employer)

This includes skills in using data analysis tools and the ability to interpret data to make data-based decisions. Adaptability and Continuous Learning Skills: In the digital era, the ability to adapt quickly to new technologies and industry trends is a must. Respondents also emphasized the importance of continuous learning to keep up with rapid technological developments.

“We don’t just need people who can use computers; we need workers who can read data and make decisions based on it. Data analysis, even at a basic level, is becoming a core skill.” (Informant 3, Employer)

Soft Skills: In addition to technical skills, soft skills such as effective communication, problem solving, and time management are also considered important. These skills support better integration within a team and increased work productivity.

“Technology changes very fast. Migrant workers must develop the habit of continuous learning, otherwise they won’t survive in this market.” (Informant 4)

“We feel pressured because technology keeps changing, but many of us don’t have time or access to training. We want to learn, but the facilities are limited.” (Informant 5, Migrant Worker)

These competencies reflect the demands of the increasingly digital and globally connected Malaysian job market. ICT skills and data analysis capabilities emphasize the need for a workforce that can operate and utilize advanced technology, which is key to increasing efficiency and effectiveness across various industry sectors. Adaptability and soft skills are important to ensure that migrant workers can function well in a dynamic and multicultural work environment. However, Indonesian migrant workers in Malaysia mostly work in sectors that are not yet fully integrated with technology, such as plantations and construction. This causes a gap between the competencies they possess and the needs of an increasingly digital job market.

Differences in Required Competencies between Traditional Industry Sector and Digital Industry Sector

Interviews with respondents from both industry sectors showed significant differences in the required competencies, Traditional Industry Sector: Specific Technical Skills: Skills such as the use of industrial machinery, manufacturing techniques, and standard operating procedures are essential.

A migrant worker in the manufacturing sector explained: *“We have to master the machines and the work procedures. We rarely use computers here; the most important thing is being able to operate the equipment and follow the SOP.” (Informant 1, Migrant Worker)*

Entrepreneurial Skills: Workers in the traditional sector often need to have skills in entrepreneurship and production management. Digital Industry Sector: Technology and Analytical Skills: More emphasis on digital skills, such as coding, software use, and data analysis. Ability to Adapt to New Technologies: Workers in this sector are expected to be able to quickly adopt and adapt to new technologies and digital tools that continue to develop.

“We need workers who can use software, analyze data, and understand digital systems. If they can’t keep up with new technologies, they will be left behind.” (Informant 2, Employer – E-commerce)

These differences reflect the fundamental nature of the two sectors. The traditional industry sector requires more technical and operational skills that are specific to physical and mechanical processes, while the digital industry sector focuses on skills related to information technology and the ability to manage and analyze data. The need for technological skills in the digital sector requires training that focuses more on the latest digital tools and software.

Traditional sectors such as plantations, agriculture, and manufacturing still rely on manual skills that require a lot of physical labor. In contrast, digital sectors such as information technology, e-commerce, and the creative industry require analytical and technical skills, as well as the ability to use digital tools and software. The 2022 ASEAN Employment Report states that workers in the digital sector tend to earn

higher incomes than those in the traditional sector due to the added value generated from their digital competencies.

“Traditional industries focus more on operational skills and physical work. Digital industries focus on technology and data management. These are two completely different worlds.”
(Informant 3)

This gap is further exacerbated by the large migration of workers from traditional sectors to digital sectors. Migrant workers who do not have digital skills face the risk of career stagnation and difficulty adapting to rapid technological change.

Challenges Faced by Migrant Workers in Developing Competencies Relevant to Malaysia’s Digital-Era Labour Market Needs

Key challenges identified from the interviews include, Limited Access to Training: Many migrant workers have difficulty accessing relevant training and education due to limited resources or costs.

“We work in remote areas, far from the city. There is no training available here. Even if there is, we don’t have time to attend.” (Informant 5, Migrant Worker)

Language and Cultural Gap: Language and cultural differences often act as barriers to acquiring new skills and understanding work practices in Malaysia.

“We don’t understand the training materials because the language is difficult. Most of us only studied up to junior high school in Indonesia.” (Informant 6, Migrant Worker)

“Many Indonesians are motivated to learn, but the language barrier slows their progress, especially for technical or digital training.” (Informant 7).

Lack of Opportunities to Develop New Skills: Limited opportunities to undertake advanced courses or professional training hinder the development of skills needed in the digital era.

“They rarely receive opportunities for advanced courses such as data analysis or digital marketing, yet these skills are increasingly in demand.” (Informant 8)

Indonesian migrant workers in Malaysia face several key challenges in developing their competencies to meet the needs of the digital labour market. First, access to training and education is very limited, especially for those working in remote areas such as plantations or construction projects in the interior. The World Bank reports that only about 30% of migrant workers working in the formal sector have access to adequate training.

“Many Indonesians are motivated to learn, but the language barrier slows their progress, especially for technical or digital training.” (Informant 9)

Second, language barriers are a challenge, as many training materials are provided in English or Malay. The Human Development Index survey by the United Nations Development Programme (UNDP) shows that the average Indonesian migrant worker working abroad only has a junior high school education, making it difficult for them to follow complex training. In addition, time constraints and heavy workloads often prevent them from following available

training programs. These challenges highlight the need to improve the accessibility and quality of training programs for migrant workers. Affordable and market-driven training programs should be provided, along with support to overcome language and cultural barriers. In addition, providing opportunities for advanced skills development can help migrant workers stay relevant and competitive in the job market.

The Role of the Indonesian and Malaysian Governments, as well as Training and Education Institutions in Supporting the Development of Human Resource Competencies for Indonesian Migrant Workers in Malaysia

Interviews with various parties indicate that the role of various institutions is very important, Indonesian Government: Policies are needed that support the development of migrant worker skills, including the provision of relevant training and access to information on the needs of the labor market abroad.

“The Indonesian government has begun to offer digital-based training, but the coverage remains limited. Stronger collaboration with the Malaysian government is needed so that the training fits industry needs there.” (Informant 1)

Malaysian Government: The Malaysian government is expected to provide regulations that support the development of migrant worker skills and facilitate their integration into the local labor market. Training and Education Institutions: These institutions must play a role in providing training that focuses on digital skills and providing better access for migrant workers to obtain relevant skills.

“Malaysia has Industry4WRD programs, but migrant workers rarely join due to administrative requirements and lack of information. There should be regulations allowing foreign workers like us to participate more easily.” (Informant 2)

The role of the government and training institutions is vital in creating an ecosystem that supports the development of migrant worker skills. Cooperation between the governments of the two countries and training institutions can help create programs that are in line with market needs and provide the necessary support for migrant workers to develop their competencies.

“We are able to offer digital skill training through online or application-based platforms. However, we need government support so that migrant workers can access these programs without high costs or restrictions.” (Informant 3)

The Indonesian and Malaysian governments, as well as various training institutions, have an important role in supporting the development of migrant worker competencies in the digital era. The Indonesian government, through the National Agency for the Placement and Protection of Indonesian Migrant Workers (BNP2TKI), has launched several digital-based training programs for prospective migrant workers. However, the scope of these programs is still limited, and there needs to be more intensive cooperation with the Malaysian government and the private sector to expand access to training in the field. The Malaysian government itself has launched the Industry4WRD program, which aims to encourage the adoption of digital technology in various industrial sectors. However, the participation of Indonesian migrant workers in this program is still minimal due to

administrative barriers and limited access to information. Private training institutions can also play a role in providing more flexible and affordable digital skills-based programs, including through online courses or application-based training.

Effective Strategies to Develop Human Resource Competencies for Indonesian Migrant Workers in Malaysia in the Context of Emerging Needs Due to Digital Transformation

Effective strategies identified from the interviews include, Development of Integrated Training Programs: Implementing training programs that integrate technical and soft skills, and provide training based on the latest technology.

“Workers need training that combines technical and soft skills. Digital training alone isn’t enough—communication, problem-solving, and teamwork skills must also be included in the curriculum.” (Informant 1)

Collaboration with the Private Sector and Academia: Engaging the private sector and academia to develop relevant training curricula and provide practicum opportunities. **Use of Technology for Distance Learning:** Utilizing online learning platforms to provide access to training for migrant workers who may not be able to attend training in person.

“Training should be designed with input from industry players so workers aren’t just learning theory, but skills that are actually used in Malaysian companies.” (Informant 2),

In facing the challenges of the digital era, Indonesian migrant workers in Malaysia need appropriate competency development strategies. Flexible digital-based training, such as online courses or self-learning modules, is a potential solution. In addition, internationally recognized digital skills certification can also increase their competitiveness in the job market. The governments of Indonesia and Malaysia need to enhance collaboration to ensure wider access to these trainings, especially for migrant workers in traditional sectors that are less technologically accessible.

These strategies reflect the need for a holistic and adaptive approach to developing the skills of migrant workers. Integrated and collaboration-based training programs can ensure that training is not only relevant but also in line with the latest technological developments. The use of learning technologies can expand access to training and enable migrant workers to stay connected to global industry trends.

This discussion highlights the importance of understanding the competencies required by Indonesian migrant workers in the context of digitalization. The challenges faced and the roles of governments and training institutions demonstrate the urgent need for a coordinated and innovative approach to improving the skills of migrant workers. The proposed strategies provide a framework for skills development that can enhance the competitiveness and adaptability of migrant workers in the global marketplace.

CONCLUSION

This study has analyzed the development of human resource competencies for Indonesian migrant workers in Malaysia in the context of the continuously evolving digital era. Based on the research findings, several key points can be concluded as follows:

1. **Need for New Competencies:** Indonesian migrant workers in Malaysia must develop new competencies, particularly in digital and technological skills. Changes in the labor market require them to adapt in order to remain relevant and competitive.
2. **Sector Differences:** There are significant differences in the competencies required between traditional and digital industry sectors. The digital sector demands more technical skills and an understanding of information technology, while the traditional sector still requires practical and manual skills.
3. **Challenges in Competency Development:** Migrant workers face various challenges in accessing relevant training, including educational limitations, technological gaps, and language barriers. These challenges hinder their ability to develop the skills needed by the market.
4. **Role of Government and Training Institutions:** Governments and training institutions play a crucial role in supporting the competency development of migrant workers. Training programs that align with modern industry needs are essential for enhancing the capacity and competitiveness of migrant labor.
5. **Strategic Recommendations:** This study recommends several strategies for competency development, including improving access to technology training, fostering collaboration between the public and private sectors, and developing sustainable education programs. These initiatives are expected to help migrant workers face challenges in the digital era.

Overall, this research emphasizes the importance of competency enhancement for Indonesian migrant workers in Malaysia so that they can adapt and compete in an increasingly complex and digital labor market. It is hoped that the results of this study can serve as a reference for governments, training institutions, and other stakeholders in formulating effective policies and programs to support the competency development of migrant workers in the future. This research is limited by its relatively small number of informants and does not include workers from all industrial sectors; therefore, the findings cannot yet be widely generalized.”

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