

THE INFLUENCE OF ACCOUNTING DIGITALIZATION ON FINANCIAL REPORT EFFICIENCY IN INDONESIAN MIGRANT WORKERS' MSMES IN MALAYSIA

Sri Hartono*¹

Universitas Muhammadiyah Ponorogo, Indonesia
Email: mahar.anugerah@gmail.com

Titi Rapini

Universitas Muhammadiyah Ponorogo, Indonesia
Email: titi.rapini@gmail.com

Umi Farida

Universitas Muhammadiyah Ponorogo, Indonesia
Email: umi.farida@gmail.com

Abstract

This study aims to examine the effect of accounting digitalization on the efficiency of financial reporting in Micro, Small, and Medium Enterprises (MSMEs) managed by Indonesian Migrant Workers in Malaysia. The phenomenon of the increasing number of migrant workers running their own businesses abroad is an important highlight in the context of effective and efficient financial management. Using the literature review method, this study collects and analyzes various previous studies related to the implementation of digital technology in accounting practices, especially in the MSME sector. The results of the study indicate that accounting digitalization can have a positive impact on the efficiency of financial reporting by increasing the speed of recording, data accuracy, and ease of access and tracking of financial information. In addition, the adoption of digital technology is also considered to minimize the risk of manual errors and increase transparency in the reporting process. These findings contribute to the understanding of the importance of digital transformation in the financial management of MSMEs of Indonesian Migrant Workers abroad, as well as being the basis for the development of relevant policies and training.

Keywords: accounting digitalization, financial reporting efficiency, MSMEs, Indonesian migrant workers, Malaysia

INTRODUCTION

The changing technological climate in the business world has accelerated the transformation of operational models and managerial systems

¹ Correspondence author

in all sectors, including among MSMEs that previously tended to lag behind in terms of technology adoption. Amidst this development, digitalization is not only an administrative tool, but also a foundation in forming more responsive, adaptive, and data-based business processes. In the context of globalization, the role of Indonesian migrant workers is not only seen as remittance senders, but also as economic agents who are able to create added value through independent businesses. MSMEs owned by migrant workers represent the economic resilience of families and communities, as well as a space to prove that migration can contribute to cross-border economic development (Zuliansyah et al., n.d.). Therefore, strengthening the foundations of their businesses through an efficient and digital financial system is part of an inclusive and sustainable diaspora economic development strategy. Malaysia, as one of the main destination countries for Indonesian migrant workers, presents its own opportunities and challenges in managing migrant MSMEs. Ease of market access, economic stability, and a relatively supportive business environment are driving factors for the growth of migrant worker MSMEs in various sectors, such as culinary, retail, cleaning services, and shipping. However, on the other hand, limited business permits, legal residence status, and lack of integration with the formal economic system in Malaysia are challenges that affect the ability of business actors to develop their businesses optimally. In such conditions, accounting digitalization can be a bridge that helps them to strengthen business legitimacy, prepare professional financial reports, and increase transparency and credibility in the eyes of investors and financing institutions.

The ability of migrant MSME actors to adopt digital technology is directly related to digital literacy, attitudes towards innovation, and readiness to change work patterns (Mayasari et al., 2023a) field workers, or inherited knowledge from families, so they are not yet accustomed to using accounting software in their daily activities. However, the widespread use of smartphones and the expansion of internet connections in Malaysia have paved the way for the penetration of easily accessible mobile-based financial applications. Applications such as BukuKas, Jurnal, Mekari, and the mobile version of QuickBooks provide more flexible and affordable options than traditional accounting systems. With a simple interface and features that support automation, MSME actors can record sales, manage stock, and generate financial reports just through their mobile phones.

Digitalization also enables integration across business functions, such as transaction recording, customer management, and digital taxation. These

features, if utilized optimally, can help business actors make more precise and strategic business decisions (Khulsum et al., 2024). For example, with profit and loss reports available at all times, business owners can identify the most profitable products or evaluate operational expenses that need to be reduced. The use of cloud-based systems also provides convenience in terms of data security, team collaboration, and remote monitoring, which are very relevant for migrant workers who run their businesses from locations different from their main residence or work. However, it must be realized that digital transformation is not just a change in tools, but a paradigm shift in business. The implementation of accounting digitalization requires a new understanding of the value of data, the importance of systematic documentation, and consistency in carrying out financial procedures. Therefore, the effectiveness of digitalization in increasing the efficiency of financial reports is largely determined by the extent to which migrant MSME actors understand, accept, and are able to operate the digital system. In this case, mentoring, training, and community support are important elements to encourage sustainable technology adoption (Azizah et al., 2024).

In the theoretical framework, this study also attempts to review the concept of efficiency from a managerial accounting perspective. Efficiency is not only measured by the speed or frequency of report preparation, but also by the benefits generated in supporting managerial decisions, resource allocation, and the ability to meet external obligations such as tax reporting or credit applications (Constraints of Small and Medium Enterprises Owned by Chinese Immigrants in Malaysia - ProQuest, n.d.). Accounting digitization, if implemented properly, can reduce administrative costs, minimize recording errors, and increase the reliability of financial information. This is very important in a dynamic business environment like Malaysia, where business competition comes not only from fellow migrant MSMEs, but also from local and international actors who are more advanced in terms of systems. As part of the economic diaspora, migrant worker MSMEs also play a role in building the nation's image abroad. Their success not only has an impact on personal or family welfare, but also brings strategic value to bilateral relations between Indonesia and Malaysia. Through a well-structured and documented financial system, migrant businesses can more easily connect with funding institutions, diaspora investors, and government programs that support migrant entrepreneurship. In the long term, accounting digitalization can be one of the instruments in realizing a diaspora economic system that is transparent,

accountable, and connected to the national financial system (Agustina & Augustine, 2024).

In this study, the emphasis will be placed on how accounting digitalization plays a role in creating efficiency in financial reports prepared by migrant MSME actors, both in terms of process and results. This study will also highlight structural and cultural barriers that may hinder the optimal use of technology. For example, language factors, education level, legal status, and gender roles in business management will be considered as contextual variables that can influence the dynamics of digitalization.

Finally, it is important to emphasize that this study does not only examine the relationship between technology and efficiency, but also wants to explore the meaning of digital transformation in the context of the lives of Indonesian migrant workers. Behind every number and financial data, there is a story of struggle, adaptation, and hope for a better life. Through this approach, it is hoped that this research can contribute not only to the development of digital accounting theory and practice, but also to human empowerment in the midst of an era of technological disruption.

RESEARCH METHOD

This study uses a literature review method to analyze the effect of accounting digitalization on the efficiency of financial reports in MSMEs owned by Indonesian migrant workers in Malaysia. This approach is carried out by systematically reviewing various relevant library sources, such as scientific journals, books, research reports, and official documents that discuss accounting digitalization, financial report efficiency, and the conditions of MSMEs owned by migrant workers. This literature review aims to identify patterns, trends, and relationships that have been found by previous researchers and to build a strong conceptual basis for the benefits and challenges of accounting digitalization in the context of MSMEs run by migrant communities.

The sources reviewed in this study were selectively selected based on credibility, relevance, and recency, with a focus on publications in the last five to ten years. The analysis was carried out by comparing findings from various previous studies in order to draw theoretical conclusions about how much accounting digitalization can improve efficiency in preparing financial reports, especially in the context of micro and small businesses owned by Indonesian migrant workers in Malaysia. This method not only provides an in-depth conceptual understanding, but also becomes the basis for formulating

strategic recommendations that can be applied by MSME actors in adopting digital technology more effectively for their financial management.

RESULT AND DISCUSSION

Positive Impact of Digitalization on Financial Report Efficiency

Digitalization has become one of the main drivers of transformation in various sectors, including the financial sector. Significant changes brought about by advances in information and communication technology have accelerated the financial reporting process and increased its efficiency (Mustafa, 2023). In this context, digitalization refers to the application of digital technology in the process of recording, processing, reporting, and analyzing financial information. The development of accounting software, cloud-based systems, big data analytics, and automation have changed the way financial reporting is done, not only by large companies but also by small and medium-sized businesses. Efficiency in financial reporting not only includes the speed of report preparation, but also includes aspects of accuracy, ease of access, reduced operational costs, and improved quality of decision-making. One of the main positive effects of digitalization on the efficiency of financial reporting is the increased speed in preparing and presenting reports (Phornlaphatrachakorn & Na Kalasindhu, 2021). Manual processes that previously took time, such as inputting transaction data, reconciliation, to preparing balance sheets and profit and loss statements, can now be done in a much shorter time with the help of accounting software. The use of digital systems allows real-time data integration from various parts of the organization, so that every recorded transaction is immediately reflected in the system and can be analyzed immediately. This reduces the lag time between transaction execution and reporting, which ultimately speeds up the financial reporting cycle and allows management to make decisions based on the latest data.

In addition to speeding up the process, digitalization also increases accuracy in financial reports. Human errors that often occur in manual recording, such as incorrect input of numbers, data duplication, or incorrect calculations, can be minimized with a digital system designed with automatic validation. Features such as input restrictions, double checking, and audit trails in modern accounting systems guarantee data integrity and facilitate the audit process (Scafarto et al., 2023). Thus, the resulting financial reports are more reliable and in accordance with applicable accounting principles. This accuracy is not only important for internal management, but is also crucial in

maintaining the trust of external parties such as investors, creditors, and tax authorities.

The efficiency of financial reports is also greatly influenced by the ease of access to financial data. Digitalization allows financial reporting to be accessed from anywhere and at any time via devices connected to the internet (Puspitawati, 2023). With a cloud-based system, financial data is no longer limited to one device or physical location, but can be stored centrally and accessed securely by authorized parties. This provides a major advantage in remote work situations or when a rapid response to changes in financial conditions is needed. Organizational leaders, auditors, and consultants can review financial reports directly without having to be physically present in the office, which has a positive impact on the speed and flexibility of decision-making (Omar et al., n.d.).

The use of digital systems also contributes to cost efficiency in financial reporting. Manual processes that previously required a lot of manpower and resources for data processing can now be automated, thereby reducing workload and operational costs. Automation in data entry, transaction processing, and report generation not only speeds up work but also reduces dependence on human resources for repetitive tasks. Resources previously allocated for administrative work can be diverted to strategic activities that provide higher added value to the organization. In addition, the use of digital systems can also reduce the use of paper, ink, and physical storage of documents, which is in line with the principles of efficiency and environmental friendliness.

In the context of decision-making, digitalization enables a more comprehensive and data-driven analysis of financial reports. Modern accounting systems are equipped with interactive analytics and reporting features that allow for real-time data visualization. This helps management identify financial trends, analyze business performance, and detect potential financial problems early on. The information presented is no longer static as in traditional printed reports, but can be manipulated and explored more deeply to gain sharper insights. Decision making based on accurate and up-to-date data is key to increasing organizational competitiveness in an increasingly dynamic and complex business environment.

Furthermore, digitalization creates transparency and accountability in financial reporting. A digitalized system records every change or transaction made, complete with user identity and time of implementation. This simplifies the internal and external audit process, and increases the accountability of all

parties involved in preparing the report. Organizations can easily trace back the data sources and processes that have been carried out until the final report is formed. This transparency is very important in creating trust from various stakeholders and in fulfilling reporting obligations in accordance with applicable standards and regulations. However, although digitalization brings many benefits to the efficiency of financial reporting, it is important to remember that the implementation of this technology requires readiness from various aspects, including infrastructure, human resources, and organizational culture. Sophisticated technology will not provide maximum results if it is not supported by adequate skills from users. Therefore, training and increasing the capacity of human resources in using digital accounting systems is a strategic step that must be taken by organizations. In addition, data security is an important aspect that must be considered in the process of digitizing financial reports. Open access to data stored digitally requires protection against potential information leaks and cyber attacks. Investment in information security systems is an integral part of effective and sustainable digitalization efforts.

From a regulatory perspective, financial authorities and governments are also increasingly encouraging the use of digital systems in financial reporting. This can be seen from the online tax reporting policy, adoption of the e-invoice system, and the obligation to use accounting software that meets certain standards. Digitalization is not only an option but also a necessity to ensure that reporting is in accordance with the demands of transparency and efficiency at the national and international levels. In addition to simplifying the reporting process to the authorities, digitalization also helps business actors maintain orderly financial administration and facilitate access to financing through more credible reports (Cagle, 2020).

The overall positive impact of digitalization on the efficiency of financial reports shows that the adoption of technology is not only a technical innovation, but also a strategic step in improving financial governance that is more effective and adaptive to change. In an increasingly digitalized world, an organization's ability to manage financial information efficiently through technology will be a determining factor in long-term success. Therefore, the commitment to digital transformation in the financial sector needs to be continuously strengthened so that the benefits offered can be optimally felt by all parties involved.

MSMEs and Characteristics of Indonesian Migrant Workers in Malaysia

Micro, Small, and Medium Enterprises (MSMEs) have long been the backbone of the economy of many developing countries, including Indonesia. The role of MSMEs is not only important in the national context, but also in the context of the Indonesian diaspora abroad, especially in migration destination countries such as Malaysia (Ratanasiripong et al., n.d.). In this regard, Indonesian migrant workers play a very significant role, because many of them are directly involved in small and medium-scale economic activities, both as business actors and as active consumers. The close relationship between MSMEs and Indonesian migrant workers in Malaysia forms a separate economic ecosystem that reflects the social, economic, and cultural dynamics of the Indonesian migrant community abroad. MSMEs among Indonesian migrant workers in Malaysia are developing in various forms and sectors. Many of them start small businesses as a form of adaptation to the challenges of living in a foreign country. Limited access to formal employment and the desire to have economic independence often encourage migrant workers to open their own businesses, even with very limited capital. The businesses that are run usually include informal sectors such as culinary, delivery services, home beauty salons, laundry businesses, and trading in typical Indonesian goods. This type of business is generally run from a private residence or mobile, utilizing a fairly strong network of Indonesian communities in various regions of Malaysia (Wardi et al., 2024).

One important characteristic of MSMEs run by Indonesian migrant workers in Malaysia is their community-based nature (Hamdi et al., 2023). These businesses generally rely on close social relationships between fellow Indonesian citizens abroad. The community becomes the main market as well as a support system that provides labor, business information, and capital in the form of informal loans. In this context, solidarity among fellow migrant workers is an important element that strengthens the sustainability of MSMEs. For example, information about the need for Indonesian products, potential places to trade, or even ways to deal with legal and administrative challenges in Malaysia is often obtained from fellow migrant networks.

The characteristics of Indonesian migrant workers in Malaysia themselves vary greatly, depending on their background in their area of origin, level of education, type of work, and their legal status. In general, the majority of Indonesian migrant workers in Malaysia come from areas such as East Java, Central Java, West Nusa Tenggara, and Sumatra. They come to Malaysia to work in various sectors, ranging from construction, plantations,

manufacturing, to domestic sectors such as domestic helpers. Most of them have a secondary to lower educational background, although in recent years the number of migrants with a higher educational background has begun to increase, especially in the formal and professional sectors.

In terms of demographics, Indonesian migrant workers in Malaysia consist of men and women with a productive age range, namely between 20 and 45 years. This age group is the most active and productive workforce, and has the most potential to be involved in entrepreneurial activities. Among them, many start businesses indirectly, for example by selling food to fellow workers or opening service providers that were initially additional. Over time, these businesses develop into the main source of income, and some are even able to open small jobs for other migrants who need additional income.

However, Indonesian migrant workers who run MSMEs in Malaysia also face various complex challenges. One of them is the limited legality of the business. Many of them do not yet have an official business permit because of their unstable immigration status or because they do not understand the business regulation system in Malaysia. As a result, the businesses they run are vulnerable to raids or dissolution by local authorities. In addition, access to formal financial institutions such as banks and cooperatives is also still very limited. This lack of access makes migrant MSME actors rely on capital from personal savings or loans from friends and family, which of course have limitations.

Another equally important challenge is the limitations in terms of digital literacy and business management. Many migrant MSMEs are not yet familiar with the use of digital technology in running their businesses, such as cashier applications, online marketing, or electronic bookkeeping. In fact, the use of digital technology can be an important solution to expand market reach and increase business efficiency (Kaewboonchoo et al., 2016). In this case, training and mentoring from government agencies or non-profit organizations are needed so that migrant MSMEs are able to keep up with the times and increase the competitiveness of their businesses. Despite facing various limitations, the entrepreneurial spirit among Indonesian migrant workers in Malaysia remains very high. Many of them have succeeded in proving that limitations are not a barrier to achieving economic independence. In fact, a number of MSMEs pioneered by Indonesian migrant workers have succeeded in growing and developing into larger businesses, with significant turnover and significant economic influence in the community. Some of them have

even been able to open branches in their home areas when they returned to Indonesia, thus making a real contribution to local economic development.

On the other hand, the presence of Indonesian migrant MSMEs in Malaysia also has an important social dimension. These businesses are not only a source of income, but also a means of maintaining cultural and social identity. Through products such as traditional food, traditional clothing, or services based on Indonesian customs, these MSMEs become a tool to strengthen cultural ties and create social space for migrant workers to stay connected to their cultural roots. In this context, MSMEs act as guardians of culture as well as agents of social adaptation in the midst of different environments.

The Indonesian government itself, through various institutions such as the Indonesian Migrant Workers Protection Agency (BP2MI) and the Ministry of Cooperatives and SMEs, has begun to pay attention to the potential of MSMEs among migrant workers. Skills training programs, financial literacy, and marketing facilitation have begun to be intensified to support the economic empowerment of migrant workers. Collaboration with the Indonesian Embassy (KBRI) and the Indonesian Consulate General in Malaysia also plays a strategic role in providing legal protection and advocacy for migrant business actors who face obstacles in the field. This effort shows a commitment to integrating the economic potential of migrant workers into the national development strategy.

Moving forward, synergy between government policies, community initiatives, and private sector support will be key to strengthening the ecosystem of Indonesian migrant MSMEs in Malaysia. Developing a digital platform specifically for migrant MSMEs, providing access to micro-capital, and organizing training based on real needs in the field can be strategic steps in increasing the productivity and sustainability of their businesses. In addition, a comprehensive data-based and research approach is also needed to understand the specific needs and challenges faced by migrant MSMEs, so that the interventions provided are truly effective and have long-term impacts. Thus, MSMEs run by Indonesian migrant workers in Malaysia are not just an ordinary economic phenomenon, but a reflection of the resilience, creativity, and fighting spirit of the Indonesian diaspora community in facing the challenges of life abroad. Through these small businesses, migrant workers not only earn a living, but also build dignity and a better future for themselves and their families back home. Therefore, recognition and support

for their role in economic development, both in their home and destination countries, is a necessity that cannot be ignored.

Supporting and Inhibiting Factors for the Implementation of Accounting Digitalization in MSMEs

The development of information technology has brought significant changes in various aspects of life, including in the business world. One transformation that is quite noticeable is the digitalization of the accounting process, especially for Micro, Small, and Medium Enterprises (MSMEs). Accounting digitalization is the use of digital technology to manage financial recording, processing, and reporting more effectively and efficiently. However, the application of this digitalization in MSMEs cannot be separated from various factors that can support or hinder the implementation process. The first supporting factor that plays a major role in the success of accounting digitalization in MSMEs is the availability of technology that is increasingly easy to access (Hendrawan et al., 2024). Currently, various digital accounting applications have been widely developed at affordable prices, some even free, so that MSMEs can easily take advantage of this technology. The availability of increasingly affordable smartphones and computer devices also makes it easier for MSMEs to adopt these applications. In addition, the increasingly widespread development of internet infrastructure has also accelerated MSME access to using digital services. Stable internet allows MSMEs to record and report finances in real time and access various online tutorials or training to improve their understanding of accounting digitalization (Tindage et al., 2025).

Furthermore, awareness of the importance of good financial management is a strong driving factor. MSMEs are beginning to realize that neat and transparent financial records will help them make more appropriate business decisions and facilitate the tax reporting process. This awareness encourages MSMEs to seek more practical and efficient solutions, one of which is through accounting digitalization. The government and various supporting institutions also play a role in providing education and socialization regarding the benefits of digitalization and providing training for MSMEs. This helps increase the motivation and ability of MSMEs to use digital accounting applications (Hamundu et al., 2020).

In addition to supporting factors, there are also various obstacles that need to be overcome so that accounting digitalization can run optimally among MSMEs. One of the main obstacles is limited human resources. Many

MSMEs are still not familiar with digital technology, especially those related to accounting. Lack of knowledge and skills in using digital accounting applications is a major obstacle that makes the adaptation process slow. In addition, the low level of digital literacy among some MSMEs also complicates the implementation of digitalization. As a result, even though technology is available, MSMEs have not been able to maximize its use (M & Anisyah, 2024).

In addition to human resource factors, another significant obstacle is resistance to change. Some MSMEs still feel comfortable with the manual recording method they have been using, even though this method is less efficient and prone to errors. The change to a digital system is often considered complicated and requires additional time and effort to learn, thus causing fear and doubt. This condition is exacerbated by the lack of support from internal parties, such as family members or employees who also have to adjust to the new system (Latifah et al., 2020). This psychological factor is one of the biggest obstacles to digital transformation in the MSME sector.

In terms of costs, there are also obstacles that cannot be ignored. Although many applications are available at affordable prices, some MSMEs still feel burdened by spending on hardware such as capable computers or smartphones and the cost of internet subscriptions that they have to pay regularly. In addition, there are concerns regarding digital data security that may make MSMEs reluctant to switch to digital systems for fear of their financial data being leaked or misused.

In addition, external environmental conditions such as limited internet networks in some areas are also real obstacles. Many MSMEs in rural or remote areas still have difficulty accessing fast and stable internet. This makes the digitalization process less effective and hinders the smooth operation of digital accounting. The uneven distribution of digital infrastructure must be a primary concern so that accounting digitalization can be evenly distributed and provide broad benefits to all MSME actors.

It is also important to see aspects of regulation and government support as supporting and inhibiting factors. The government has a strategic role in encouraging digitalization through policies and supporting programs such as providing incentives, training, and providing infrastructure. However, if the policy is not yet fully distributed and has not reached all MSME actors, especially those in remote areas, then the implementation of digitalization will be hampered. The lack of synchronization between government policies and the real needs of MSME actors can also cause inefficiencies in the technology adaptation process.

In addition, aspects of organizational culture and the way MSMEs work also need to be considered. MSMEs tend to have simple organizational structures and traditional work patterns. The use of digital technology often requires changes in work patterns, new learning, and more systematic data management. If this change is not followed by a supportive work culture adaptation, then the implementation of digitalization will encounter quite serious obstacles.

To overcome these obstacles, synergy from various parties is needed. MSME actors must be given adequate training and assistance so that they are able to use digital technology with confidence. Education about the benefits of accounting digitalization needs to be intensified so that resistance and fear of change can be reduced. The government and related institutions must ensure the availability of digital infrastructure that is evenly distributed, and provide easy access for MSME actors to obtain digital technology at an affordable cost. In addition, there needs to be an approach that considers the cultural and psychological aspects of MSME actors in carrying out digital transformation so that the process runs more smoothly.

Overall, accounting digitalization has great potential to increase the efficiency and accuracy of MSME financial management. However, its success is highly dependent on how supporting factors can be maximized and existing obstacles can be minimized. Human resource development, provision of easily accessible technology, and appropriate regulatory support are the main keys to accelerating the accounting digitalization process in the MSME sector. If these challenges can be overcome, accounting digitalization will not only improve MSME performance internally, but also drive broader economic growth.

Accounting Technology Literacy Recommendations for Indonesian Migrant Worker MSMEs in Malaysia

Indonesian Migrant Workers in Malaysia not only contribute as workers in various formal and informal sectors, but also begin to show an active role as micro, small, and medium enterprises (MSMEs) (Mayasari et al., 2023b). In recent years, the trend of entrepreneurship among Indonesian Migrant Workers has increased, driven by economic needs, independence, and the desire to have a business that can continue to grow, both while away from home and when returning home. However, the main challenge faced by MSME PMI actors is the limitation in managing business finances, especially in the application of adequate and efficient accounting technology (Rizal et al.,

2023). Accounting technology literacy is an important element in supporting the sustainability and growth of MSMEs, especially in the current digital era. This literacy includes understanding and skills in using digital devices, financial recording applications, and the ability to analyze financial information for appropriate decision making. For MSME actors from among PMI, this literacy is very relevant because most of them run their businesses independently, with limited capital and minimal professional assistance. Without a good financial recording system, MSMEs tend to have difficulty in calculating profits and losses accurately, setting product prices, planning expenses, or accessing capital from formal financial institutions.

In Malaysia, some migrant workers who open small businesses such as food stalls, grocery stores, delivery services, or selling typical Indonesian products face limited access to training and information on accounting technology. In addition to language barriers and legal status, many of them are not yet familiar with simple digital-based bookkeeping applications, such as BukuKas, Akuntansi UKM, or cloud-based applications such as Jurnal, Mekari, and QuickBooks. Low exposure to these applications means that accounting activities are still carried out manually or even not carried out at all, which has a direct impact on the low accuracy and transparency of business financial reports (Lestari et al., 2024).

To overcome these problems, a systematic and integrated approach is needed in building accounting technology literacy for MSME actors from among migrant workers. The Indonesian government through its representatives in Malaysia, such as the Indonesian Embassy and Consulate General, can collaborate with community organizations, NGOs, and PMI communities to provide practical, affordable, and contextual digital accounting training that is tailored to the needs of small businesses. This training can be conducted online or offline, with materials tailored to the level of education and experience of the participants. For example, training can begin with an introduction to the basic concepts of financial recording, followed by direct practice using a simple Indonesian-language bookkeeping application.

In addition, it is necessary to strengthen the digital ecosystem that supports the adoption of accounting technology by PMI MSMEs. One effort that can be made is to provide free access or subsidies for the use of certain bookkeeping applications, especially for MSMEs that are just starting out. This access can be provided through collaboration with application providers or through CSR programs from financial technology (fintech) companies. In

addition, it is also important to form a digital community that accommodates PMI MSME actors, where they can share experiences, ask questions, and get updates on information about business finance and the latest technology. This community can be managed independently by PMI who already have experience in business and technology, or facilitated by assistants from Indonesia. Accounting technology literacy is not only important for increasing operational efficiency of businesses, but is also a prerequisite for PMI MSME actors to be able to access formal financial institutions. Banks and cooperatives, both in Malaysia and Indonesia, generally require neat and accurate financial reports as part of the assessment of business feasibility to obtain financing. Without the ability to prepare reliable financial reports, MSMEs will continue to rely on informal loans with high interest rates, which can actually worsen the financial condition of the business. Therefore, increasing technology-based accounting literacy is an important way to open up inclusive financial access and increase the competitiveness of MSMEs in a sustainable manner (Suryanto & Sisdianto, n.d.).

In addition to training and application access, it is also important to integrate accounting technology literacy into economic empowerment programs that are already running among PMI. For example, if there is a training program for making food or crafts, then a simple accounting module can be inserted as part of the training. This approach is more effective because MSMEs can immediately practice recording and analyzing finances in the business activities they are running. In other words, accounting literacy does not stand alone as technical material, but becomes part of a holistic and contextual business process.

As part of an economically active diaspora, Indonesian migrant workers have great potential to develop sustainable small and medium enterprises. However, this potential will not be optimal if it is not accompanied by basic skills in technology-based financial management. Therefore, accounting technology literacy must be one of the main pillars in the economic empowerment strategy of PMI abroad, including in Malaysia. Through a targeted, collaborative, and sustainable approach, PMI MSME actors will not only be able to manage their businesses more professionally, but also become a strong economic driving force in their foreign lands and when they return to Indonesia.

CONCLUSION

Based on the results of the study on the effect of accounting digitalization on the efficiency of financial reports in Indonesian migrant worker MSMEs in Malaysia, it can be concluded that the application of digital technology in the financial recording and reporting system has a significant impact on increasing efficiency. Digitalization allows the transaction recording process to be faster, more accurate, and easier to access at any time. This makes it easier for MSMEs to manage their business finances in a more structured manner, thus encouraging more precise and data-based business decision-making. This study also shows that the use of digital-based accounting software helps reduce the risk of human error, increases the transparency of reports, and accelerates the process of creating monthly or annual financial reports. In addition, digitalization makes it easier to integrate financial data with other administrative needs, such as tax reporting and funding applications. This efficiency is very important for Indonesian migrant workers who run MSMEs, given the limited time and access to professional human resources in the financial sector.

Overall, accounting digitalization has proven to be a strategic solution in increasing the efficiency of financial reports of MSMEs owned by Indonesian migrant workers in Malaysia. However, the effectiveness of the implementation of this digitalization is also influenced by digital literacy factors, the availability of technological infrastructure, and the readiness of individuals to adapt to system changes. Therefore, to maximize the positive impact of accounting digitalization, training support, technical assistance, and policies that facilitate technology access for MSMEs abroad are needed.

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