THE IMPACT OF MIGRANT WORKER INCLUSION ON PSYCHOLOGICAL WELL-BEING, WORK STRESS, AND PSYCHOLOGICAL ADAPTATION: IMPLICATIONS FOR THE COMPETITIVENESS OF INDONESIAN MIGRANT WORKERS

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ABSTRACT

This study analyzes the impact of inclusion on psychological well-being, work stress, psychological adaptation, and competitiveness among Indonesian migrant workers in Taiwan. Using 170 respondents from the informal sector (caregivers), SEM-PLS is applied to examine variable relationships. Results show that inclusion significantly affects psychological well-being, work stress, psychological adaptation, and competitiveness. Psychological well-being enhances competitiveness, while work stress has no significant impact. Psychological adaptation plays a crucial role in increasing competitiveness. Mediation analysis reveals that psychological well-being and psychological adaptation significantly mediate the relationship between inclusion and competitiveness, whereas work stress does not. The study concludes that inclusion improves well-being, adaptation, and competitiveness, despite increasing work stress, which does not influence competitiveness. An inclusive work environment is essential to support the well-being and competitiveness of migrant workers by reducing stress and fostering psychological adaptation.

Keywords : *Competitiveness; Migrant Worker Inclusion; Psychological Well-being; Work Stress; Psychological Adaptation*

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INTRODUCTION

Indonesian Migrant Workers currently represent a significant group in the context of international migration. These individuals leave Indonesia to work in various destination countries, seeking better livelihoods and providing economic support to their families back home (Maksum, 2021). The phenomenon of Indonesian migrant workers has grown in tandem with globalization, economic shifts, and cross-border labor mobility (Anggara et al., 2024).

According to data from the Indonesian Migrant Workers Protection Agency (BP2MI), the number of Indonesian migrant workers has been steadily increasing each year. In 2023, the top five countries hosting Indonesian migrant workers were Taiwan (83,216), Malaysia (72,260), Hong Kong (65,916), South Korea (12,580), and Japan (9,673), together accounting for 89% of the total placements. Most Indonesian migrant workers have lower to middle education levels and are employed in sectors such as domestic work, construction, and other informal jobs. The five most common positions held by Indonesian migrant workers were Housemaid (66,362), Caregiver (54,665), Plantation Worker (25,163), General Worker (22,361), and Production Operator (16,094), which collectively made up 67% of all placements. These workers often face challenges related to low wages, poor working conditions, and labor rights violations (BP2MI, 2023).

In a global context, Indonesian migrant workers often face lower competitiveness compared to their counterparts from other countries with higher education and skills. According to World Bank data from 2021, approximately 60% of Indonesian migrant workers are employed in low-skill sectors, such as domestic work and construction. In contrast, countries like the Philippines and India have a higher proportion of migrant workers with technical or professional skills. For example, the Philippines has a significant number of migrant workers in fields like nursing and other professional sectors that require higher education and specialized skills. Additionally, a 2020 ILO report highlights that migrant workers from countries such as Bangladesh and Vietnam are increasingly competing in mid- and high-skill sectors due to improved education and training. This situation places Indonesian migrant workers at a disadvantage in the global market, as their limited skills and lower education levels often restrict their access to higher-paying jobs and better positions (BP2MI, 2023).

This research aims to provide a deeper understanding of the key factors influencing the competitiveness of Indonesian migrant workers. The findings are expected to offer new insights into the importance of migrant worker inclusion, psychological well-being, work stress, and psychological adaptation in enhancing their competitiveness. These insights can serve as a foundation for developing more effective human resource management strategies to further strengthen the competitiveness of Indonesian migrant workers.

The findings of this study are expected to provide valuable insights for stakeholders, including the government, labor protection agencies, and civil society organizations, in designing more effective policies to improve the welfare of Indonesian migrant workers. This study is also expected to serve as a foundation for efforts to enhance education and skill training programs for prospective migrant workers, making them more competitive in the international labor market. Additionally, this research will contribute academically to understanding labor migration dynamics and offer strategic recommendations for Indonesia to enhance the protection and empowerment of its migrant workers abroad.

LITERATURE REVIEW

Improving the competitiveness of migrant workers is a complex issue that requires a multidimensional approach. This includes enhancing skills through education and training, strong legal protection to ensure workers' rights, and inclusive policies that guarantee fair and non-discriminatory treatment in host countries. Regarding inclusive policies, the factor of migrant worker inclusion becomes crucial (Anderson et al., 2024). The competitiveness and inclusion of migrant workers are closely linked in creating a fair and productive work environment for Indonesian migrant workers. Competitiveness reflects their ability to secure and retain jobs in the international market, depending on skills, placement costs, and safe, fair working conditions (Cremers, 2022). Inclusion involves recognizing and protecting their rights, providing equal access to opportunities and resources. When migrant workers feel valued and protected, they are more motivated, leading to higher productivity and loyalty in the workplace, while continuous skill development enhances their job prospects (Fejes et al., 2022).

Migrant Worker Inclusion and Competitiveness

Research by Agyeiwaah et al., (2024) emphasizes the connection between migrant worker inclusion and competitiveness. Their study found that inclusion in workgroups enhances the well-being and organizational identification of migrant workers, fostering organizational citizenship behavior (OCB). This leads to a more engaged and productive workforce. Similarly, Ng et al., (2023) confirmed that organizational efforts to promote inclusion can boost the competitiveness of migrant workers by enhancing their confidence and ability to excel in their roles.

Psychological Well-being and Competitiveness

The psychological well-being of Indonesian migrant workers is closely tied to their competitiveness. When workers feel emotionally and mentally supported, they are better equipped to handle challenges and stress at work Mak et al., (2021). Good psychological well-being improves motivation, job satisfaction, and loyalty, which in turn enhances performance and reduces turnover (Kundi et al., 2020). Studies by Adam et al., (2023) and Sambajee & Scholarios (2023) found that when migrant workers feel safe, valued, and emotionally supported, they are more motivated, productive, and adaptable. This reduces stress and conflict, ultimately boosting their competitiveness and contributions to both home and host economies.

Work Stress and Competitiveness

Effective stress management is equally crucial for Indonesian migrant workers. Managing stress helps them face challenges, stay focused, and maintain mental and physical health, improving their productivity and performance. This strengthens their competitiveness in the global labor market. Workers who manage stress well tend to be more adaptive, motivated, and capable of contributing to organizational goals, making them valuable assets in international workplaces. Mak et al., (2021) confirmed that effective stress management improves focus, health, and performance, while poor stress management lowers productivity and motivation.

Psychological Adaptation and Competitiveness

Good psychological adaptation also enables migrant workers to adjust to new work environments, different cultures, and challenges in the host country (Ocampo et al., 2022). Workers who adapt well psychologically are better equipped to manage stress, maintain

emotional balance, and improve social interactions with colleagues and supervisors (Ciaramella et al., 2022). This adaptation boosts confidence and communication skills, both crucial for optimal performance. Companies can support workers' adaptation through orientation programs, cross-cultural training, and ongoing psychological support (Paramayudha et al., 2025).

Alvarado (2020) confirmed that psychologically adaptable migrant workers tend to be more productive, motivated, and loyal, which significantly enhances their competitiveness in the international labor market. Similarly, Park & Park (2019) concluded that good adaptation reduces turnover and absenteeism while increasing job satisfaction, contributing to long-term success for both migrant workers and employers.

From various previous studies utilizing diverse methods, variables, and findings, none have specifically combined these five factors (migrant worker inclusion, psychological well-being, work stress, psychological adaptation, and competitiveness) within the context of Indonesian migrant workers.

METHOD

This research adopts a correlational quantitative approach, which is a method designed to explore and measure the relationships or correlations between two or more variables (Sihotang, 2023). It focuses on analyzing the statistical connections among the variables being studied without attempting to establish any causal relationships between them. The data were collected by distributing questionnaires to selected respondents online via Google Forms with assessments using a Likert scale-5.

The data were analyzed using structural equation modeling with partial least squares (SEM-PLS) through SmartPLS software to estimate the empirical model. SEM-PLS was chosen for its effectiveness in testing structural models and path coefficients, particularly when the data deviate from normal distribution (Hair et al., 2021). The population for this study comprises Indonesian migrant workers employed as caregivers in Taiwan's informal sector under the Private-to-Private placement scheme. The minimum sample size was determined using the inverse square root method (Kock & Hadaya, 2018), with a 5% significance level and a minimum path coefficient of 0.19, yielding a required sample size of at least 170. This sample size exceeds the requirements for SEM-PLS analysis, as the method is well-suited for larger samples, enabling more precise estimations and enhancing the validity of results in complex structural models (Hair et al., 2017).

RESULT AND DISCUSSION

Respondent Demographic Profile

The respondent demographic profile provides an overview of the study participants' characteristics, including gender, age, education level, and length of employment. This data offers valuable context for interpreting the findings by highlighting the diversity and representativeness of the sample. Understanding these demographic variables helps in contextualizing how different groups may perceive and experience the studied phenomena, thereby enriching the overall analysis and interpretation of the research results.

Table 1
Respondent Demographic Profile

Description	Criteria	Frequency	Percent
Gender	Male	0	0.00%
	Female	170	100.00%
Age	< 30	99	58.24%
	30 - 40	56	32.94%
	41 - 50	14	8.24%
	> 51	1	0.59%
Education	Junior High School	75	44.12%
	High School	87	51.18%
	Associate Degree	2	1.18%
	Bachelor	6	3.53%
Length of Employment	< 5	123	72.35%
	5 - 10	44	25.88%
	11 - 15	3	1.76%

Source: Output SPSS 26, data processed 2025

Table 1 presents the demographic profile of respondents, all of whom are female caregivers. The majority are under 30 years old (58.24%), with a significant portion in the 30-40 age range (32.94%), and very few over 50 years old (0.59%). Educationally, most respondents have a high school diploma (51.18%), followed by junior high school (44.12%). Only a small number have an associate degree (1.18%) or a bachelor's degree (3.53%). Regarding employment duration, the majority have been employed for less than 5 years (72.35%), with a smaller group having worked between 5-10 years (25.88%), and very few have been employed for 11-15 years (1.76%). This profile indicates a relatively young, less formally educated workforce with limited long-term experience, which may influence their perspectives and experiences in their roles as caregivers.

Descriptive Statistic

Descriptive statistics provide a summary of the key characteristics of the data set, offering insights into central tendencies, variability, and distribution. This analysis helps in understanding the general trends and patterns within the data, serving as a foundation for further statistical examination and interpretation.

Table 2
Descriptive Statistic

Variable	Min	Max	Range	Mean	Standard Deviation	Variance
Competitiveness	28	120	92	94.75	17.24	297.22
Migrant Worker Inclusion	64	170	106	136.76	22.6	511.08
Psychological Well-being	24	60	36	48.9	8.1	65.74
Work Stress	74	160	86	123.86	20.79	432.38
Psychological Adaptation	24	100	76	68.94	15.4	237.17

Source: Smart PLS 4.0, report 2025

Table 2 provides descriptive statistics for key variables: Competitiveness, Migrant Worker Inclusion, Psychological Well-being, Work Stress, and Psychological Adaptation.

The Competitiveness scores range from 28 to 120, with a mean of 94.75 and a standard deviation of 17.24, indicating moderate variability in competitiveness levels. Migrant Worker Inclusion has a mean of 136.76 and a range of 106, reflecting significant variability and diverse levels of inclusion, as shown by a standard deviation of 22.6. Psychological Well-being ranges from 24 to 60, with a mean of 48.9 and a standard deviation of 8.1, suggesting relatively consistent well-being among respondents. Work Stress has a high mean of 123.86 and a range of 86, with a standard deviation of 20.79, highlighting considerable stress experienced by participants. Lastly, Psychological Adaptation ranges from 24 to 100, with a mean of 68.94 and a standard deviation of 15.4, indicating varied adaptation levels among the respondents. These statistics offer insights into the experiences and variations among participants.

Measurement Model (Outer Model)

The initial phase of SEM-PLS testing focuses on evaluating the outer model, which involves assessing the validity and reliability of the indicators that form the latent variables (Sayyida, 2023). This includes testing convergent validity to ensure that the indicators effectively measure the same construct, with evaluations based on the loading factor (ideally greater than 0.7) and Average Variance Extracted (AVE) (preferably exceeding 0.5) (Abdillah & Hartono, 2015). Reliability is also tested to confirm the internal consistency of the indicators, measured by Composite Reliability (CR) and Cronbach's Alpha (CA), with values above 0.7 indicating acceptable reliability (Abdillah & Hartono, 2015). This step is crucial for verifying that the indicators are both accurate and consistent in measuring the latent variables before advancing to subsequent stages of the analysis. The results from this evaluation are detailed in Table 3, providing a comprehensive overview of the indicators' effectiveness and reliability in the SEM-PLS framework.

Table 3
Construct Reliability and Validity

Construct/Indicator	Loading Factor	CA	CR	AVE
Competitiveness		**0.973**	**0.975**	**0.676**
C.1	0.812			
C.2	0.774			
C.3	0.753			
C.4	0.877			
C.5	0.869			
C.6	0.837			
C.7	0.863			
C.8	0.808			
C.9	0.725			
C.10	0.859			
C.11	0.853			
C.12	0.873			
C.13	0.878			
C.14	0.851			
C.16	0.815			
C.18	0.831			
C.19	0.78			
C.20	0.809			
C.24	0.729			

Migrant Worker Inclusion		**0.978**	**0.98**	**0.68**
MWI.1	0.781			
MWI.2	0.749			
MWI.3	0.827			
MWI.4	0.808			
MWI.5	0.853			
MWI.6	0.83			
MWI.7	0.855			
MWI.8	0.795			
MWI.9	0.822			
MWI.10	0.899			
MWI.11	0.845			
MWI.12	0.856			
MWI.13	0.88			
MWI.14	0.902			
MWI.15	0.776			
MWI.16	0.778			
MWI.27	0.746			
MWI.28	0.742			
MWI.29	0.821			
MWI.30	0.863			
MWI.32	0.814			
MWI.33	0.861			
MWI.34	0.837			
Psychological Well-being		**0.946**	**0.953**	**0.628**
PWs.1	0.822			
PWs.2	0.732			
PWs.3	0.795			
PWs.4	0.755			
PWs.5	0.779			
PWs.6	0.771			
PWs.7	0.775			
PWs.8	0.811			
PWs.9	0.843			
PWs.10	0.858			
PWs.11	0.791			
PWs.12	0.772			
Work Stress		**0.986**	**0.987**	**0.77**
SK_2	0.849			
SK_3	0.872			
SK_4	0.855			
SK_5	0.879			
SK_6	0.859			
SK_7	0.875			
SK_8	0.92			
SK_9	0.897			
SK_10	0.903			
SK_11	0.903			

SK_12	0.887			
SK_13	0.908			
SK_14	0.857			
SK_15	0.817			
SK_16	0.857			
SK_17	0.851			
SK_18	0.872			
SK_19	0.878			
SK_20	0.895			
SK_21	0.879			
SK_22	0.884			
SK_23	0.895			
Psychological Adaptation		**0.924**	**0.938**	**0.654**
PA.1	0.803			
PA.2	0.83			
PA.5	0.785			
PA.6	0.755			
PA.13	0.789			
PA.14	0.882			
PA.19	0.812			
PA.20	0.809			

Source: Smart PLS 4.0, report 2025

Table 3 presents the construct reliability and validity metrics for various constructs assessed in the study, including Competitiveness, Migrant Worker Inclusion, Psychological Well-being, Work Stress, and Psychological Adaptation. Each construct is evaluated based on loading factors, Composite Reliability (CR), Cronbach's Alpha (CA), and Average Variance Extracted (AVE).

For Competitiveness, the CR is 0.975, CA is 0.973, and AVE is 0.676, indicating high internal consistency and good convergent validity, with individual loading factors ranging from 0.725 to 0.878. Migrant Worker Inclusion shows even higher reliability, with CR at 0.980 and CA at 0.978, and an AVE of 0.68. Loading factors for this construct range from 0.746 to 0.902, suggesting strong measurement quality. Psychological Well-being exhibits acceptable reliability with CR of 0.953 and CA of 0.946, while the AVE is 0.628. Loading factors vary between 0.732 and 0.858, reflecting good convergent validity. Work Stress has the highest reliability with CR at 0.987 and CA at 0.986, and an impressive AVE of 0.77. Loading factors are robust, ranging from 0.817 to 0.922. Psychological Adaptation shows solid reliability with CR of 0.938 and CA of 0.924, and an AVE of 0.654. Loading factors from 0.755 to 0.882 reflect good convergent validity. Overall, the table indicates that the constructs are reliable and valid, with most indicators meeting the required thresholds for good measurement quality.

Structural (Inner) Model

The Structural (Inner) Model represents the causal relationships between constructs in a research model (Sayyida, 2023). It maps how independent variables influence dependent variables through hypothesized relationships. Evaluating the Structural Model involves analyzing the strength and direction of relationships between constructs, typically using path coefficients, as well as assessing the significance of both direct and indirect effects (Hair et al., 2021). This model helps in understanding the mechanisms and interactions

between variables, as well as how these variables influence each other within the context of the research.

R-squared (R^2)

R-squared (R^2) is a measure that indicates the extent to which the variability in the dependent (endogenous) variable can be explained by the independent (exogenous) variables in the model (Hair et al., 2017). The R^2 value ranges from 0 to 1, with higher values indicating that the model can explain a greater portion of the variability in the data (Hair et al., 2017).

Table 4
R-squared (R^2)

	R Square	R Square Adjusted
Psychological Adaptation	0.497	0.494
Competitiveness	0.775	0.770
Psychological Well-being	0.756	0.754
Work Stress	0.029	0.023

Source: Smart PLS 4.0, report 2025

Table 4 presents the R-squared (R^2) values, which indicate how much of the variance in each dependent variable can be explained by the independent variables in the model. For Psychological Adaptation, 49.7% of its variance is explained, suggesting a moderate explanatory power. Competitiveness has a high R^2 of 77.5%, indicating that the model explains a significant portion of its variance. Psychological Well-being also shows strong explanatory power with an R^2 of 75.6%. However, Work Stress has a very low R^2 of 2.9%, implying that the model explains little of the variability in this variable.

Effect Size (f^2)

Effect size (f^2) measures the relative impact of an independent variable on a dependent variable in a model (Hair et al., 2017) The f^2 value is used to assess how much influence an exogenous variable has on an endogenous variable (Hair et al., 2017). Interpretation: f^2 of 0.02 is considered small, 0.15 medium, and 0.35 large. This helps understand the contribution of each exogenous variable in explaining the variability of the endogenous variable, offering deeper insights.

Table 5
Effect Size (f^2)

	Psychological Adaptation	Competitiveness	Migrant Worker Inclusion	Psychological Well-being	Work Stress
Psychological Adaptation		0.172			
Competitiveness					
Migrant Worker Inclusion	0.986	0.224		3.092	0.030
Psychological Well-being		0.031			
Work Stress		0.012			

Source: Smart PLS 4.0, report 2025

The effect size (f^2) table indicates the relative impact of each variable on others within the model. Migrant Worker Inclusion has a large effect on Psychological Well-being (f^2 = 3.092) and a moderate effect on Competitiveness (f^2 = 0.224) and Psychological Adaptation (f^2 = 0.986), suggesting its significant role in influencing these variables. Psychological Adaptation has a moderate effect on Competitiveness (f^2 = 0.172), indicating its influence on this variable. In contrast, Psychological Well-being and Work Stress have relatively small effects on Competitiveness (f^2 = 0.031 and f^2 = 0.012, respectively), highlighting their weaker contributions in the model.

Predictive Relevance (Q^2)

Predictive relevance (Q^2) measures a model's ability to predict data not used in its estimation (Abdillah & Hartono, 2015). Q^2 is obtained through the blindfolding procedure. If $Q^2 > 0$, the model has predictive relevance for a given construct. Q^2 values between 0.02 and 0.15 indicate small relevance, 0.15 to 0.35 indicate medium relevance, and values above 0.35 indicate high relevance (Abdillah & Hartono, 2015). Q^2 assesses the model's overall predictive performance, helping evaluate how well it predicts observed data (Abdillah & Hartono, 2015).

$$Q^2 = 1 - \{(1 - 0.497)\ X\ (1 - 0.775)\ X\ (1 - 0.756)\ X\ (1 - 0.029)\}$$
$$Q^2 = 1 - \{(0.503)\ X\ (0.225)\ X\ (0.244)\ X\ (0.971)\}$$
$$Q^2 = 1 - \{(0.503)\ X\ (0.225)\ X\ (0.244)\ X\ (0.971)\}$$
$$Q^2 = 1 - (0.027)$$
$$Q^2 = 0.973$$

A predictive relevance (Q^2) value of 0.973 indicates that the model has a very strong and significant predictive ability. A Q^2 value close to 1 suggests the model is almost perfect in reconstructing observed values. With Q^2 at 0.973, the model demonstrates exceptionally high predictive relevance, indicating that the exogenous variables in the model effectively predict the endogenous variables. This suggests that the model is highly reliable and effective for predictive purposes.

Path Coefficients

Path Coefficients represent the strength and direction of the relationship between two constructs in a structural model (Kurniawan & Helen, 2022). These values indicate the influence of independent (predictor) variables on dependent (response) variables within the model. Typically measured by standardized regression coefficients, they show the magnitude of direct and indirect effects as well as the direction of influence. Positive or negative values indicate the direction, while the magnitude reflects the strength of the relationship, helping to understand variable dynamics within the model (Ramayanti et al., 2023).

Table 6
Hypothesis Test Results

Hypothesis: Path	Original Sample (O)	P Values	Decision
Migrant Worker Inclusion -> Psychological Well-being	0.869	0.000	Supported
Migrant Worker Inclusion -> Work Stress	0.169	0.026	Supported
Migrant Worker Inclusion -> Psychological Adaptation	0.705	0.000	Supported
Migrant Worker Inclusion -> Competitiveness	0.457	0.000	Supported
Psychological Well-being -> Competitiveness	0.192	0.034	Supported
Work Stress -> Competitiveness	-0.053	0.150	Rejected
Psychological Adaptation -> Competitiveness	0.314	0.022	Supported

Mediating Effect			
Migrant Worker Inclusion -> Psychological Well-being -> Competitiveness	0.166	0.034	Supported
Migrant Worker Inclusion -> Work Stress -> Competitiveness	-0.009	0.267	Rejected
Migrant Worker Inclusion -> Psychological Adaptation -> Competitiveness	0.222	0.043	Supported

Source: Smart PLS 4.0, report 2025

The results from Table 6 illustrate the outcomes of hypothesis testing, analyzing the relationships between key variables in the model. Below is an explanation of each path:

- Migrant Worker Inclusion -> Psychological Well-being

This path demonstrates a strong positive relationship between migrant worker inclusion and psychological well-being. The high coefficient (0.869) and statistically significant p-value (0.000) suggest that increased inclusion leads to better psychological well-being for migrant workers. This finding underscores the importance of fostering inclusive practices in the workplace, as it directly contributes to the mental health and emotional stability of migrant workers. Organizations that prioritize inclusivity may enhance the overall quality of life for their workers, which can, in turn, improve job satisfaction, productivity, and retention rates (Garrick et al., 2024). Furthermore, this positive relationship suggests that policies aimed at increasing migrant worker inclusion could serve as a valuable strategy for improving psychological well-being, ultimately leading to a more harmonious and efficient workforce (Ashikali et al., 2021).

- Migrant Worker Inclusion -> Work Stress

The path shows a positive relationship between migrant worker inclusion and work stress. Although the coefficient is relatively small (0.169), the p-value (0.026) indicates that this relationship is significant, meaning inclusion slightly contributes to reducing work stress. This suggests that greater inclusion in the workplace can help alleviate some of the stress experienced by migrant workers, even if the effect is modest. By promoting inclusive practices, employers may create a more supportive and less stressful environment, which could lead to improved worker well-being and productivity over time. While the impact on stress reduction may not be as strong as on other factors, it still highlights the importance of fostering an inclusive atmosphere to mitigate work-related pressures for migrant workers (Vohra et al., 2015).

- Migrant Worker Inclusion -> Psychological Adaptation

This path highlights a strong, positive effect of migrant worker inclusion on psychological adaptation. The high coefficient (0.705) and significant p-value (0.000) indicate that better inclusion practices substantially enhance migrant workers' ability to adapt psychologically. This suggests that when migrant workers feel more included and supported in their work environment, they are better equipped to cope with the psychological challenges of adjusting to new cultures, environments, and job demands. Effective inclusion strategies may provide emotional and social support, leading to increased resilience and adaptability. As a result, migrant workers who experience higher levels of inclusion are likely to experience smoother psychological transitions, reducing stress and improving their overall mental health and job satisfaction (Hunt et al., 2023; Jurek et al., 2024). This underscores the importance of inclusive policies in fostering successful psychological adaptation.

- Migrant Worker Inclusion -> Competitiveness

There is a moderate positive relationship between migrant worker inclusion and competitiveness. The coefficient (0.457) and p-value (0.000) suggest that inclusion plays

a vital role in enhancing competitiveness. This indicates that when migrant workers feel included and valued, their overall competitiveness improves significantly. The moderate effect size implies that inclusion practices contribute notably to their performance and engagement, making them more effective and productive in their roles. This relationship suggests that fostering a supportive and inclusive environment can lead to better job performance and greater contributions to organizational goals. Therefore, investing in inclusion strategies can enhance the competitive edge of migrant workers, benefiting both individuals and organizations (Nishii & Leroy, 2022; Singh & Ramdeo, 2023).

- Psychological Well-being -> Competitiveness

This path shows a positive effect of psychological well-being on competitiveness. The coefficient (0.192) and significant p-value (0.034) imply that improved psychological well-being contributes to increased competitiveness. This suggests that when migrant workers experience better psychological well-being, their competitiveness in the workplace improves. The positive relationship indicates that enhanced mental health and overall well-being can lead to greater job performance, motivation, and engagement. As workers feel better emotionally and psychologically, they are likely to exhibit higher levels of productivity and effectiveness, thereby boosting their competitive edge. This underscores the importance of addressing psychological well-being as a factor in improving work outcomes and organizational success (Adams, 2019; Kundi et al., 2020).

- Work Stress -> Competitiveness

This negative path suggests that work stress has an inverse effect on competitiveness, but the relationship is not statistically significant ($p = 0.150$), leading to the rejection of this hypothesis. For caregivers, who often face high physical and emotional demands, work stress might theoretically reduce their effectiveness and service quality, thereby lowering competitiveness. However, the insignificant result suggests no strong evidence that work stress negatively impacts competitiveness in this context. This indicates that other factors, such as social support or job skills, may play a more significant role in determining competitiveness (Pham et al., 2024). Therefore, while managing work stress is important, focusing on skill enhancement and social support may be more effective for improving competitiveness (Stanley & Sebastine, 2023).

- Psychological Adaptation -> Competitiveness

The positive relationship (0.314) between psychological adaptation and competitiveness is statistically significant ($p = 0.022$), meaning that better psychological adaptation directly enhances competitiveness. This result suggests that when migrant workers effectively adjust to their environment, they are better positioned to excel in their roles, thus improving their overall competitiveness. Enhanced psychological adaptation helps them navigate challenges more effectively, leading to better performance and increased competitive edge in their work (Oh et al., 2022).

Mediating Effects:

- Migrant Worker Inclusion -> Psychological Well-being -> Competitiveness

This shows that psychological well-being mediates the relationship between inclusion and competitiveness. The significant coefficient (0.166) suggests that inclusion enhances competitiveness through improved psychological well-being. This indicates that migrant workers who experience better inclusion are likely to have better psychological well-being, which in turn boosts their competitiveness (Adam et al., 2023). Thus, fostering inclusive environments can lead to enhanced psychological well-being, ultimately translating into higher competitiveness for migrant workers (Butler et al., 2023). This mediation effect underscores the importance of psychological well-being as a key

mechanism through which inclusion impacts overall performance and competitive advantage.

- Migrant Worker Inclusion -> Work Stress -> Competitiveness

This path indicates that work stress does not significantly mediate the relationship between inclusion and competitiveness (p = 0.267), resulting in the rejection of this hypothesis. Despite the expectation that reducing work stress might enhance competitiveness through better inclusion, the data does not support this indirect effect. It suggests that other factors, such as psychological well-being or adaptation, may play a more prominent role in mediating the link between inclusion and competitiveness, rather than work stress. Therefore, managing stress alone may not directly impact competitiveness in this context.

- Migrant Worker Inclusion -> Psychological Adaptation -> Competitiveness

Psychological adaptation significantly mediates the relationship between inclusion and competitiveness, with a coefficient of 0.222 and a p-value of 0.043, confirming that inclusion increases competitiveness via better psychological adaptation. This finding indicates that the process of psychological adjustment plays a crucial role in translating the benefits of increased inclusion into enhanced competitiveness (LAM, 2019). It underscores the importance of fostering effective adaptation strategies among migrant workers to maximize the positive outcomes of inclusion efforts on their competitive edge (Chen, 2018).

CONCLUSION AND SUGGESTION

The study highlights the significant impact of migrant worker inclusion on various critical outcomes, including psychological well-being, work stress, psychological adaptation, and overall competitiveness. The findings underscore the importance of fostering an inclusive work environment to enhance migrant workers' mental health and emotional stability. By creating a supportive and inclusive atmosphere, organizations can improve job satisfaction and retention rates, leading to a more efficient and harmonious workforce.

Furthermore, the study reveals that psychological adaptation plays a vital role in translating the benefits of inclusion into increased competitiveness. This indicates that effective psychological adjustment is crucial for migrant workers to excel in their roles and contribute meaningfully to their organizations. While the reduction of work stress through inclusion has a modest impact, the overall benefits of improved psychological well-being and adaptation are more pronounced in enhancing competitiveness. The results suggest that inclusive practices not only directly benefit migrant workers but also indirectly boost their competitive edge by improving their psychological well-being and adaptation. Therefore, organizations should prioritize inclusivity as a strategic approach to maximize the potential of their workforce, ensuring that migrant workers are supported in both their personal and professional development. This comprehensive approach will lead to enhanced performance, greater job satisfaction, and overall organizational success.

Organizations should create an inclusive work environment through anti-discrimination policies, onboarding programs, and cultural training to accelerate migrant workers' adaptation. Psychological well-being support should be enhanced with mental health services and well-being programs. Mentoring and coaching are crucial for skill development and psychological adjustment. Involving migrant workers in decision-making and providing clear career paths will boost satisfaction and retention. Inclusion should be positioned as a key competitive strategy to enhance performance and organizational competitiveness.

Future research can explore how migrant worker inclusion impacts various industrial sectors, such as manufacturing, construction, healthcare, and technology, to understand which sectors best support migrant workers' well-being and retention. Additionally, analyzing cultural differences and labor policies in destination countries is essential to identify specific challenges faced by migrant workers. The impact of government policies and regulations from both home and host countries should also be further examined, particularly regarding the effectiveness of legal protection and training programs in enhancing migrant workers' competitiveness. With technological advancements, research can also explore how digitalization and technology-based training contribute to improving skills and job opportunities for migrant workers in more competitive sectors.

Several key variables that can be discussed in future research include psychological well-being, labor competitiveness, social support, legal protection, and digital skills. Psychological well-being and social support play a crucial role in improving migrant workers' quality of life and motivation, while labor competitiveness and digital skills help open access to better and more sustainable job opportunities. Legal protection and labor policies are also critical factors in ensuring that migrant workers receive fair rights and reducing the risk of exploitation. By understanding these factors, future research can provide deeper insights into effective strategies for enhancing migrant workers' well-being and competitiveness in the global labor market.

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