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Discrimination Experience, and Psychological Well-Being Among Indonesian Workers in Australia: The Mediating Role of Psychological Safety and Moderating Role of Ethnic Identity

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ABSTRACT

The growing mobility of Indonesian migrant workers to Australia has created greater opportunities for cross-cultural employment while simultaneously exposing workers to workplace discrimination that may undermine their psychological well-being. Although previous studies have consistently reported the adverse consequences of discrimination, the psychological mechanism through which discrimination affects well-being and the potential buffering role of ethnic identity remain insufficiently understood, particularly among Indonesian migrant workers. This study investigates the effect of discrimination experience on psychological well-being through psychological safety and examines whether ethnic identity moderates the relationship between discrimination experience and psychological well-being. A cross-sectional survey was conducted among Indonesian workers employed in various sectors across Australia. Data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). The findings indicate that discrimination experience has a significant negative effect on psychological safety, while psychological safety has a significant positive effect on psychological well-being. Furthermore, psychological safety fully mediates the relationship between discrimination experience and psychological well-being, suggesting that workplace discrimination influences well-being primarily by reducing employees' sense of psychological safety. Contrary to expectations, ethnic identity does not significantly moderate the relationship between discrimination experience and psychological well-being. However, ethnic identity demonstrates a positive direct association with psychological well-being. These findings extend the literature on migrant workers' well-being by highlighting psychological safety as the primary psychological mechanism linking discrimination to well-being while suggesting that ethnic identity functions as an individual psychological resource rather than a buffering factor. The study offers practical implications for organizations seeking to develop psychologically safe and inclusive workplaces for culturally diverse employees.

Keywords: Discrimination Experience, Psychological Safety, Perceived Organizational Support; Psychological Well-Being, Indonesian Migrant Workers

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INTRODUCTION

International labour migration is one of the most prominent features of globalization. It enables workers to seek better work opportunities but also exposes them to a range of social and occupational risks. Australia is one of the main destinations for Indonesian migrant workers because of its relatively strong labor market, competitive wages and multicultural working environment. Australia's multicultural workforce policies require employees from different cultural and ethnic backgrounds to work together within organizations that are increasingly relying on diversity to enhance innovation and organizational performance. These opportunities notwithstanding, migrant workers often face inequality in the workplace due to differences in ethnicity, nationality, language, religion and cultural background.

Among the various challenges faced by migrant workers, workplace discrimination has been consistently identified as one of the most detrimental psychosocial stressors. Discrimination is the differential treatment of individuals based on their social identity, including unfair treatment, exclusion, stereotyping, harassment, unequal opportunities and other forms of unfair treatment. Discrimination may also reach beyond individual interactions to include recruitment, promotion, pay, work assignments and everyday communication in the workplace. Such experiences influence the work attitude of employees, and pose risks to their psychological health and long-term well-being.

Perceived discrimination has been shown repeatedly in earlier research to be negatively related with psychological outcomes among migrants. Schmitt et al. (2014) conducted a large meta-analysis and found that discrimination has a significant negative impact on psychological wellbeing and is related to higher levels of depression, anxiety, psychological distress and lower levels of self-esteem. Similarly, Williams (2019) has argued that discrimination is a chronic psychosocial stressor that may influence mental and physical health via multiple psychological and physiological pathways. Discrimination at work among immigrant workers has also been associated with emotional exhaustion, social isolation, decreased organizational commitment and poorer overall mental health.

Similar findings have been reported in research on migrant workers. In a study by Di Napoli et al. (2021), workers who had experienced discrimination in the workplace had significantly worse mental health than those who did not experience discrimination. Mucci et al. (2019) also conducted a systematic review to identify the main determinants of psychological disorders among migrant workers in different countries and found that workplace discrimination was one of the main determinants. Overall, the results indicate that discrimination is a persistent occupational stressor that may pose a challenge to migrants' ability to successfully adapt to multicultural workplaces.

Previous studies have consistently found the negative relationship between discrimination experience and psychological well-being, but the psychological mechanism explaining how discrimination translates into poorer well-being is not yet well understood. The majority of the extant studies examine direct relationships between discrimination and mental health outcomes, but little is explained about the intervening psychological processes within employees. Thus, the psychological mechanism through which discrimination impacts psychological well-being has become an important research agenda in organizational behavior and international human resource management.

One psychological construct that could explain this mechanism is psychological safety . The term psychological safety was first coined by Edmondson (1999). It refers to a team's shared belief that the workplace is safe for interpersonal risk-taking, such as expressing opinions, asking questions, making mistakes, and seeking help without being embarrassed, rejected, or punished. Psychological safety is particularly important in multicultural workplaces where migrant workers are in constant interaction with colleagues from different cultural backgrounds. At the same time, they negotiate their minority status in organizations.

In this sense, discrimination at work may first lead to less perceived psychological safety at the work place and then to lower psychological well-being. The employees who encounter discrimination repeatedly probably consider their workplace as less supporting, less inclusive and unsafe in a

psychological sense. Eventually, they are more reluctant to voice views, speak up, contribute in decisions and seek help from their supervisors or coworkers. The reduced psychological safety eventually might impact psychological well-being. Therefore, the psychological safety probably is the main psychological mechanism to transmit from discrimination to the migrant workers' well-being.

However, this negative process is not automatically implemented and discriminated effects may not have the same psychological effects for all migrant workers. The psychological consequences of discrimination are highly individual: Some migrant workers seem quite to undergo from this discrimination while others endure better psychologically and have reasonable high psychological welfare even under discriminated working situations. We thus hypothesize that individual's internal psychological ressources will affect how much the discrimination' impact on the employee's psychological well-being.

Ethnic Identity can one potential psychological resource. Ethnic identity indicates how individuals feel attached to, invested in, and in committed to their group membership of ethnicity. Those with clear ethnic identity typically have more pride in their ancestral traditions, more identification with members of their group and clearer awareness of the history of the members of their groups. It has been found that membership in valuable social groups enhances self-concept and self-esteem. Therefore, strong identification can support to explain their experiences of discrimination as being against their groups instead of personal defect.

While based on Social Identity Theory, the Rejection-Identification Model assumes that the extent to which an individual identifies with one's group helps with coping with discriminatiory threats. People's Identification with their ethnic group provide them with social support, identification with one another, and psychic resources that buffer the ill effects of their encounters with the groups who discriminated against them. Thus, ethnic Identity has been identified as a possible buffer which has weakened the discriminatory threat on well-being. Research has indicated mixed support.

Hence there are still a few pending areas for research: First of all even if workplace discrimination has been studied, not many of the past literatures analyze psychological safety as a mediator and ethnic identity as a boundary condition all together into one model; there are no many study analyze mediation, moderation both in the same context, hence no study can help analyze the underlying complexity processes to describe the relation between psychological safety and racial well-being .

Second, existing empirical researches mostly examine minorities or immigrants in North America and Europe countries, while the research focusing on Indonesian migrants working in Australia is still very limited. This type of immigrants have distinguishable particularity of the individual as their lives were largely influenced by collectivism, religion, and strong community sentiment which may resulted in distinct way to experience discrimination as another group of immigrants did.

Third, while there have been growing attempts in organizational behavior literature to shed light on this construct of psychological safety in general, research with migrant workers in multicultural organizational settings have provided insufficient explanation on psychological safety's intervening role. If psychological safety acts as a partial or total mechanism through which discrimination has been positively or negatively related to psychological well-being, this would further contribute to the literature of organizational psychology and international human resource management.

Combing these weaknesses and gaps, the proposed research introduces a comprehensive integrative model based on discrimination experiences, psychological safety, psychological well-being, and ethnic identity of Indonesian workers in Australia. To be exact, this study hypothesized that psychological safety accounts for the effect of experiences of discrimination on employees' psychological well-being whereas ethnic identity buffers the effect of experiences of discrimination on employees' psychological well-being. This research integrates the Social Identity Theory and the Psychological Safety theory to give a holistic account of the process underlying the influences of work place discrimination in relation to psychological well being of migrant workers.

The outcomes are useful in terms of theory extension for migrant well-being literature and explanation of the psychological pathways underlying the relationship between discrimination and well-being, and in a practical sense, helps organizations with multicultural work settings how to establish safe psychological working environments, foster good workplace practices for inclusion and support their Indonesian employees. Moreover, practical implications of the findings might be informative to policy makers in Indonesia and Australia on developing evidence based interventions for better well-being of Indonesian migrant workers.

LITERATURE REVIEW

Social Identity Theory

This study is primarily grounded in Social Identity Theory (SIT), which argues that individuals derive part of their self-concept from their membership in social groups. Social identities, including ethnicity, influence how individuals interpret social experiences and respond to interpersonal treatment. Individuals who strongly identify with their ethnic group tend to maintain higher self-esteem and perceive greater social support when facing adverse experiences, including workplace discrimination. Consequently, ethnic identity may function as an important psychological resource that shapes employees' responses to discriminatory experiences (Tajfel & Turner, 1979; Phinney & Ong, 2007).

In this multicultural workplaces SIT posits that discrimination can pose a risk to employees' social identity by representing exclusion from an important valued organization. These experiences have been linked to depleting the individual's psychological resources and has had a negative affect on the individual's overall psychological well-being. Those who were more ethnic identifies are more likely to perceive discriminatory acts differently because identification with their ethnic group can enhance their emotional resources and self-perceptions (Branscombe et al., 1999; Phinney et al., 2007).

Discrimination Experience

Discrimination experience refers to an individual's perception of being treated unfairly because of personal or social characteristics such as ethnicity, nationality, race, language, or religion. Within organizational settings, discrimination may occur through unequal opportunities, exclusion from decision-making, stereotyping, unfair evaluation, or everyday interpersonal interactions. Migrant workers are particularly vulnerable because they often occupy minority positions within organizations while simultaneously adapting to unfamiliar cultural environments (Schmitt et al., 2014; Williams, 2019).

Extensive empirical evidence demonstrates that discrimination constitutes a chronic psychosocial stressor capable of reducing individuals' psychological well-being. A meta-analysis involving more than 144,000 participants conducted by Schmitt et al. (2014) concluded that perceived discrimination consistently predicts lower self-esteem, greater psychological distress, anxiety, depression, and reduced life satisfaction. Similarly, studies involving immigrant workers indicate that repeated experiences of workplace discrimination negatively affect both mental health and workplace adjustment, making discrimination one of the most important occupational stressors among migrant employees (Di Napoli et al., 2021; Mucci et al., 2019).

Discrimination Experience and Psychological Well-Being

Psychological well being is defined as an individual's positive mental health; characterized by self-acceptance, self-growth, autonomy, purpose in life, positive relations with others and environmental mastery. Discrimination at work poses a threat to these aspects by making people feel rejected, uncertain and excluded (Tajfel and Turner, 1979). Perceived workplace unfairness led to experience of emotional

fatigue, decreased self-esteem, lower life satisfaction; all which subsequently decrease psychological well being (Schmitt et al., 2014).

According to Social Identity Theory, discrimination constitutes threat to positive social identity and undermines psychological well-being. A plethora of previous studies has concluded that there is a negative relationship between discrimination experiences and the psychological well-being in minority workers and migrant workers, therefore the hypothesis is put forward:

H_1: *Discrimination experience negatively affects psychological well-being.*

Psychological Safety

Psychological safety is a belief in one's work place that "such a risk may be taken - individuals will not be punished or humiliated for speaking up with ideas, questions, concerns, or mistakes." (Edmondson, 1999). From its genesis of the concept, it has been arguably one of the more significant notions within the field of organizational behavior because it provides an environment wherein communication, learning behavior, employee engagement, and organizational innovation may prosper (Edmondson & Lei, 2014).

In addition to its implications to work-related outcomes, contemporary research in organizations also acknowledges the role of psychological safety in its implications towards an employee's well-being. Typically, employees situated in psychologically safe settings express low levels of stress, high levels of organizational trust, high levels of engagement, high psychological adjustment. Employees working in psychologically unsafe environments suffer reduced individual psychological well-being due to threat, exclusion, and fear (Edmondson & Lei, 2014; Frazier et al., 2017).

Discrimination Experience and Psychological Safety

Psychological safety can be defined as employees' beliefs that the workplace is a place for interpersonal risk-taking without the fear of being embarrassed, rejected or punished. It is possible that an employee, who suffers from discrimination, chooses not to express opinions, seek help or take part in interactions out of an anticipation for additional unfair treatment. Therefore discrimination will lower perceptions of psychological safety in the workplace (Edmondson, 1999; Edmondson & Lei, 2014).

Literature in organizational behavior has consistently found that negative, exclusionary encounters have the impact of undermining interpersonal trust and thus employees' openness in communication. Similarly migrant workers in multicultural organizations, which perceive that their employer is giving discriminatory treatment are inclined to avoid interaction with their colleagues in order to prevent additional discriminatory treatment, thus reducing the degree of psychological safety and hindering positive employee interaction (Edmondson & Lei, 2014).

H_2: *Discrimination experience negatively affects psychological safety.*

Psychological Safety and Psychological Well-Being

Psychological safety enables employees to express themselves authentically while maintaining positive interpersonal relationships. Such environments reduce emotional strain and enhance employees' confidence, belongingness, and resilience, thereby improving psychological well-being. Previous empirical studies consistently report positive associations between psychological safety and various indicators of employee well-being across different organizational contexts (Edmondson & Lei, 2014).

Furthermore, discrimination is expected to influence well-being indirectly through psychological safety. Employees who experience discrimination may first lose their sense of interpersonal safety, which subsequently reduces psychological well-being. Therefore, psychological safety is expected to function as an important mediating mechanism.

H_3: *Psychological safety positively affects psychological well-being.*

***H_4**: Psychological safety mediates the relationship between discrimination experience and psychological well-being.*

Ethnic Identity

Ethnic identity involves an individual's sense of connection, exploration of and commitment to their ethnic group. For Phinney and Ong (2007), ethnic identity is composed of two closely related components of exploration, defined as the active process of exploring one's ethnic background, and commitment, which concerns sentiments of belonging and closeness toward one's group affiliation. These components of ethnic identity have been consistently corroborated in many ethnically diverse groups in large-scale studies using the Multigroup Ethnic Identity Measure-Revised (MEIM-R).

Greater levels of ethnic identity are generally associated with the individual having higher psychological resources and therefore greater resilience, because ethnic identification gives them a stable sense of inclusion, collective self-esteem, and comfort derived from having a relationship with a group that supports and cares for them. According to social identity theory, these resources might buffer the impact of experiences of discrimination and lead an individual to explain discrimination as the prejudice of others toward their social group rather than as a mark against the self (Phinney et al., 2007; Phinney & Ong, 2007).

The Moderating Role of Ethnic Identity

Rejection-Identification perspective The Rejection-Identification perspective is based on the logic that ethnic members may receive some sort of social validation for their experiences of the discrimination due to their strong identification with the respective ethnic groups and so minimize the potential psychological pain that is derived from the experience. Thus, it is hypothesize that a strong ethnic identity may mediate the association of discrimination to psychological health for migrant workers. As prior research has obtained a range of findings in various contexts (Phinney et al, 2007), ethnic identity was still consider as logically important protection factors for migrant workers.

***H_5**: Ethnic identity moderates the relationship between discrimination experience and psychological well-being, such that the negative effect of discrimination experience on psychological well-being is weaker among employees with higher ethnic identity.*

METHOD

Research Design

To investigate the relationships between experiences of discrimination, psychological safety, psychological well-being and ethnic identity of Indonesian migrant workers in Australia this research utilised a quantitative cross-sectional research design. The quantitative research methodology was considered the most appropriate research approach as the study set out to test theoretically derived hypotheses, investigate structural relations between a number of latent constructs and use Structural Equation Modelling (SEM) to analyze these constructs. Cross sectional surveys have been successfully utilized to study the employees' perceptions and psychological effects in organizational behaviour and international human resource management (Hair & Alamer, 2022; Legate et al., 2021).

Participants and Data

Collection Our study targeted Indonesian citizens that currently reside in Australia and are employed in all different industries. Purposive sampling method was used and the respondents were screened based on: (1) Indonesian Citizenship and (2) Residence and Current Employment in Australia for a period of minimum six months. It is assumed that minimum six months employment experience for our

respondents allows for reasonable perceptions regarding discrimination, psychological safety and psychological well-being in the workplace.

We gathered data using an online self-administered questionnaire distributed through the Indonesian communities in Australia, the Indonesian professional organizations and social media networks. The participation was voluntary, and we assured confidentiality to all respondents by making the participation anonymous. The respondents received information regarding the purpose of the study before they provided their electronic informed consent by completing the questionnaire. Using online survey platforms has been broadly used to survey migrant worker's group, where they can reached through geographically dispersed communities, and ensures their privacy and comfort (Di Napoli et al., 2021; Hasan et al., 2021).

Measurement of Variables

All constructs were measured using previously validated instruments adapted to the context of Indonesian migrant workers in Australia. Responses were assessed using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). Discrimination experience was measured using items adapted from previous workplace discrimination studies that assess employees' perceptions of unfair treatment, exclusion, and discriminatory experiences in organizational settings. Psychological safety was measured using Edmondson's psychological safety scale, which captures employees' perceptions of interpersonal safety within the workplace.

Psychological well-being was measured using indicators reflecting positive psychological functioning and overall mental well-being. Ethnic identity was adapted from the Multigroup Ethnic Identity Measure-Revised (MEIM-R) developed by Phinney and Ong (2007), emphasizing the dimensions of ethnic exploration and ethnic commitment. Instrument adaptation followed established recommendations for cross-cultural research to ensure conceptual equivalence and content validity (Phinney & Ong, 2007).

Data Analysis

Validation of Proposed research model, the proposed research model was analyzed using the partial Least squares structural equation modeling (PLS-SEM) in SmartPLS 4. PLS-SEM is deemed suitable here given that the current study is based on extending theory, predicting outcome variable, and assessing multiple direct effects, mediator, moderator relationships simultaneously among latent variables, and robust for model that involves several mediation/moderation analyses and does not have the assumption of multivariate normality (Hair and Alamer, 2022, Legate et al., 2021).

The data were analyzed using the two-stage procedure described in current PLS-SEM guidelines. Stage one investigated the measurement model: assessment of individual item reliability, internal consistency (Cronbach's alpha and Composite Reliability), convergent validity based on average variance extracted (AVE) and discriminant validity based on the Heterotrait-Monotrait ratio (HTMT). Stage two tested the structural model: examining collinearity, calculating path coefficients, and using analysis to determine overall model fitness via the coefficient of determination (R2) , effect size (f2) , predictive ability (Q2), and hypothesis significance through bootrapping with 5000 resamples in testing significance for both direct, indirect and interaction effects (Hair et al. 2022; Becker et al. 2023).

Ethical Considerations

Participation in this study was entirely voluntary. Respondents were informed that their responses would remain anonymous and would be used exclusively for academic research purposes. No personally identifiable information was collected, and participants could withdraw from the survey at any stage without consequence. These procedures followed internationally accepted ethical principles for social science research involving human participants.

RESULTS

Respondent Profile

A total of 130 valid responses from Indonesian workers employed in Australia were included in the analysis. Table 1 presents the demographic characteristics of the respondents. The sample consisted of 69 males (53.1%) and 61 females (46.9%), indicating a relatively balanced gender distribution. Regarding age, the respondents were predominantly young adults. Approximately 51.5% were aged between 26 and 30 years, while the remaining 48.5% were between 18 and 25 years. This distribution suggests that most respondents were in the early stages of their professional careers.

Table 1. Demographic Profile of Respondents

Characteristics	n	Percent (%)
Gender		
Male	69	53.1
Female	61	46.9
Age		
18 - 25	63	48.5
25 - 30	67	51.5
Length of Employment		
6 - 12 moths	53	40.8
1 - 2 years	45	34.6
2 - 3 years	32	24.6
Education		
Diploma	45	34.5
Bachelor's Degree	77	59.2
Master Degree	8	6.2

Source: Processed Survey Data (2026)

Most respondents held a bachelor's degree (59.2%), followed by Diploma (34.5%), while only 6.2% possessed a master's degree. Regarding migration characteristics, 40.8% of respondents had lived in Australia for 6–12 months, 34.6% had resided for 1–2 years, and 24.6% had lived in Australia for 2–3 years. Similarly, most respondents (76.9%) had worked in their current organizations for less than one year, whereas only one respondent (0.8%) had remained in the same organization for more than two years. These findings indicate that most participants were relatively new migrants who were still adapting to their working environment.

Measurement Model Assessment

The measurement model was evaluated through indicator reliability, convergent validity, internal consistency reliability, and discriminant validity. Indicators with outer loadings below the recommended threshold were removed to improve the quality of the measurement model. After refinement, all retained indicators achieved acceptable loading values and Average Variance Extracted (AVE) values above the recommended threshold of 0.50, indicating satisfactory convergent validity.

Furthermore, the Fornell–Larcker criterion confirmed adequate discriminant validity, as the square root of the AVE for each construct exceeded its correlations with other constructs. Internal consistency reliability was assessed using Cronbach's alpha and Composite Reliability (CR). As shown in Table 2, all constructs achieved Composite Reliability values above 0.70. Although Ethnic Identity exhibited a relatively low Cronbach's alpha (0.492), its Composite Reliability (0.791) exceeded the recommended threshold, indicating acceptable reliability for exploratory research.

Table 2. Measurement Model

Construct	Outer Loading	Cronbach's Alpha	Composite Reliability	AVE
Discrimination Experience	0.506–0.802	0.879	0.900	0.504
Ethnic Identity	0.724–0.888	0.492	0.791	0.656
Psychological Safety	0.581–0.805	0.818	0.869	0.527
Psychological Well-being	0.641–0.798	0.710	0.818	0.531

Note. Indicators with low outer loadings were removed before estimating the final model. Although the Cronbach's alpha of Ethnic Identity was relatively low, the Composite Reliability (0.791) exceeded the recommended threshold, indicating acceptable reliability for exploratory research.

Structural Model Assessment

The structural model was assessed using the bootstrapping procedure to estimate standardized path coefficients, t-statistics, and p-values. The findings indicate that discrimination experience significantly reduced psychological safety ($\beta = -0.391$, $p < 0.001$), while psychological safety significantly enhanced psychological well-being ($\beta = 0.573$, $p < 0.001$). However, the direct effect of discrimination experience on psychological well-being was not statistically significant ($\beta = 0.010$, $p = 0.896$).

The indirect effect analysis further revealed that psychological safety significantly mediated the relationship between discrimination experience and psychological well-being, indicating a **f**ull mediation effect. In contrast, the interaction effect between discrimination experience and ethnic identity was not statistically significant ($\beta = 0.011$, $p = 0.895$), suggesting that ethnic identity did not moderate the relationship between discrimination experience and psychological well-being

Table 3. Structural Path Coefficients

Path	β	t-value	p-value	Decision
DE → PS	-0.391	6.038	0.000	Supported
DE → PWB	0.010	0.131	0.896	Not Supported
PS → PWB	0.573	8.316	0.000	Supported
DE → PS → PWB	-0.224	4.664	0.000	Supported (Full Mediation)
DE × EI → PWB	0.011	0.132	0.895	Not Supported

Source: SmartPLS Bootstrapping Results

Summary of Hypothesis Testing

Overall, three of the five hypotheses were supported. Discrimination experience negatively affected psychological safety (H2), and psychological safety positively influenced psychological well-being (H3). In addition, psychological safety fully mediated the relationship between discrimination experience and psychological well-being (H4). Conversely, the direct effect of discrimination experience on psychological well-being (H1) and the moderating effect of ethnic identity (H5) were not supported. These findings suggest that discrimination undermines psychological well-being primarily through its detrimental impact on employees' perceptions of psychological safety rather than through a direct effect.

Discussion

This research investigated the link between discrimination experience, psychological safety, psychological well-being and ethnic identity among the Indonesian workers in Australia. The results show that psychological safety is the most important mediating psychological process through which

discrimination experience has an effect on psychological well-being. Although discrimination experience did not reduce the psychological well-being directly but the experience did lower the employees' psychological safety, which in turn caused a reduction in employee psychological well-being. The results support the general finding in organizational psychology literature stating that employees' perceptions of interpersonal safety are an important psychological process that mediates between work experiences and employee well-being. Psychological safety, is argued by Edmondson and Bransby (2023) to be one of the most impactul concepts in the field of organizational behavior as it allows employees to deal effectively with the uncertainties and differences of workplace.

The first finding revealed that discrimination experience did not significantly influence psychological well-being directly. Although this result differs from many previous studies, it offers an important theoretical insight. Emmer et al. (2024), through a comprehensive meta-analysis published in *Psychological Bulletin*, demonstrated that discrimination generally produces immediate negative effects on mental health. Likewise, Di Napoli et al. (2021) reported that workplace discrimination significantly reduced the mental health of immigrant workers in Italy. However, unlike those studies, the present research suggests that discrimination alone may not automatically reduce psychological well-being among Indonesian migrant workers. Instead, its psychological consequences appear to depend on how discrimination alters employees' perceptions of their workplace environment, particularly whether they continue to perceive the workplace as psychologically safe.

One possible interpretation for such an outcome may have to do with characteristics of the participants. The majority of participants was classified as blue-collar employees (88.5 percent), resided in Australia for under 2 years, and worked in their present company under 1 year. The findings above imply that the majority of the participants were newly arriving immigrant employees trying to acculturate to an unknown organizational and socio-cultural context. It is likely that while migrating and in the course of initial adaptation, a newly arrived employee might perceive experiences of discrimination, at least, partially, as an integral part of the adaptation process and may not interpret experiences of discrimination as an immediate threat to their psychological well-being. In such scenario, at least, the immediate impact of discrimination is on employee experiences in the social interactions and working environment.

The second finding revealed that having discriminatory experiences was associated with a decrease in psychological safety. This outcome correlates quite closely with the claim of Edmondson and Bransby (2023) that psychologically safe work environments are characterized by trust, inclusion, and lack of interpersonal threat. When employees encounter repeated instances of discrimination, they likely become increasingly reluctant to speak their minds, question the status quo, or influence decisions within the organization for fear of subsequent mistreatment. Likewise, Plouffe et al. (2023) wrote that psychological safety "encompasses employee belief that they will not be embarrassed, ostracized, or punished for interpersonally threatening statements and actions; thus discrimination directly violates one requirement for healthy workplaces."

A strong positive correlation between psychological safety and well-being further reinforces the idea that perceptions of interpersonal safety among workers is of central importance to sustaining positive psychological functioning. Edmondson and Bransby (2023) have highlighted that psychological safety is influential in helping workers feel that they can easily learn, collaborate and communicate openly but also is positively related to lowered stress and burnout. Dwivedi et al. (2023) also report that the valuing of diversity through leadership behaviors was highly influential in raising employee psychological safety which in turn reduced employees' intention to quit and improved their workplace experiences. Such studies indicate that psychological safety should be approached as an organizational climate construct and as a key predictor of employee psychological well-being.

The most important contribution of this study is the finding that psychological safety fully mediated the relationship between discrimination experience and psychological well-being. This finding suggests that discrimination becomes psychologically harmful primarily because it reduces employees'

sense of interpersonal safety rather than exerting an immediate direct influence on psychological well-being. This interpretation is also consistent with the mediation model reported by Di Napoli et al. (2021), who found that the adverse effects of workplace discrimination on immigrant workers' mental health were transmitted through psychosocial mechanisms such as loneliness and life satisfaction. Therefore, the present study extends previous research by demonstrating that psychological safety represents another critical psychosocial pathway through which workplace discrimination influences migrant workers' psychological well-being.

Interestingly, ethnicity was found not to be a moderator of the relation between discrimination experience and psychological well-being. While Social Identity Theory postulates that an employee's ethnic identity can protect him from some negative psychological effects of experiencing discrimination, these results suggested such a buffer could only partially arise. Another interpretation is that since respondents seemed to be relatively recent migrants, workplace exchanges, especially positive ones, played a much more salient part of their daily life than it mattered how much they identifies with other members of their ethnic group, leading to identification with the broader community of their peers to matter much less when they thought about their mental health.

Nevertheless, the absence of a moderating effect does not imply that ethnic identity lacks psychological significance. Rather, the findings suggest that ethnic identity may function more effectively as a personal psychological resource than as a protective moderator against workplace discrimination. This interpretation is consistent with recent migration literature indicating that ethnic identity strengthens individuals' sense of belonging, cultural continuity, and self-esteem, even when it does not significantly weaken the psychological impact of discriminatory experiences. Accordingly, ethnic identity remains important for migrant adaptation but may operate through mechanisms other than moderating workplace discrimination.

In terms of theory this dissertation advances the literature on organizational behavior by the application and expansion of the Psychological Safety theory on Indonesian migrants in Australia. While prior empirical works mainly employed Psychological Safety as an antecedent for innovation, learning behavior, or team effectiveness, in this dissertation, Psychological Safety was proven to be an underlying psychological mediator to explain how work discrimination relates to employees' well-being. In doing so, the present study goes beyond team learning, it expands the scope of application of psychological safety theory into the realm of psychological adjustment for migrants in multicultural workplace.

From an organizational perspective, our research findings demonstrate that organizations must go beyond implementing simple anti-discrimination policies. Instead, they should consciously create psychologically safe environments by fostering inclusive leadership behaviors, respectful workplace relationships and communication, fair supervision, and enabling mechanisms for victims to report discrimination. There is strong evidence from contemporary organizational literature indicating that when organizations have an inclusive human resource management system, the diversity of workforce would cause fewer negative side effects and workers' learning behaviors and organizational inclusion could be reinforced (Liu et al., 2023). Consequently, organizations ought to create psychological safe places for their migrants, where will contribute to the well-being of migrants, and the sustainability of the organization.

Lastly, our results may inform policy. Indonesian immigrant organisations, policy makers and employers could come together and build up orientation, mentoring programs and psychological services for the first 6-12 months of migrant workers' arrival to their new workplace in the destination countries. As the study respondents showed a relatively shorter residency and employment periods in Australia, effective workplace adaptation would allow the early identification and mitigation of discrimination as a factor impacting mental well-being and help to attain healthier social adjustment into culturally diverse workplace contexts. Our recommendation is in line with previous literature where inclusion of workplace practice and supports were also shown to safeguard employees' psychological well being.

CONCLUSION

The purpose of this study is to examine the relationships between discrimination experience, psychological safety, psychological well-being, and ethnic identity among Indonesian workers in Australia. The results demonstrated that discrimination experience has no significant direct impact on psychological well-being. Rather, the negative effect is solely mediated by psychological safety, implying the primary mediating psychology that explains the association between discrimination experience and psychological well-being is the employees' perception of interpersonal safety. On the other hand, while ethnic identity show a significant direct relationship on psychological well-being, ethnic identity cannot moderate discrimination experience and psychological well-being in this context. The results support the notion that the development of psychological safety will likely be more efficacious than solely providing employees with identity resources at their disposition in minimizing the detrimental effects of discrimination experiences in the workplace.

From a theoretical perspective, this study contributes to the organizational behavior and international human resource management literature by extending Psychological Safety Theory to the context of Indonesian migrant workers employed in multicultural workplaces. While previous studies have primarily emphasized the direct effects of workplace discrimination on employee well-being, the present findings demonstrate that psychological safety functions as the principal explanatory mechanism through which discrimination influences psychological well-being. In addition, the insignificant moderating effect of ethnic identity suggests that the protective role of social identity may vary across cultural and organizational contexts, thereby encouraging further refinement of Social Identity Theory in international employment settings.

The practical implications are that organizations have much to gain from nurturing a psychologically safe environment, fostering receptivity, inclusivity and respect for multicultural members. Building upon anti-discrimination legislation (as previously proposed in these notes), these efforts should integrate inclusive organizational leadership and structures, such as open communication channels and robust confidential systems, allowing employees to voice concerns without repercussions. If achieved, this will improve the overall psychological security of employees and enhance their well-being and capacity for adapting to workplace environments.

This study has few limitations. First, the use of cross-sectional study makes impossible to infer causality among variables of the study. Secondly, our sample primarily includes blue-collar workers from Indonesia, relatively in Australia less time of accommodation and employment and therefore might limit generalizability among other migrant's populations and job sectors. Third, the measure of ethnic identity included a limited number of items after the process of the measure of the model, and it might have affected its role as moderating. Accordingly future research should make studies with longer duration, diverse migrant's people among job sectors and different countries and should test other psychological resources that might explain the processes by which workplace discrimination affect psychological well-being of migrant workers, for example including perceived organizational support, resilience, cultural intelligence, or inclusive leadership

Recommendations

Based on the findings of this study, organizations employing Indonesian migrant workers should prioritize the development of psychologically safe workplaces alongside implementing anti-discrimination policies. While preventing workplace discrimination remains essential, the present study demonstrates that employees' psychological well-being is primarily influenced by their perceptions of psychological safety. Therefore, organizations are encouraged to strengthen inclusive leadership practices, establish confidential reporting mechanisms for discrimination, provide regular diversity and inclusion training, and foster open communication between supervisors and employees. Previous studies have shown that psychologically safe work environments enhance employee well-being, engagement,

learning behavior, and organizational performance (Edmondson & Bransby, 2023; Frazier et al., 2017; Liu et al., 2023).

From a policy perspective, the findings provide a good rationale for enhanced engagement between the Indonesian Government, Australian bodies, employers and Indonesian diaspora groups to promote migrant workers' psychological adjustment. Orientation programmes for new migrant workers in Australia should not only cover workplace conditions and health and safety standards but also disseminate relevant information about job-site discrimination, psychological support facilities and complaints mechanisms. Given that most workers had short terms of residence and labour at the time of the survey (Di Napoli et al., 2021; OECD, 2023) then early intervention could prevent initial psychosocial difficulties, promote resilience throughout the workplace integration process, and improve overall social adaptation of culturally diverse workplaces.

It is suggested that, future studies can continue the current research and adopt a longitudinal research design to fully track the change in the process of psychological safety and psychological well-being with the progression of migration workers' adaptation. Additionally, more kinds of industrial or occupational sectors should be investigated in the future, and comparing migrants working in the different host countries should be conducted, as well as more organizational indicators like inclusive leadership, perceived organizational support, organizational justice, cultural intelligence and resilience should be analyzed to have a more systematic study on the psychological consequence of workplace discrimination, Moreover, future researches may utilize the combined methods, so as to observe how migrates understand workplace discriminatory incident, and then figure out what strategies migrants utilize coping their workplace incident in various cultures and organizational surroundings (Hair & Alamer, 2022; Edmondson & Bransby, 2023).

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