

Received : 16 Juni 2025

Revised : 10 Februari 2026

Accepted : 6 Juli 2026

Unpacking the Link between Job Autonomy and Performance: The Role of Psychological Well-Being as a Mediator

Izzaty Nuril Fajri¹, Muzakki²

¹Magister Manajemen, Fakultas Ekonomi dan Bisnis, Universitas Airlangga

²Program Studi Manajemen, Fakultas Ekonomi dan Bisnis, Universitas Wijaya Putra

1izzaty.nuril.fajri-2024@feb.unair.ac.id

2muzakki@uwp.ac.id

Abstrak

- **Tujuan:** Penelitian ini bertujuan untuk menguji pengaruh *job autonomy* terhadap *job performance* dengan *psychological well-being* sebagai variabel mediasi pada pegawai Direktorat Jenderal Pajak (DJP) Jawa Timur II. Otonomi kerja dipandang sebagai elemen penting dalam desain kerja modern yang mampu mendorong performa melalui peningkatan kesejahteraan psikologis karyawan.
- **Metodologi:** Penelitian ini menggunakan pendekatan kuantitatif dengan teknik *purposive sampling*, melibatkan 213 responden yang menjabat sebagai Account Representative. Analisis data dilakukan menggunakan metode Partial Least Squares-Structural Equation Modeling (PLS-SEM).
- **Temuan:** Hasil analisis menunjukkan bahwa *job autonomy* berpengaruh positif dan signifikan terhadap *job performance*, serta terhadap *psychological well-being*. Selanjutnya, *psychological well-being* juga terbukti secara signifikan memengaruhi *job performance*. Selain itu, *psychological well-being* terbukti memediasi hubungan antara *job autonomy* dan *job performance*. Temuan ini mengindikasikan bahwa pemberian otonomi kerja tidak hanya berdampak langsung terhadap peningkatan kinerja, tetapi juga memperkuat performa melalui perbaikan kondisi psikologis pegawai.
- **Batasan/Dampak:** Penelitian ini terbatas pada penggunaan desain (cross-sectional), pemanfaatan data yang diperoleh melalui laporan diri (self-reported data), serta fokus pada satu organisasi sektor publik. Penelitian selanjutnya disarankan menggunakan desain longitudinal dan sumber data yang lebih beragam, serta memasukkan variabel tambahan.
- **Implikasi Praktis:** Secara teoretis, studi ini memperkaya literatur mengenai hubungan antara desain kerja dan perilaku kerja dalam konteks sektor publik. Dari sisi praktis, hasil ini memberikan rekomendasi bagi instansi pemerintah untuk mendesain ulang sistem kerja yang memberi ruang otonomi lebih besar guna mendorong produktivitas dan kesejahteraan pegawai secara simultan.
- **Keaslian/Nilai:** Penelitian ini memberikan kontribusi terhadap pengembangan literatur dengan memperkenalkan kerangka teoretis



Cite This As: Fajri, et al.2026. Unpacking the Link between Job Autonomy and Performance: The Role of Psychological Well-Being as a Mediator. *Ekonomi dan Bisnis*, 13(1), 98-116. doi.org/10.35590/jeb.v13i1.11413

terintegrasi yang menjelaskan bagaimana kesejahteraan psikologis memediasi hubungan antara otonomi kerja dan kinerja pegawai dalam organisasi sektor publik.

- **Jenis makalah:** Artikel Penelitian

Kata Kunci: *Otonomi kerja, kinerja kerja, kesejahteraan psikologis, sektor publik, DJP, PLS-SEM*

Abstract

- **Purpose:** *This study aims to examine the effect of job autonomy on job performance, with psychological well-being as a mediating variable, among employees of the Regional Office of the Directorate General of Taxes (DJP) East Java II. Job autonomy is considered a critical element in modern job design that enhances performance by improving employees' psychological well-being*
- **Design/methodology/approach:** *Adopting a quantitative approach, the study employed purposive sampling, involving 213 respondents serving as Account Representatives. Data analysis was conducted using the Partial Least Squares-Structural Equation Modeling (PLS-SEM) method.*
- **Findings:** *The findings reveal that job autonomy has a positive and significant effect on job performance, as well as on psychological well-being. Furthermore, psychological well-being significantly influences job performance. In addition, psychological well-being is proven to mediate the relationship between job autonomy and job performance. These findings suggest that granting employees greater autonomy not only has a direct impact on enhancing job performance but also strengthens performance outcomes through improved psychological conditions*
- **Research limitations/implications:** *This study is limited by its cross-sectional design, reliance on self-reported data, and focus on a single public-sector organization. Future research is recommended to employ longitudinal research designs, utilize multiple data sources, and incorporate additional variables.*
- **Practical implications:** *Theoretically, this study contributes to the existing literature on the linkage between job design and work behavior in the public sector context. Practically, the findings offer valuable recommendations for government institutions to redesign job systems that promote greater autonomy, thereby simultaneously enhancing employee productivity and psychological well-being.*
- **Originality/value:** *This study contributes to the literature by introducing an integrated theoretical framework that explains how psychological well-being mediates the relationship between job autonomy and job performance in a public-sector organization*
- **Paper type:** Research article

Keywords: *: Job autonomy, job performance, psychological well-being, public sector, DJP, PLS-SEM*

Introduction

The role of human resources (HR) in modern organizations has become increasingly strategic due to the growing complexity of the work environment, rapid technological advancements, and the increasing demand for sustainable organizational performance. Human resources are no longer viewed merely as factors of production but rather as strategic assets that serve as a primary source of competitive advantage. Within this context, effective human resource management has emerged as a central concern in organizational management practices because individual employee performance directly contributes to the achievement of organizational objectives. One of the most critical indicators of successful human resource management is job performance, which refers to the extent to which employees effectively and efficiently accomplish their assigned duties and responsibilities in accordance with established organizational standards. Job performance not only reflects employees' productivity but also serves as a fundamental basis for competency development policies, training systems, and promotion decisions within organizations (Atatsi et al., 2019). In the public sector, particularly within the Directorate General of Taxes (DGT) as Indonesia's principal institution responsible for national tax collection, employees' job performance plays a pivotal role in maintaining national fiscal stability. Key macroeconomic indicators, including gross domestic product (GDP) growth and tax revenue realization, are closely associated with the effectiveness of DGT personnel in optimizing state revenue collection (Ministry of Finance of the Republic of Indonesia, 2023).

Although Indonesia's national tax revenue has demonstrated a positive trend in recent years, a considerable gap remains between macro-level achievements and organizational performance dynamics at the operational level. Tax revenue realization exceeded the national budget target in 2023 by approximately 102%, and this favorable performance trend continued throughout 2024 (Ministry of Finance of the Republic of Indonesia, 2024; 2025). Nevertheless, these aggregate achievements do not necessarily reflect employees' individual performance, as substantial variations persist across organizational units alongside the inherent complexities of bureaucratic structures. Public management literature suggests that job autonomy, as a critical dimension of job design, plays a significant role in enhancing employees' work effectiveness. Job autonomy refers to the degree of discretion employees possess in determining work methods, scheduling tasks, and selecting procedures for completing their responsibilities (Fleischer & Wanckel, 2023). Within highly hierarchical bureaucratic organizations such as the Directorate General of Taxes, limited job autonomy may generate psychological strain, work monotony, and diminished intrinsic motivation, ultimately undermining employee performance and the quality of public service delivery.

These challenges become increasingly critical when viewed through the lens of employees' psychological well-being, which encompasses individuals' mental, emotional, and social functioning that enables them to perform optimally in the workplace. Recent studies indicate that rigid work environments characterized by limited opportunities for initiative and decision-making negatively affect employees' psychological well-being, increase the risk of occupational stress, and weaken organizational commitment (Clausen et al., 2022; Anderson et al., 2023).

Previous research has likewise associated limited job autonomy with higher levels of burnout, reduced work meaningfulness, and deteriorating interpersonal relationships within organizations (Gardner, 2020).

Although numerous empirical studies have confirmed the positive influence of job autonomy on job performance, the majority have primarily focused on the direct relationship between these variables and have largely been conducted within private-sector organizations. Research explicitly examining psychological well-being as an underlying mediating mechanism remains relatively limited, particularly within public-sector bureaucracies in developing countries. Furthermore, previous studies have tended to overlook the distinctive characteristics of public organizations, including stringent regulatory environments and hierarchical organizational structures, leaving the psychological mechanisms linking job design to individual performance insufficiently understood.

This study seeks to address these gaps by developing a conceptual framework that integrates Self-Determination Theory (Deci & Ryan, 2000) with the Job Demand–Control Model (Van der Doef & Maes, 2022) to explain the psychological mechanisms connecting job autonomy, psychological well-being, and job performance. The integration of these complementary theoretical perspectives enables this research not only to explain the causal relationships among the proposed constructs but also to advance understanding of how employees' fundamental psychological needs mediate the relationship between job design and work performance, particularly within bureaucratic organizations characterized by limited structural flexibility. To empirically validate the proposed model, this study was conducted among employees of the Directorate General of Taxes (DGT) in East Java using a quantitative research design and inferential statistical analysis. The findings are expected to provide robust empirical evidence regarding the psychological processes that shape employee performance in the public-sector context.

This study contributes to the literature in two significant ways. Theoretically, it extends the human resource management literature in the public sector by establishing psychological well-being as a critical mediating mechanism through which job autonomy influences job performance, thereby enriching existing theoretical perspectives on job design and employee outcomes. Practically, the findings are expected to inform the development of more adaptive human resource management policies and evidence-based job design strategies that prioritize employees' psychological well-being, ultimately fostering sustainable improvements in employee performance and the quality of public service delivery.

Literature review

Job Performance

Job performance is a central construct in organizational behavior research because it reflects employees' effectiveness in executing their assigned responsibilities and their contribution to achieving organizational objectives (Adesti et al., 2023; Kundi et al., 2020). From a theoretical perspective, job performance is influenced not only by employees' technical competencies but also by psychological factors and job design characteristics that shape individual work

behavior. Accordingly, employee performance can be understood as the outcome of the interaction between job characteristics, intrinsic motivation, and employees' psychological well-being. Within contemporary work behavior theories, job performance represents the consequence of satisfying employees' fundamental psychological needs while enabling them to effectively manage workplace demands. Self-Determination Theory (SDT) (Deci & Ryan, 2000) posits that the fulfillment of individuals' needs for autonomy, competence, and relatedness enhances intrinsic motivation, ultimately leading to superior work performance. Complementarily, the Job Demand–Control (JDC) Model argues that an optimal balance between job demands and employees' decision latitude determines their capacity to maintain high levels of performance. Consequently, job performance should not merely be viewed as an organizational output (Muzakki & Hutabarat, 2022), but rather as a manifestation of the psychological and structural processes occurring within the work environment. This integrated theoretical perspective provides the conceptual foundation for examining the relationships among job autonomy, psychological well-being, and job performance in the present study.

The Relationship between Job Autonomy and Job Performance

Job autonomy refers to the degree of discretion employees possess in determining the methods, sequencing, and timing of completing their work tasks. According to the Job Demand–Control Model, job autonomy functions as a control mechanism that enables employees to effectively manage work-related demands, thereby sustaining high levels of job performance. Likewise, Self-Determination Theory identifies autonomy as one of the three fundamental psychological needs that stimulate intrinsic motivation. When employees are granted greater discretion in decision-making, they tend to exhibit stronger work engagement, greater creativity, and a heightened sense of responsibility for work outcomes. Empirical evidence consistently demonstrates that increased job autonomy enhances work effectiveness by fostering intrinsic motivation and psychological ownership of one's work (Wu et al., 2023; Kpinpuo et al., 2023; Al Badi et al., 2023). Integrating these theoretical perspectives suggests that job autonomy improves job performance through two complementary mechanisms: increasing employees' control over their work and strengthening their intrinsic motivation. Based on these theoretical arguments, the following hypothesis is proposed:

H1: Job autonomy has a positive and significant effect on job performance.

The Relationship between Job Autonomy and Psychological Well-Being

Job autonomy plays a fundamental role in promoting employees' psychological well-being by enhancing their sense of control over work activities and reinforcing perceptions of personal competence. According to Self-Determination Theory, satisfying employees' need for autonomy fosters positive psychological outcomes, including greater job satisfaction, emotional balance, and reduced work-related stress (Clausen et al., 2022). Similarly, the Job Demand–Control Model conceptualizes job autonomy as a protective resource that mitigates the adverse effects of excessive job demands on employees' mental health. When employees possess greater discretion in determining how to accomplish their work, they can adapt work strategies to their individual capabilities, thereby reducing

mental fatigue and role conflict. Previous empirical studies have shown that job autonomy positively influences various indicators of psychological well-being, including resilience and work engagement (Huu, 2023; Tisu et al., 2023). Taken together, these theoretical perspectives indicate that job autonomy functions not only as a structural characteristic of work design but also as an important psychological resource that strengthens employees' overall well-being. Accordingly, the following hypothesis is proposed:

H2: Job autonomy has a positive and significant effect on psychological well-being.

The Relationship between Psychological Well-Being and Job Performance

Psychological well-being refers to the mental and emotional condition that enables individuals to function optimally while coping with workplace demands. Within the framework of Self-Determination Theory, psychological well-being serves as the psychological mechanism through which intrinsic motivation is translated into productive work behaviors. Employees with higher levels of psychological well-being generally demonstrate stronger concentration, higher work engagement, and greater adaptability to organizational change (Anderson et al., 2023). The Job Demand–Control Model further suggests that psychological well-being reflects employees' successful management of workplace demands. When an appropriate balance between job demands and job control is achieved, employees are more likely to sustain stable levels of work performance. Conversely, poor psychological well-being increases the likelihood of burnout, which directly undermines employee productivity and performance (Hamouche et al., 2023). Therefore, psychological well-being represents a critical psychological mechanism linking workplace conditions to individual performance outcomes. Based on these theoretical arguments, the following hypothesis is proposed:

H3: Psychological well-being has a positive and significant effect on job performance.

The Mediating Role of Psychological Well-Being in the Relationship between Job Autonomy and Job Performance

Recent organizational behavior research increasingly recognizes psychological well-being as a key mediating mechanism through which job autonomy enhances job performance. Employees who experience greater autonomy generally perceive themselves as more empowered, valued, and capable of organizing their work according to their individual preferences and capabilities. This enhanced sense of control promotes positive psychological states, collectively referred to as psychological well-being, which subsequently strengthen employees' motivation, work engagement, and emotional investment in their work. According to Chung-Yan (2010), this process represents an affective pathway whereby experiences of autonomy foster psychological well-being, which in turn enhances individual job performance. Consistent with this argument, Huu (2023) found that job autonomy exerts a significant indirect effect on job performance through improvements in employees' psychological well-being within local government organizations.

The mediating role of psychological well-being further suggests that granting employees greater autonomy alone is insufficient unless organizations simultaneously cultivate a work environment that actively supports employees' mental and emotional well-being. Public-sector employees operating within highly bureaucratic environments require more than technical discretion; they also need psychological support, social connectedness, and opportunities for personal growth. When psychological well-being becomes an integral component of human resource management practices, the positive influence of job autonomy on job performance becomes substantially stronger and more sustainable. Empirical evidence reported by Tisu et al. (2023) and Anderson et al. (2023) consistently identifies psychological well-being as the critical psychological pathway through which job autonomy translates into superior work performance. Therefore, organizations should recognize employees' psychological and emotional well-being as an essential mechanism that reinforces the effectiveness of flexible job design in achieving high levels of organizational performance. Accordingly, the following hypothesis is proposed: H4: Psychological well-being positively mediates the relationship between job autonomy and job performance.

Research method

This study employed a quantitative research approach designed to empirically test the proposed hypotheses and examine the structural relationships among the research variables. The study was conducted in 2021 at the Regional Office of the Directorate General of Taxes (DGT) East Java II, Indonesia, with a target population of 525 Account Representatives. This occupational group was deliberately selected because Account Representatives play a strategic role in achieving the organization's Key Performance Indicators (KPIs) through taxpayer supervision, service delivery, and revenue collection activities. Restricting the research setting to a single regional office ensured consistency in organizational systems, standard operating procedures, and job characteristics, thereby reducing contextual heterogeneity and allowing a more controlled examination of the proposed relationships. Nevertheless, the findings should be interpreted cautiously, as the single-region setting may limit the generalizability of the results to organizations with characteristics comparable to those of DGT East Java II.

A purposive sampling technique was employed following the recommendations of Sekaran and Bougie (2016). Respondents were selected based on two inclusion criteria: (1) actively serving as an Account Representative, and (2) possessing a minimum of 2.5 years of work experience, including employment before the COVID-19 pandemic. The experience criterion was established to ensure that respondents had sufficient familiarity with organizational dynamics, work demands, and changes in work systems before and after the pandemic, thereby enabling more informed and reliable responses regarding the study constructs. Furthermore, the selection of Account Representatives was justified by their direct responsibility for taxpayer administration, tax revenue achievement, supervisory functions, and tax service delivery.

Of the distributed questionnaires, 213 valid responses were returned and deemed suitable for statistical analysis. Data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). This analytical technique was

selected because of its suitability for estimating complex structural models involving latent constructs, its robustness with moderate sample sizes, and its ability to accommodate data that do not necessarily satisfy multivariate normality assumptions. In addition, PLS-SEM is particularly appropriate for predictive research models and enables the simultaneous estimation of both direct and indirect relationships, including mediation effects. The structural model was estimated using SEM-PLS statistical software.

All research constructs were measured using previously validated and reliable instruments adapted from established studies. Job autonomy was conceptualized as the degree of discretion employees possess in determining how work tasks are performed and in making job-related decisions. The construct was measured using indicators adapted from Shuck et al. (2017), including autonomy in selecting work methods, opportunities to exercise personal initiative, and authority in work-related decision-making. All indicators were measured using a five-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree), ensuring measurement consistency across all constructs.

Psychological well-being was defined as an individual's positive psychological functioning, reflecting emotional well-being, personal growth, and the ability to effectively manage work-related demands. This construct was measured using five indicators adapted from Ryff et al. (1996), including continuous personal development and perceived control over work. These indicators were selected because they represent dimensions of psychological well-being particularly relevant to employees in public-sector organizations, where administrative complexity and bureaucratic demands require sustained emotional resilience and effective psychological functioning.

Job performance was defined as the extent to which employees effectively accomplish their core responsibilities and fulfill the duties specified in their job descriptions. Job performance was assessed using five reflective indicators adapted from De Clercq et al. (2018), including employees' ability to complete assigned tasks and achieve established performance standards. Consistent with the other constructs, all job performance items were measured using a five-point Likert scale.

To enhance measurement transparency and facilitate future replication, a comprehensive operationalization table is provided, presenting the conceptual definitions, operational definitions, measurement indicators, number of items, and original sources for each construct.

Given that all variables were collected using a single survey instrument, the study also addressed the potential issue of Common Method Bias (CMB). Both procedural and statistical remedies were implemented. Procedurally, respondent anonymity was guaranteed, questionnaire items were presented in randomized order, and clear, concise, and unambiguous wording was used throughout the survey instrument. Statistically, Harman's single-factor test was conducted, revealing that no single factor accounted for the majority of the total variance. These results indicate that common method variance does not pose a significant threat to the validity of the study's findings.

The demographic profile of the respondents reflects considerable diversity across several characteristics. Based on gender, 149 respondents (70%) were male and 64 respondents (30%) were female. Regarding age distribution, 20% were

younger than 30 years, 31% were between 31 and 40 years, 39% were between 41 and 50 years, and 9% were older than 51 years. In terms of marital status, 88% were married, 11% were single, and 1% were widowed or divorced. Educational attainment was predominantly at the bachelor's level (51%), followed by master's degrees (24%), diploma qualifications (23%), senior high school education (1%), and doctoral degrees (1%). Concerning organizational tenure, 76% of respondents had worked for more than 11 years, 14% had between six and ten years of experience, and 11% had between one and five years of service. Furthermore, 75% of respondents had served in their current position for at least two years, while the remaining 25% had held their current position for less than two years.

Measurement and Structural Model Assessment

This study analyzed the proposed research model using the Partial Least Squares Structural Equation Modeling (PLS-SEM) approach. Prior to testing the relationships among the latent variables (inner model), the initial stage of the analysis involved evaluating the measurement model (outer model) to ensure that the measurement instruments possessed adequate validity and reliability. The evaluation of the outer model included assessments of convergent validity, discriminant validity, and construct reliability. Convergent validity was assessed using factor loadings and the Average Variance Extracted (AVE). An indicator is considered to have adequate convergent validity if its factor loading exceeds 0.70 and the AVE value is greater than 0.50 (Hair et al., 2019). The results indicated that all indicators exhibited factor loadings above 0.70, and all constructs achieved AVE values greater than 0.50, demonstrating satisfactory convergent validity. Furthermore, construct validity was established, as the significant AVE values indicate that the measurement indicators substantially explain their respective latent constructs. The results of the validity and reliability assessments are presented in Table 1.

Table 1. Validity and Reliability Assessment Results

Tabel 1. Uji validitas dan reliabilitas

Variabel	Item	Loading Factor	AVE	Cronbach's Alpha	Composite Reliability
<i>Job autonomy</i>	JA1	0.858	0.816	0.890	0.816
	JA2	0.914			
	JA3	0.788			
<i>Job performance</i>	JP1	0.909	0.940	0.954	0.940
	JP2	0.920			
	JP3	0.881			
	JP4	0.905			
	JP5	0.874			
<i>Psychological well-being</i>	PW1	0.789	0.860	0.899	0.860
	PW2	0.770			

PW	0.762
3	
PW	0.843
4	
PW	0.838
5	

Source: Processed using PLS software.

In terms of reliability, each construct demonstrated a Cronbach's Alpha value above 0.60 and a Composite Reliability value exceeding 0.70. These results indicate that each construct possesses a high level of internal consistency in measuring the intended concept. Overall, the outer model assessment confirms that the research instrument is suitable for further analysis, as it satisfies the statistical requirements for both validity and reliability. The complete results of the outer model evaluation are presented in Table 3, which shows that the constructs of job autonomy, psychological well-being, and job performance adequately meet all measurement criteria. Therefore, the measurement model can be considered both valid and reliable.

Following the evaluation of the outer model, the analysis proceeded to the structural model (inner model) to assess the strength of the relationships among the latent variables. This stage began with an examination of the coefficient of determination (R^2) to determine the extent to which the independent variables explain the variance of the dependent variables. The R^2 values of 0.561 for job performance and 0.246 for psychological well-being indicate that the model possesses moderate predictive power (Ghozali, 2011). Furthermore, the Q-square (predictive relevance) value of 0.668 suggests that the model has strong predictive relevance in explaining the observed data. In addition, the Goodness of Fit (GoF) value of 0.339 indicates that the model demonstrates a satisfactory level of empirical fit with the analyzed data.

The final stage of the structural model analysis involved hypothesis testing through the estimation of path coefficients and significance testing using the bootstrapping procedure. The relationships among variables were evaluated based on T-statistics and p-values, where a relationship is considered significant if T-statistics > 1.96 and p-value < 0.05 at the 5% significance level. Based on the analysis results (see Table 4), job autonomy was found to have a positive and significant effect on both job performance ($\beta = 0.298$; $p = 0.045$) and psychological well-being ($\beta = 0.343$; $p < 0.001$). Furthermore, psychological well-being exerted a positive and significant effect on job performance ($\beta = 0.666$; $p < 0.001$). The mediation analysis revealed that psychological well-being significantly mediates the relationship between job autonomy and job performance ($\beta = 0.228$; $p < 0.001$) (see Table 2). Accordingly, all hypotheses proposed in this study received empirical support.

Table 2. Hypothesis Testing Results

Variable	Original Sample	T Statistics	P Values	Ket.
Job Autonomy → Job Performance	0.298	1,985	0.045	Positive and significant

Job Autonomy → Psychological Well-being	0.343	5,370	0.000	Positive and significant
Psychological Well-being → Job Performance	0.666	13,934	0.000	Positive and significant
Job Autonomy → Psychological Well-being → Job Performance	0.228	4.780	0.000	Positive and significant

Source: Processed using PLS software

Discussion

1. The Effect of Job Autonomy on Job Performance

The first finding demonstrates that job autonomy significantly enhances the job performance of employees at the Regional Office of the Directorate General of Taxes (DGT) East Java II. This finding is consistent with previous studies suggesting that job autonomy provides employees with the flexibility to identify the most effective methods for completing their tasks, strengthens their sense of responsibility, and enhances intrinsic motivation (Park & Kim, 2023). When employees have greater control over how and when their work is performed, they are more likely to exhibit higher levels of work engagement, confidence, and commitment in fulfilling their responsibilities.

However, the present findings extend beyond merely confirming previous research by revealing that the effects of job autonomy within the bureaucratic environment of the DGT are considerably more complex. The highly hierarchical organizational structure and stringent regulatory framework characteristic of public tax administration potentially restrict employees' discretionary authority. Therefore, the positive effect of job autonomy observed in this study suggests the existence of an organizational adaptation mechanism through which employees effectively utilize the available flexibility without compromising strict fiscal compliance requirements. These findings indicate that the effectiveness of job autonomy in public organizations is not universal but is instead contingent upon achieving an appropriate balance between regulatory control and operational flexibility.

Within the context of public-sector bureaucracy such as the DGT, job autonomy is particularly critical because the responsibilities of Account Representatives require independent judgment and complex decision-making concerning taxpayer compliance and tax administration. Han and Li (2024) reported that job autonomy in public-sector organizations is positively associated with work effectiveness, particularly when accompanied by clearly defined roles and organizational expectations.

Furthermore, the findings suggest that the effects of job autonomy may differ from those typically observed in private-sector organizations, where employees generally enjoy greater workplace flexibility. In public organizations such as the DGT, autonomy tends to be structured and carefully regulated rather than unrestricted. Consequently, the performance improvements identified in this study

should be interpreted as the outcome of structured autonomy, rather than complete managerial discretion. This perspective contributes to the existing literature by demonstrating that the effectiveness of job autonomy in public-sector organizations depends on its integration with organizational accountability mechanisms.

2. The Effect of Job Autonomy on Psychological Well-Being

The findings further reveal that job autonomy has a positive and significant effect on employees' psychological well-being. This result reinforces the argument that individuals who perceive greater control over their work environment are more likely to experience higher levels of psychological well-being, characterized by lower stress levels and a stronger sense of meaning in their work (Clausen et al., 2022; He et al., 2023).

From a critical perspective, these findings indicate that the role of job autonomy in enhancing the psychological well-being of DGT employees extends beyond merely providing task flexibility. Rather, it enables employees to effectively cope with the considerable pressures associated with achieving ambitious tax revenue targets. Within the DGT, work-related stress often stems from the demands of meeting national fiscal objectives, adapting to continuous regulatory changes, and managing complex interactions with taxpayers. Consequently, job autonomy serves as an important coping mechanism, allowing employees to tailor their work strategies according to their individual capabilities and preferences, thereby reducing psychological strain.

In the demanding environment of the DGT, job autonomy enables employees to align work strategies with their personal preferences, creating greater harmony between job demands and individual capabilities. Nevertheless, the beneficial effects of job autonomy on psychological well-being are not without theoretical limitations (Zhang & Tang, 2024). According to the Job Demand–Control Model, the positive influence of job autonomy largely depends on the level of job demands. In the DGT context, when work demands increase substantially without corresponding organizational support, job autonomy alone may be insufficient to alleviate psychological stress. This finding suggests that the relationship between job autonomy and psychological well-being is conditional upon maintaining an appropriate balance between job demands and available organizational resources (Ryu et al., 2025).

3. The Effect of Psychological Well-Being on Job Performance

The subsequent findings confirm that psychological well-being exerts a positive and significant influence on job performance. Psychological well-being plays a crucial role in generating the energy, motivation, and emotional engagement necessary for superior work performance (Robertson & Cooper, 2023). The present study extends the work of Liu et al. (2024) by demonstrating that, within the context of tax administration, psychological well-being is associated not only with employees' personal work satisfaction but also with the quality of public service delivery and the effectiveness of tax compliance enforcement. Employees with greater psychological stability are more capable of maintaining the accuracy of tax-related analyses while fostering productive interactions with taxpayers.

Within the DGT, employees who experience positive psychological conditions and emotional balance demonstrate greater adaptability to work-related pressures and are more capable of completing their tasks effectively. Nevertheless, the relationship between psychological well-being and job performance identified in this study also highlights an important conceptual limitation. Psychological well-being does not automatically translate into improved performance in the absence of adequate technical competencies and supportive organizational systems (Kim et al., 2023). Consequently, psychological well-being should be viewed as an important performance-enhancing factor rather than the sole determinant of employee performance within complex public-sector organizations. This perspective underscores that improving employee performance within the DGT requires an integrated approach encompassing psychological support, technical capacity development, and continuous bureaucratic reform.

4. The Mediating Role of Psychological Well-Being in the Relationship between Job Autonomy and Job Performance

The final findings confirm that psychological well-being significantly mediates the relationship between job autonomy and job performance. This result supports the Job Demands–Resources (JD-R) model, which posits that job resources such as autonomy enhance employee well-being, ultimately leading to positive work outcomes, including improved job performance (Bakker & Demerouti, 2023). From an analytical perspective, these findings demonstrate that the relationship between job autonomy and job performance is not direct but operates through a more complex psychological mechanism. Within the organizational context of the DGT, Shen et al. (2024) argued that job autonomy does not automatically improve performance unless employees experience an adequate level of psychological well-being. This finding suggests that human resource management in public-sector organizations should recognize employees' emotional and psychological well-being as an integral component of performance enhancement strategies (Lee & Wu, 2025).

This mechanism is particularly relevant within the DGT, where the demanding and performance-oriented responsibilities of Account Representatives require sustained emotional stability to maintain high levels of effectiveness. Moreover, the present findings reveal theoretical limitations in relying exclusively on the JD-R framework. The organizational complexity of the DGT, characterized by stringent regulations and high accountability requirements, indicates that the relationship between job resources and work outcomes may also be shaped by structural organizational factors, including supervisory systems and bureaucratic culture. Accordingly, future research should integrate perspectives from public organization theory to provide a more comprehensive understanding of the mediating role of psychological well-being in enhancing employee performance within public-sector institutions.

Conclusion

Based on the findings of this study, it can be concluded that job autonomy plays a pivotal role in enhancing employees' job performance, both directly and indirectly through the enhancement of psychological well-being. Greater autonomy enables employees, particularly those working at the Regional Office of the

Directorate General of Taxes (DGT) East Java II, to exercise greater discretion over how they accomplish their tasks, thereby fostering stronger responsibility, higher efficiency, and greater job satisfaction. Moreover, job autonomy significantly contributes to employees' psychological well-being by reducing work-related stress and promoting positive psychological states, which serve as essential foundations for sustaining high levels of performance. The findings further demonstrate that psychological well-being is not merely an indicator of employees' mental health but also functions as a significant mediating mechanism through which job autonomy translates into improved job performance. These results underscore that empowering employees through appropriate job design not only enhances productivity but also strengthens the psychological resources necessary for long-term organizational effectiveness. Consequently, public sector organizations should prioritize work designs that simultaneously promote employee autonomy and psychological well-being to achieve sustainable improvements in organizational performance.

Theoretical and Practical Implications

This study makes several important contributions to the literature on human resource management and organizational behavior, particularly within the context of public sector organizations. First, it extends the understanding of job design theory by demonstrating that the relationship between job autonomy and job performance operates not only through a direct mechanism but also through the mediating role of psychological well-being. This finding reinforces the propositions of the Job Characteristics Model (Hackman & Oldham, 1976), which posits that enriched job characteristics improve employee outcomes by fostering favorable psychological states. Second, the study provides additional empirical support for Self-Determination Theory (Deci & Ryan, 2000), confirming that autonomy satisfies a fundamental psychological need that promotes psychological well-being and subsequently enhances work performance. By integrating Self-Determination Theory with the Job Demand–Control Model, this research offers a more comprehensive explanation of the psychological processes linking work design to employee performance, particularly in highly regulated public organizations. Third, this research contributes to the limited body of literature examining these relationships within bureaucratic public institutions in developing countries. Unlike most previous studies conducted in private-sector settings, this study demonstrates that job autonomy remains an important organizational resource even within hierarchical governmental organizations where discretion is relatively constrained. Therefore, the findings broaden the theoretical applicability of autonomy-based work design across diverse organizational contexts.

From a managerial perspective, the findings provide several practical recommendations for policymakers and human resource managers, particularly within the Directorate General of Taxes and other public sector institutions. First, organizations should provide employees with greater levels of job autonomy by allowing more discretion in task execution, problem-solving, and operational decision-making while maintaining compliance with organizational regulations. Such autonomy enhances both employee performance and psychological well-being. Second, organizations should develop comprehensive programs aimed at strengthening psychological well-being, including employee assistance programs,

stress management training, mental health counseling, work-life balance initiatives, and supportive supervisory practices. These initiatives can strengthen employees' psychological resources, enabling them to cope more effectively with increasing work demands. Third, performance management systems should move beyond purely outcome-based evaluations by incorporating employee well-being indicators into organizational performance assessments. Considering psychological well-being as a strategic organizational resource will facilitate more sustainable employee performance and improve the quality of public service delivery. Finally, public organizations should recognize that improving employee performance requires an integrated human resource strategy combining effective job design, psychological support, and organizational commitment to employee welfare rather than relying solely on administrative controls or performance targets.

Limitations and Future Research Directions

Despite its contributions, this study has several limitations that should be acknowledged. First, the research employed a cross-sectional quantitative design, which limits the ability to establish causal relationships among job autonomy, psychological well-being, and job performance over time. Future studies are encouraged to adopt longitudinal research designs to examine how these relationships evolve and whether the effects of job autonomy remain stable across different organizational conditions. Second, the study was conducted exclusively within the Regional Office of the Directorate General of Taxes (DGT) East Java II. Although this setting provides valuable insights into public sector organizations, the findings may not be fully generalizable to other governmental institutions or private-sector organizations with different organizational structures, cultures, and management systems. Future research should replicate this model across multiple government agencies, regions, and countries to enhance external validity.

Third, this study focused on psychological well-being as the sole mediating mechanism. Other contextual variables, including leadership style, perceived organizational support, organizational climate, workload, employee resilience, psychological empowerment, and organizational commitment, may also influence the relationship between job autonomy and job performance. Future studies should incorporate these variables as mediators or moderators to develop a more comprehensive explanatory framework. Fourth, data were collected using self-reported questionnaires, which may introduce common method variance, self-report bias, and social desirability bias despite procedural efforts to minimize these issues. Future research should employ multi-source data, supervisor-rated performance measures, objective organizational performance indicators, or mixed-method approaches combining quantitative surveys with qualitative interviews to improve the robustness and contextual richness of the findings. Finally, future studies may benefit from integrating additional theoretical perspectives—such as the Job Demands–Resources (JD-R) Theory, Conservation of Resources Theory, or Social Exchange Theory—to provide a more comprehensive understanding of how organizational resources interact with psychological mechanisms in shaping employee performance within increasingly complex public sector environments. Such theoretical integration would contribute to the development of a more holistic framework for sustainable human resource management in public organizations.

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