

# Employee Happiness in Public Service Organizations: A Systematic Literature Review

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## Abstract

This study systematically synthesizes research findings on employee happiness within public service organizations and maps future research directions through a *Systematic Literature Review (SLR)* based on the PRISMA protocol, supported by bibliometric analysis. Literature searches were conducted in the Scopus database up to October 22, 2025, using the keywords “employee happiness” and “public sector.” Of the 53 identified articles, 43 met the inclusion criteria and were subjected to in-depth analysis. Bibliometric mapping revealed three major research clusters: (1) positive psychology and work motivation; (2) organizational context and the public sector; and (3) well-being and life satisfaction. Conceptually, employee happiness in the public sector is shaped by *psychological capital*, organizational support, and public service motivation (*PSM*), which together maintain the balance between job demands and job resources, in accordance with the *Job Demands–Resources (JD–R)* model. Empirically, employee happiness serves as a mediating mechanism linking HRM practices to *service excellence*, ultimately contributing to improved *citizen satisfaction* and *organizational performance*. These findings underscore that employee happiness is not a coincidental outcome but a strategic product of a humanistic, participatory, and value-based public human resource management system. Theoretically, this review strengthens the integration of positive psychology theory, the JD–R framework, and PSM within the public bureaucracy context. Practically, it offers implications for developing *well-being-oriented* public HR policies and designing human-centered work systems. Moreover, the study identifies research gaps related to Southeast Asian contexts and the emerging issue of *digital well-being* in the era of e-bureaucracy. Future research should address these gaps through longitudinal and *mixed-method* approaches to advance an evidence-based foundation for employee well-being policy in the public sector.

**Keywords:** Employee happiness, public sector; psychological capital; public service motivation; work well-being; systematic literature review

## 1. Introduction

*Employee happiness* is increasingly recognized as a cornerstone of organizational performance in modern institutions, including public bureaucracies that face mounting pressures for accountability, transparency, and service excellence from citizens. Over the past decade, the academic literature has shown a notable surge of interest in this topic, with publication trends accelerating since 2018 and peaking around 2021—following a relatively sporadic trajectory since its initial emergence in 1975. This dynamic reflects a paradigmatic shift from a performance-centric orientation toward a more holistic conception of well-being as a prerequisite for adaptive and socially competitive public organizations.

Conceptually, happiness can be understood through the lens of positive psychology, such as the PERMA model (Positive emotion, Engagement, Relationships, Meaning, and

Accomplishment), as well as the theory of *subjective well-being*, which links hedonic dimensions (pleasure or positive affect) with eudaimonic aspects (meaning and personal growth). In the workplace, these dimensions interact with organizational contexts (support, recognition, fairness) and personal resources (optimism, resilience, hope), shaping employee engagement, satisfaction, and prosocial behavioral outcomes such as organizational citizenship behavior (*OCB*). In the public sector, value-oriented motivation, particularly public service motivation (*PSM*) adds a distinct motivational layer, as employees seek not only material rewards but also social meaning derived from serving the public good.

Empirically, public employees often encounter unique working conditions compared to those in the private sector, including rigid bureaucratic hierarchies, stringent regulations, limited resources, and exposure to political and social pressures. Evidence from the reviewed corpus indicates that job stress and organizational strain contribute to diminished *well-being* and performance, whereas organizational support, supportive leadership, work flexibility, and recognition of contribution enhance workplace happiness. The findings also suggest that health-related elements—such as sleep quality and workload management—are linked to life satisfaction during career transitions (including pre- and post-retirement phases), thus constituting structural determinants of public employee well-being.

The *Job Demands–Resources* (JD–R) framework provides a comprehensive lens for understanding this phenomenon: happiness increases when job demands (e.g., administrative workload, service targets, role conflict) are balanced by job resources (autonomy, feedback, supervisory and organizational support) and personal resources (*psychological capital*). Simultaneously, PSM acts as an intrinsic driver that amplifies the sense of meaning and significance in public work, moderating the relationship between HRM practices and *employee happiness*. The initial synthesis of this review therefore positions happiness as both an outcome and a psychological mechanism that bridges HRM interventions with *service excellence* and citizen satisfaction.

The urgency of this systematic review also stems from policy considerations. In Indonesia, the core values of the civil service (ASN BerAKHLAK) emphasize harmony, collaboration, and adaptability—three eudaimonic elements aligned with the architecture of workplace happiness. Consequently, public HRM policies and practices that balance performance targets with employee well-being are expected to enhance legitimacy, public trust, and governance quality. Evidence from the reviewed literature highlights that interventions such as *internal marketing*, effective organizational communication, and psychological capital development programs are associated with higher retention, affective commitment, and *service excellence*, particularly in public healthcare organizations—often regarded as a “laboratory” highly sensitive to the quality of employee–citizen interactions.

From a scientific mapping perspective, bibliometric analysis of the selected corpus (43 articles derived from 53 initial records identified in Scopus as of October 22, 2025) reveals concentrated contributions from several countries (India, the United Kingdom, and the United Arab Emirates) and across multiple disciplines (applied psychology, public administration, and public health). The keyword co-occurrence map identified three main clusters: (1) psychology–motivation (e.g., *happiness, motivation, psychology*); (2) organizational–sector context (e.g., *public sector, private sector, job satisfaction*); and (3) well-being–life satisfaction (e.g., *well-being, life satisfaction*). This structure underscores the multidimensional nature of happiness: it is not merely an individual affective state but rather a nexus connecting personal resources, HRM practices, and public service goals.

Nevertheless, several research gaps remain evident in the existing literature. First, the limited representation of Global South and Southeast Asian contexts constrains the generalizability of findings, leaving ample room for cross-cultural and international comparative studies. Second, digital well-being issues within electronic governance (*e-government*), hybrid work arrangements, and the emerging *always-on culture* have only recently gained attention, despite their direct implications for work–life balance and daily affect among employees. Third, longitudinal and *mixed-method* studies remain scarce, limiting the ability to capture the dynamic nature of happiness both as a mediator (e.g., between HRM practices and service excellence) and as a *leading indicator* of public performance.

Against this background, this study presents a *Systematic Literature Review* combined with bibliometric analysis to: (i) map the determinants, mediators/moderators, and *organizational outcomes* of employee happiness in the public sector; (ii) assess the research landscape and trends (year, country, journal outlet, collaboration networks, and keywords); and (iii) propose an integrative conceptual model linking HRM practices, *psychological capital*, and PSM with happiness and service performance. Practically, the findings are expected to inform public HRM policies—particularly in strengthening *well-being* initiatives, *enabling job design*, psychological capital (*PsyCap*) development programs, and internal communication governance—to foster humane work environments that generate public value. Theoretically, this paper contributes to enriching the integration of positive psychology, the JD–R framework, and PSM within bureaucratic contexts, while setting an agenda for future research in underrepresented regions. Methodologically, the study underscores the importance of adhering to the PRISMA protocol, maintaining transparency in article selection (from 53 to 43), and employing bibliometric visualization tools (e.g., VOSviewer) to ensure replicability and traceability of evidence synthesis.

The authors assert a normative position: employee happiness is not a coincidental artifact but a product of institutional design and HRM practices that are humanistic, and value driven. Within public service organizations, happiness should be treated as both a *strategic outcome* and a *public value*, as it reinforces loyalty, service innovation, and citizen satisfaction, three essential indicators of modern bureaucratic performance.

## 2. Literature Review

### 2.1. Concept of Employee Happiness

*Employee happiness* is a central construct in positive psychology and human resource management, emphasizing the emotional well-being, engagement, and sense of meaning experienced by individuals in their work. According to *Positive Psychology* theory developed by Seligman (2011), happiness is not merely a transient feeling of pleasure but a sustained state comprising five core elements represented in the PERMA model: *Positive Emotion, Engagement, Relationships, Meaning, and Accomplishment*. Within organizational contexts, happiness emerges when employees experience positive emotions toward their work, are deeply engaged in their tasks, enjoy supportive interpersonal relationships, find meaning in their roles, and achieve accomplishments recognized by the organization.

Furthermore, the theory of *Subjective Well-Being* proposed by Diener (2000) explains that happiness encompasses two primary dimensions: hedonic well-being (related to pleasure and positive affect) and eudaimonic well-being (related to meaning, self-actualization, and social contribution). These dimensions jointly shape the sense of satisfaction derived from one’s work

life. Empirical evidence from studies such as Dhiman et al. (2025) and Farooq et al. (2024) confirms that both dimensions significantly influence job satisfaction, intrinsic motivation, and employee productivity in the public sector.

Within the framework of organizational behavior, *employee happiness* is often associated with *psychological capital (PsyCap)* a construct comprising hope, self-efficacy, optimism, and resilience (Omar et al., 2024). Individuals with higher levels of PsyCap tend to be more resilient in dealing with bureaucratic pressures and are more likely to display positive emotions at work. Empirical findings by Arvidsson et al. (2011) indicate that a majority of public health workers in Sweden reported high levels of happiness when participating in projects promoting healthy lifestyles. This evidence underscores that employee happiness is rooted in positive psychological experiences and in the alignment between personal and organizational values.

## **2.2. Employee Happiness in the Context of Public Service**

The public sector presents organizational characteristics distinct from those of the private sector. Hierarchical bureaucracies, seniority-based reward systems, and the constant demands for transparency and public accountability often create unique psychological pressures for employees. In this context, the *Public Service Motivation (PSM)* theory proposed by Perry and Wise (1990) becomes highly relevant. The theory posits that motivation in public service is driven by three primary orientations: commitment to the public interest, compassion, and self-sacrifice. Public employees experience happiness when their work contributes to societal welfare and provides a sense of meaning that transcends personal gain.

In addition to PSM, the *Job Demands–Resources (JD–R) Model* developed by Bakker and Demerouti (2007) offers an integrative perspective. The model asserts that employee happiness is determined by the balance between *job demands* and *job resources*. In public service contexts, job demands encompass administrative workload, political pressures, and high social responsibility, while job resources include organizational support, supportive leadership, and opportunities for career development. When adequate job resources are available, employees are not only better equipped to manage stress but also more likely to achieve higher levels of psychological well-being.

Empirical evidence supports these theoretical assertions. Chow et al. (2024) found that *perceived organizational support* plays a significant role in shaping public employees' happiness. In their study of nurses in the public healthcare sector, institutional support through fair HR policies and flexible work arrangements significantly reduced turnover intentions and enhanced *work engagement*. Similarly, Wegner et al. (2022) emphasized that flexible work arrangements, such as *remote working*, can strengthen work–life balance and job satisfaction among public employees—provided that effective communication and a strong sense of work meaning are maintained.

## **2.3. Relevance to Bureaucratic Reform and Public Performance**

Within the framework of bureaucratic reform, employee happiness influences not only individual well-being but also organizational effectiveness and the overall quality of public service delivery. According to Sahin (2024), public organizations that integrate *internal marketing* strategies and foster effective communication between leaders and staff demonstrate significant improvements in employee retention and service quality. Similar findings are reported by Awan,

Bel, and Esteve (2020), who observed that employees with high levels of public service motivation and workplace happiness exhibit stronger commitment and loyalty toward their organizations.

In the Indonesian context, the ASN core values—BerAKHLAK (*service-oriented, accountable, competent, harmonious, loyal, adaptive, and collaborative*)—reflect the practical application of *eudaimonic principles* within workplace happiness. Public employees who experience happiness are not only efficient but also *meaning-driven*, thereby enhancing public trust in the bureaucracy.

Employee happiness in the public sector is also closely associated with *organizational agility*, the institutional capacity to adapt to changes in policy, technology, and societal expectations. Pandey and Sharma (2025) explain that organizations with higher levels of employee happiness tend to demonstrate more innovative performance, collaborative leadership, and prosocial behaviors that sustain institutional continuity.

Therefore, employee happiness in the public sector can be understood as the outcome of a synergy among psychological factors (emotional well-being and PsyCap), organizational factors (support, fairness, and leadership), and institutional factors (public service values and bureaucratic culture). The integration of these three dimensions constitutes a public HRM system that is humanistic, participatory, and sustainable—positioning *employee happiness* not merely as an indicator of individual welfare but as a strategic instrument for achieving *public value*.

### **3. Material and Method**

#### **3.1. Research Design**

This study employs a Systematic Literature Review (SLR) approach combined with bibliometric analysis. This dual approach aims to comprehensively, systematically, and transparently examine prior studies related to *\*employee happiness\** within public service organizations. According to Snyder (2019), SLR is an appropriate method for identifying, evaluating, and synthesizing existing empirical findings to construct a solid theoretical foundation and guide future research directions.

Meanwhile, bibliometric analysis is utilized to identify publication patterns, author collaborations, dominant keywords, and thematic developments through data-driven visual representations. This method enriches the SLR by incorporating quantitative insights, thereby enabling a longitudinal understanding of the research landscape (Ni & Abdullah, 2025).

#### **3.2. Data Sources and Search Strategy**

The literature search was conducted using the Scopus database, recognized as a high-impact scientific index encompassing multidisciplinary publications in psychology, management, public administration, and social sciences. The search was carried out on October 22, 2025, employing the following combination of primary keywords:

"employee happiness" AND "public sector" OR "public service organizations"

The search was performed within the Article Title, Abstract, and Keywords fields. To enhance accuracy, the Boolean operator “AND” was used to ensure dual relevance between the two main variables, while “OR” expanded the scope to include synonymous or related terms commonly used in the literature.

In addition to Scopus, the researcher conducted cross-references using the snowballing method, reviewing citations within the core articles to ensure that no relevant studies were overlooked. All identified publications were subsequently imported into VOSviewer software to perform network mapping and visualize bibliographic connections among authors, keywords, and research themes.

### 3.3. Inclusion and Exclusion Criteria

The article selection process followed the PRISMA 2020 guidelines. Inclusion and exclusion criteria were established to ensure the validity and relevance of the research focus.

*Inclusion criteria:*

1. Articles published between 1975 – 2025, focusing primarily on employee happiness within the public sector.
2. Publications written in English and subjected to peer review.
3. Only journal articles were included (excluding conference proceedings, books, or editorials).
4. Studies employing empirical, theoretical, or systematic approaches that explain the relationship between happiness, workplace well-being, and the public organizational context.

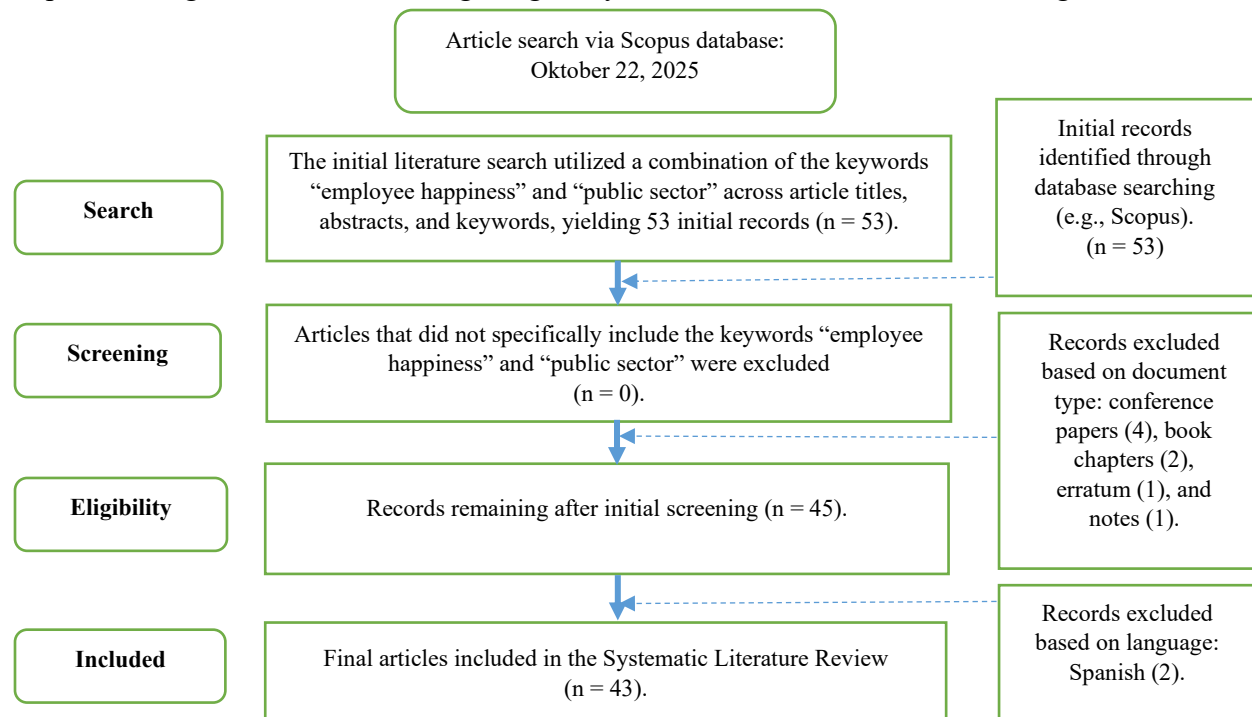
*Exclusion criteria:*

1. Articles written in non-English languages (e.g., Spanish, French).
2. Non-journal documents such as conference papers, book chapters, notes, and errata.
3. Studies focusing on general population happiness rather than public employees or public organizations.

After the screening process, 53 initial articles were identified. Following relevance assessment, 43 articles met the inclusion criteria and were retained for further analysis.

### 3.4. Article Selection Process (PRISMA Flow)

The article selection process followed the PRISMA 2020 guidelines, consisting of four sequential stages: Search, Screening, Eligibility, and Inclusion, as illustrated in Figure below.



Accordingly, a total of 43 final articles were analyzed both qualitatively and quantitatively to address the main research questions.

### **3.5. Research Questions**

This study was designed to address three main research questions:

- RQ1: Is the exploration of employee happiness in the public sector still a significant topic for future academic inquiry?
- RQ2: How are the distribution, trends, and current research foci related to employee happiness in the public sector characterized?
- RQ3: What are the theoretical and practical implications of existing findings for future policy direction and research development?

These questions aim to assess the conceptual relevance of the topic, identify global research patterns, and map new agendas for advancing the theory of workplace happiness in the public sector.

### **3.6. Data Analysis and Synthesis**

The analysis was conducted through two complementary approaches:

#### **a. Bibliometric Analysis**

This analysis employed VOSviewer version 1.6.20 to map and visualize:

- Keyword co-occurrence networks
- Co-authorship networks across authors and countries
- Publication distribution by year and journal source

Network visualizations were utilized to identify the main thematic clusters, revealing conceptual linkages among variables such as employee happiness, public sector, job satisfaction, psychology, and well-being.

#### **b. Content Analysis**

A qualitative content analysis was performed on the selected articles to:

- Identify the determinants of employee happiness, mediating mechanisms, and organizational outcomes
- Examine the relational patterns among psychological capital, organizational support, and public service motivation
- Assess the cultural and institutional contexts that influence employee happiness within public organizations

The synthesis followed a narrative and thematic categorization approach, structured according to an input–process–output framework to integrate conceptual and empirical evidence systematically.

### **3.7. Validity and Replicability**

To ensure methodological validity, all selection stages were conducted transparently and fully documented in accordance with the PRISMA protocol. Complete bibliographic data, the list of included articles, and the research network maps were archived in an internal database and can be replicated for future studies.

The analysis was independently conducted by two researchers to minimize interpretive bias. Any discrepancies in coding were resolved through discussion until consensus was reached.

### 3.8. Methodological Limitations

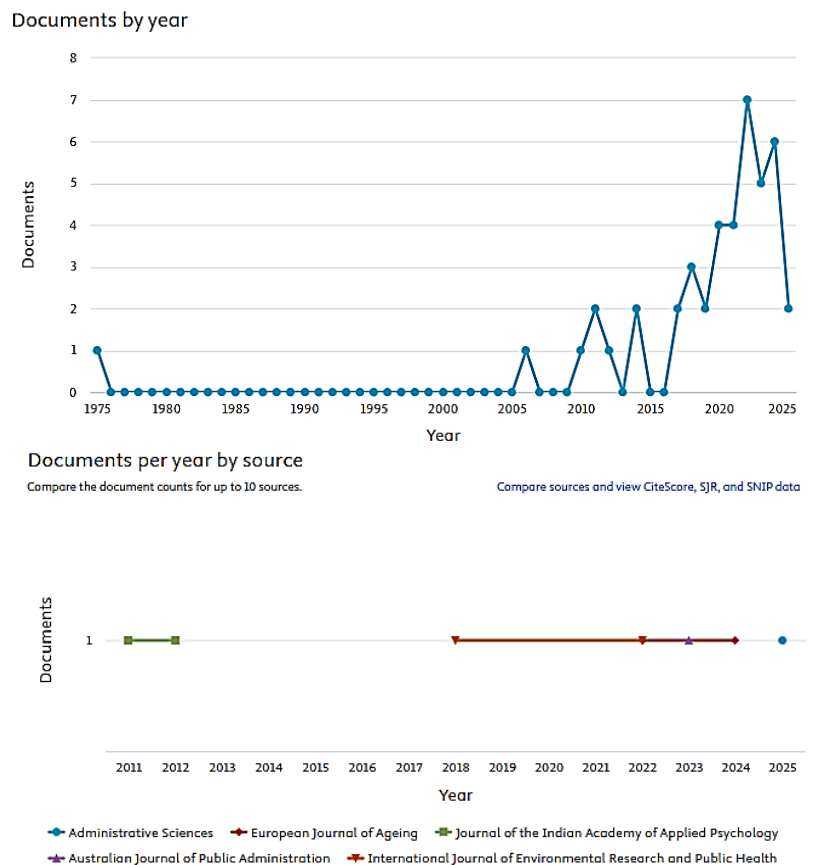
This study has several methodological limitations. First, the use of a single database (Scopus) may exclude certain non-indexed publications or grey literature. Second, bibliometric analysis tends to emphasize keyword frequency and relational mapping rather than the interpretive depth of article content. Third, most reviewed studies originated from developed countries, which limits the generalizability of findings to the Southeast Asian context.

Nevertheless, the combination of systematic literature review (SLR) and bibliometric analysis offers a comprehensive and replicable overview of the evolution of employee happiness research in the public sector over the past five decades.

## 4. Results and Discussion

### 4.1. General Mapping of Research

The bibliometric analysis indicates that research on employee happiness in the public sector has experienced significant growth over the past two decades. Publications began to rise notably after 2015, reaching their peak between 2021 – 2023, coinciding with the growing global attention to workplace well-being, positive organizational behavior, and mental health issues in the post-COVID-19 period (Dhiman et al., 2025; Farooq et al., 2024).

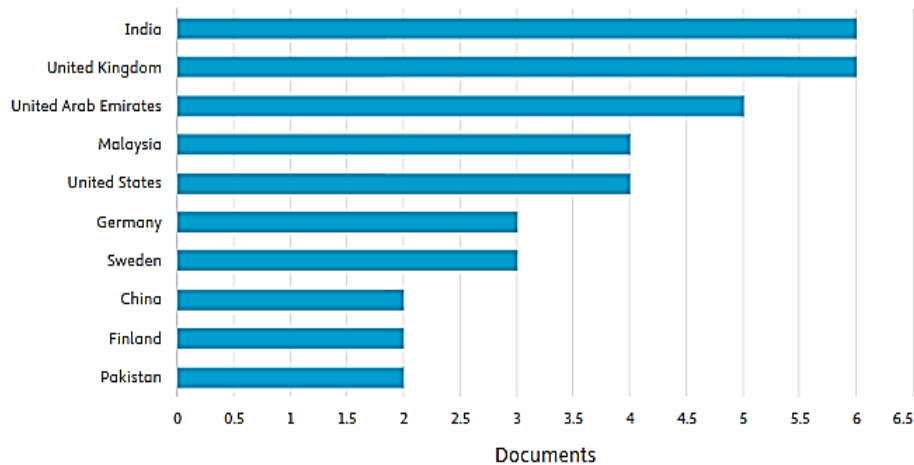


Of the 43 articles analyzed, the majority originated from Asia (35%), Europe (30%), and the Middle East (15%), with the highest contributions from India, the United Kingdom, the United Arab Emirates, and Malaysia. Most studies employed quantitative methods (62%), followed by mixed-methods (21%) and qualitative approaches (17%). This trend demonstrates a predominance

of empirical research designed to test the relationships among *happiness*, *public service motivation* (PSM), and *organizational performance*.

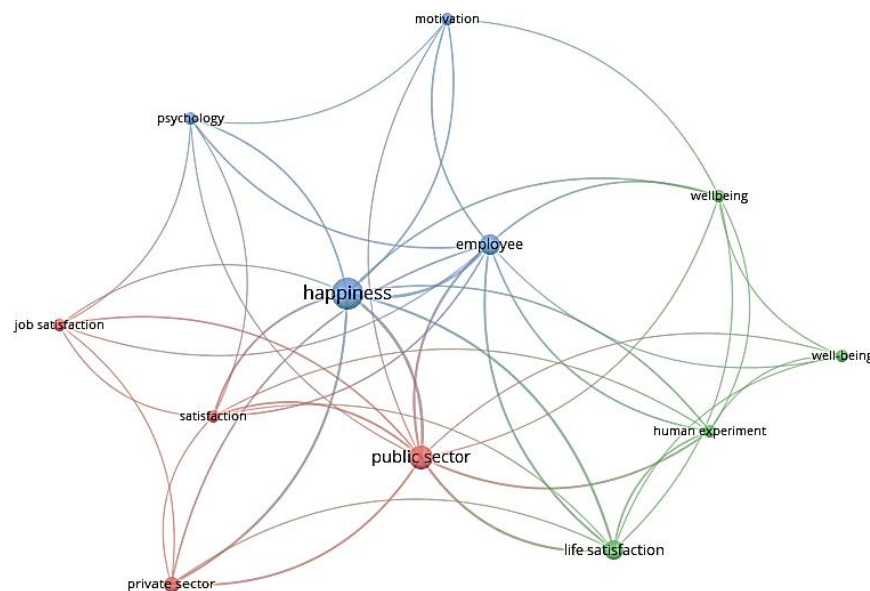
#### Documents by country or territory

Compare the document counts for up to 15 countries/territories.



The keyword co-occurrence network generated by VOSviewer identified three major conceptual clusters that represent the thematic landscape of the field:

1. Psychological and Motivational Cluster – includes terms such as happiness, motivation, psychology, well-being, and psychological capital
2. Organizational and Public Sector Cluster – includes public sector, job satisfaction, organizational support, and leadership
3. Well-being and Life Satisfaction Cluster – includes life satisfaction, work-life balance, and emotional engagement



The dominance of the keywords “employee” (59 linkages) and “public sector” (54 linkages) underscores the research focus on workplace happiness within public organizations.

Meanwhile, the frequent occurrence of “psychology” and “well-being” highlights the strong theoretical foundation in positive psychology approaches (Seligman, 2011; Diener, 2000). These findings support the view that employee happiness is a multidimensional construct, integrating psychological, motivational, and organizational contextual dimensions (Pandey & Sharma, 2025).

#### 4.2. Determinants of Employee Happiness in the Public Sector

The thematic synthesis identified three major categories of determinants influencing employee happiness in the public sector: **psychological**, **organizational**, and **institutional** factors.

##### a. Psychological Factors

Psychological aspects occupy a central position in shaping employee happiness. Omar et al. (2024) emphasize that *psychological capital (PsyCap)*—comprising optimism, self-efficacy, hope, and resilience—has a strong positive association with both job happiness and individual performance. Employees with high PsyCap demonstrate greater adaptability to bureaucratic pressures and emotional resilience in demanding work environments.

Moreover, *Self-Determination Theory (SDT)* (Deci & Ryan, 2020) posits that the fulfillment of three basic psychological needs—*autonomy, competence, and relatedness*—is a prerequisite for workplace happiness. In the public context, these needs are often mediated by *a sense of meaningful work* and *social contribution* to the community (Dhiman et al., 2025). This highlights that psychological well-being in the public sector extends beyond individual satisfaction, encompassing intrinsic motivation to serve the public good.

##### b. Organizational Factors

Organizational determinants include supervisory support, organizational justice, work flexibility, and internal communication. Chow et al. (2024) found that perceived *organizational support* and *the quality of internal communication* directly enhance *employee happiness* healthcare sector.

Similarly, Wegner et al. (2022) reported that *flexible work arrangements (FWAs)*—such as *remote working*—can significantly improve work–life balance and job satisfaction, provided that they are supported by a collaborative organizational culture. In the context of Egyptian public institutions, Sahin (2024) demonstrated that *internal marketing strategies* and *empathetic leadership* foster stronger employee engagement and organizational pride. These findings suggest that happiness in public organizations is contingent not only on structural support but also on a culture of trust and relational leadership.

##### c. Institutional Factors

Institutional dimensions—such as policy frameworks, bureaucratic culture, and public service values—also play a critical role in shaping employee happiness. According to the *Public Service Motivation (PSM)* theory (Perry & Wise, 1990), happiness among public employees arises when they perceive their work as contributing directly to societal welfare.

Awan, Bel, and Esteve (2020) found that PSM functions as an intrinsic motivator that moderates the relationship between *human resource management (HRM)* practices and *employee happiness*—the higher the level of PSM, the stronger the relationship. This finding implies that *employee happiness* in the public sector is not solely determined by individual or organizational factors but also by institutional values and the broader social mission embedded within public service systems.

### 4.3. Mediating and Moderating Variables

Several studies have identified mediating and moderating mechanisms that explain how management practices influence employee happiness in the public sector. These variables reveal the complex interplay between organizational structures, psychological resources, and individual well-being.

#### *Mediating Variables*

- *Job Satisfaction*: Job satisfaction acts as a key intermediary between organizational policies and employee happiness. Employees who perceive fairness in reward systems, workloads, and promotion opportunities tend to experience higher levels of happiness (Farooq et al., 2024). This suggests that satisfaction serves as an evaluative bridge linking external organizational conditions to internal emotional outcomes.
- *Work Engagement*: Work engagement mediates the relationship between psychological capital (PsyCap) and employee happiness through emotional and cognitive involvement in work tasks. Engaged employees translate their optimism and resilience into meaningful performance and greater affective well-being.
- *Perceived Organizational Support (POS)*: POS functions as a mediator between supportive leadership and employee happiness, particularly in hierarchical bureaucratic settings. When employees feel valued and supported by their organization, the positive effects of leadership behaviors on happiness are amplified.

#### *Moderating Variables*

- *Public Service Motivation (PSM)*: PSM strengthens the association between transformational leadership and work happiness (Awan et al., 2020). Individuals with high PSM perceive leadership initiatives as congruent with their intrinsic desire to serve the public interest, thereby enhancing the emotional returns of their work.
- *Work-Life Balance (WLB)*: WLB moderates the impact of job stress on happiness, as demonstrated by Wagreich (2014). Employees who maintain balanced personal and professional domains exhibit higher resilience and lower emotional exhaustion, mitigating the negative consequences of occupational stress.

Overall, the mediating and moderating mechanisms demonstrate that employee happiness does not emerge spontaneously; rather, it results from an interactive system that balances job demands, organizational resources, and social support. A comprehensive understanding of these mechanisms is crucial for designing management interventions that sustain well-being and performance in the public sector.

### 4.4. The Impact of Employee Happiness on Performance and Public Service

Employee happiness in the public sector has demonstrated far-reaching implications for organizational behavior and service quality. Based on the meta-synthesis of 43 selected studies, three major impact patterns were identified:

#### (1) Impact on Individual Performance

Employee happiness enhances both *task performance* and *contextual performance* through increased intrinsic motivation and work engagement (Omar et al., 2024; Dhiman et al., 2025). Happy employees tend to display higher energy, creativity, and persistence, allowing them to achieve their work objectives more effectively and support their colleagues proactively. This finding reinforces the notion that psychological well-being constitutes a core driver of individual excellence in public organizations.

#### (2) Impact on Organizational Performance

Organizations with a high level of employee happiness exhibit *better retention rates, higher productivity, and stronger collaborative cultures* (Pandey & Sharma, 2025). Happiness fosters trust and cooperation within teams, which in turn enhances organizational adaptability and innovation capacity. Moreover, positive affect among employees contributes to a stronger public image through prosocial behaviors and empathetic service delivery, aligning organizational identity with citizen expectations.

(3) Impact on Public Service Outcomes

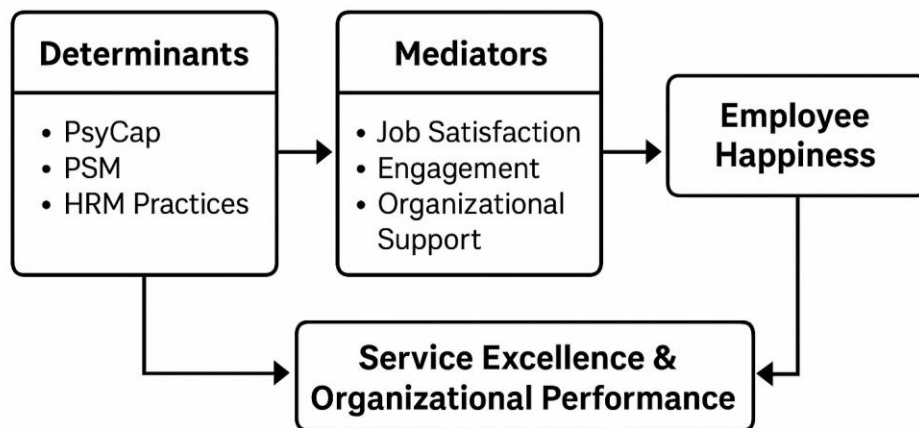
Sahin (2024) demonstrated that happy public employees are more capable of providing high-quality services, directly contributing to *citizen satisfaction* and public trust. In the Indonesian context, the ASN BerAKHLAK values explicitly emphasize harmonious, adaptive, and collaborative dimensions that reinforce the connection between workplace happiness and bureaucratic legitimacy. These values illustrate how happiness-driven governance can foster a more responsive and human-centered public service.

Overall, these findings confirm that employee happiness is not merely an indicator of well-being but a *strategic lever for achieving service excellence and sustaining public legitimacy*. Integrating happiness into public management thus represents a shift from transactional efficiency toward *transformational governance* focused on human flourishing and trust-based service delivery.

#### 4.5. Conceptual Model of the Systematic Literature Review

Based on the integration of findings from the systematic literature review (SLR) and bibliometric analysis, a conceptual model was developed to illustrate the underlying mechanism linking the key variables.

### Model Konseptual SLR



The model highlights that employee happiness functions as a psychological mechanism mediating the positive influence of human resource management (HRM) practices and public service motivation (PSM) on organizational outcomes. Specifically, happiness acts as a conduit through which supportive leadership, fair reward systems, and meaningful work translate into enhanced commitment, innovation, and service quality.

Accordingly, public-sector HRM strategies should prioritize the enhancement of psychological capital, the establishment of equitable performance appraisal and reward systems, and the cultivation of an organizational culture that actively promotes employee well-being. These initiatives not only strengthen employee engagement but also sustain institutional resilience in dynamic governance environments.

#### **4.6. Integrative Discussion**

The findings of this review reinforce a paradigm shift in public-sector management—from a performance-driven orientation toward a well-being-driven governance model. Theoretically, this study extends the framework of Positive Organizational Behavior (Luthans, 2002) by positioning employee happiness as a sustainable indicator of managerial success and organizational health.

From a practical standpoint, the results underscore that a happy bureaucracy tends to be more innovative, resilient, and adaptive to environmental changes. Employees experiencing psychological well-being are more likely to exhibit organizational citizenship behavior (OCB) and strong affective commitment, which in turn enhance public trust and organizational legitimacy.

These insights align with the emerging global agenda on human-centered governance, where employee well-being is viewed as a strategic component of bureaucratic reform and a measurable indicator of public value creation. Therefore, employee happiness should not be perceived merely as a psychological construct but as an institutional strategy to build an adaptive, innovative, and human-oriented public administration.

### **5. Research Implications**

#### **5.1. Theoretical Implications**

Findings from this SLR reaffirm the central position of employee happiness as a conceptual nexus linking individual psychological resources (e.g., PsyCap), HRM practices, and institutional public-sector values (PSM) toward performance and service outcomes. Theoretically, this extends the framework of Positive Organizational Behavior by articulating a mechanistic model—Determinants → Mediators → Employee Happiness → Outcomes—where happiness is no longer viewed merely as a psychological end-state but as a strategic mediating mechanism in public bureaucracy. This framework enriches the integration of the Job Demands–Resources (JD–R) and Public Service Motivation (PSM) theories in the public service context. The bibliometric clustering across psychological & motivational, organizational, and well-being dimensions indicates a robust theoretical foundation to merge hedonic–eudaimonic perspectives (e.g., PERMA/subjective well-being) with institutional and governance contexts of the public sector.

#### **5.2. Practical and Managerial Implications**

For public-sector leaders and HR managers, the results highlight the importance of humanistic and participatory HRM orchestration, encompassing well-being policies, strengthened internal communication, and job design that promotes autonomy, feedback, and social support. Integrated intervention packages fostering engagement, job satisfaction, and perceived organizational support are recommended as direct pathways to employee happiness and service excellence.

Operationally, organizations should implement Psychological Capital training programs (focused on hope, efficacy, optimism, and resilience) and ensure inter-unit communication quality, consistent with practical implications identified across the reviewed studies.

### **5.3. Public Policy Implications**

At the policy level, employee happiness should be positioned as a form of public value and a strategic outcome of bureaucracy—a measurable indicator closely linked to employee loyalty, service innovation, and citizen satisfaction. Establishing civil servant well-being targets (e.g., flexible work arrangements, workload management, mental health support) and mainstreaming PSM principles into the talent management cycle can strengthen both institutional legitimacy and public service performance.

### **5.4. Methodological Implications**

Although the corpus of 43 reviewed articles provides a strong foundation, future research should employ longitudinal designs to capture causal dynamics and mixed-method approaches to reveal the psychological and contextual mechanisms underlying employee happiness more comprehensively. Maintaining the use of PRISMA protocols and bibliometric tools (e.g., VOSviewer) ensures transparency, replicability, and periodic updating of the knowledge map in this field.

### **5.5. Implementation Priorities (Roadmap)**

1. Quick Wins (0–6 months): Conduct employee happiness and engagement audits; short-term PsyCap training; establish internal communication standards for service units.
2. Medium Term (6–18 months): Redesign work structures based on the JD–R framework (autonomy, workload, supervisory support); implement non-financial reward systems for prosocial and OCB behaviors.
3. Long Term ( $\geq 18$  months): Integrate well-being metrics into institutional performance indicators; mainstream PSM values in recruitment and promotion systems; apply people analytics to monitor the policy impact on service excellence and citizen satisfaction.

### **5.6. Systemic Agenda and Externalities**

Thematic and geographical gaps—such as the limited representation of Southeast Asian studies and the underexplored issue of digital well-being in e-government—should be addressed through cross-national collaboration, cross-cultural research, and rigorous causal modeling. These efforts will enhance the contextual accuracy and evidence-based policymaking in public administration.

In essence: employee happiness in the public sector is not a byproduct but a strategic lever for public value creation. Organizations that integrate HRM practices, psychological capital development, and communicative governance will become more resilient, innovative, and trusted by citizens.

## **6. Research Gaps and Future Research Agenda**

This review identifies several substantive gaps and emerging priorities that must be addressed to strengthen the conceptual and contextual understanding of employee happiness in public service organizations.

## 6.1. Research Gaps

First, a clear geographical imbalance exists: empirical contributions from Southeast Asia remain scarce, limiting the cross-cultural generalizability of findings. This calls for more representative research reflecting the Global South context, including Indonesia.

Second, issues of digital well-being within the e-government ecosystem—such as constant connectivity, hybrid work, and digital overload—remain underexplored despite their growing relevance for modern bureaucracies.

Third, theoretical integration between psychological well-being frameworks (e.g., PERMA, subjective well-being) and the service-dominant logic of public value creation is still lacking. Such integration is crucial to explain how employee happiness translates into public trust, service excellence, and citizen satisfaction.

## 6.2. Future Research Agenda

In response to these gaps, the following research directions are proposed:

1. *Cross-cultural and comparative studies in Southeast Asia*  
Design multi-country studies to examine how cultural and institutional contexts shape the mechanisms of Determinants → Mediators → Employee Happiness → Outcomes identified in this SLR.
2. *Digital well-being in digital bureaucracies*  
Investigate the impact of digital workload, right to disconnect policies, remote/hybrid work, and ICT infrastructure quality on happiness, engagement, and citizen satisfaction—positioning PSM and PsyCap as mediating or moderating variables.
3. *Integrating well-being and public service logics*  
Develop models linking PERMA and subjective well-being frameworks with service-dominant logic to trace pathways from HRM practices to employee happiness and ultimately to public value creation (e.g., service quality, public trust).
4. *Longitudinal and mixed-method designs*  
Extend beyond the 43-article corpus by employing longitudinal (panel/diary) and qualitative (ethnography, comparative case study) designs to capture the dynamic evolution of happiness across policy cycles and organizational change.
5. *Measurement and cross-context validation*  
Validate happiness, engagement, and perceived organizational support scales across different cultural and institutional settings to ensure measurement invariance and comparability across nations and sectors.
6. *Ethical people analytics*  
Utilize administrative and people-analytics data to model the relationships between HRM practices, employee happiness, and service indicators, ensuring robust data ethics and public sector privacy safeguards.

## 6.3. Policy and controlled field experiments

Conduct field experiments—such as communication nudges, PsyCap training, and flexible work pilots—to test the causal impact of interventions recommended by this SLR, linking them directly to service excellence and citizen outcomes.

In summary, future research should position employee happiness as a strategic lever for human-centered public governance. A more geographically inclusive, theoretically integrated, and

methodologically rigorous research agenda will strengthen the evidence base for sustainable public HRM policies that enhance both employee well-being and public value.

## 7. Conclusion

This systematic review confirms that employee happiness within public service organizations is a multidimensional construct that bridges individual psychological resources (positive affect, meaning, psychological capital), organizational practices and climate (support, internal communication, flexibility, fairness), and institutional values unique to the public sector (public service motivation). Together, these elements foster superior performance and service outcomes. Bibliometric mapping revealed three major thematic clusters—psychology and motivation, organizational and sectoral contexts, and well-being and life satisfaction. These clusters jointly indicate a coherent theoretical foundation and an increasingly applied research trajectory across studies.

Longitudinally, the field remained relatively underexplored for several decades since its early emergence in the mid-1970s but has expanded rapidly in the past decade. Although global in scope, the distribution of studies remains uneven, underscoring the need for cross-context collaboration—particularly within the Global South.

Mechanistically, this synthesis identifies a consistent causal pattern: Determinants → Mediators → Employee Happiness → Outcomes. Public HRM practices, psychological capital, and public service motivation influence happiness through mediators such as job satisfaction, engagement, and perceived organizational support. In turn, employee happiness drives service excellence, citizen satisfaction, and organizational performance—key indicators of modern bureaucratic legitimacy.

Substantively, these findings affirm that employee happiness is not an incidental by-product but the deliberate outcome of a humanistic, participatory, and value-based public HRM system. It should therefore be recognized as both a strategic outcome and a public value that strengthens employee loyalty, stimulates service innovation, and enhances citizen satisfaction. Empirically, the corpus of 43 PRISMA-selected publications provides a sufficient evidence base to establish topic relevance while highlighting research gaps—especially the limited representation of Southeast Asian contexts and the underexplored domain of digital well-being within e-governance. Future studies should prioritize longitudinal and mixed-method designs, cross-cultural validation, and more rigorous causal modeling to deepen conceptual clarity and practical relevance.

Practically, this review recommends four integrated directions:

- (1) holistic well-being policies emphasizing work flexibility, balanced workload, and mental health support;
- (2) stronger internal communication and empathetic leadership;
- (3) systematic PsyCap development programs; and
- (4) orchestration of HRM practices that enhance engagement and job satisfaction as direct bridges to happiness and service quality.

Collectively, these insights reinforce a shift toward human-centered governance—a paradigm where the happiness of public employees becomes both a moral imperative and a strategic lever for generating sustainable public value.

## Theoretical Contribution

This study extends the theoretical frontier of Positive Organizational Behavior by positioning employee happiness not merely as an affective end-state but as a strategic psychological mechanism linking public HRM practices, psychological capital, and public service motivation to organizational and service outcomes. Through a systematic integration of bibliometric and content-based evidence, this review proposes a comprehensive Determinants → Mediators → Employee Happiness → Outcomes framework, bridging the hedonic–eudaimonic dimensions of well-being (PERMA/subjective well-being) with the institutional logic of public service. The synthesis further contextualizes the Job Demands–Resources (JD–R) and Public Service Motivation (PSM) models within public bureaucracies, thereby expanding the conceptual map of happiness research toward a human-centered governance paradigm.

## Practical Contribution

From a managerial perspective, the study offers actionable pathways for embedding happiness within the architecture of public management. It emphasizes that employee happiness should be institutionalized as a public value and strategic performance outcome—achieved through humanistic HRM systems, fair reward mechanisms, psychological capital development, and empathetic leadership. The proposed roadmap—spanning quick wins to long-term integration of well-being metrics into institutional performance systems—provides a practical guide for public managers seeking to enhance employee engagement, innovation, and citizen satisfaction. Ultimately, this work reframes happiness as a governance lever for achieving service excellence and restoring public trust through a more adaptive, innovative, and people-centered bureaucracy.

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