

## The Impact of Demographic Factors on Happiness in Malaysia

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**ABSTRACT** - Happiness, commonly conceptualized as subjective well-being, has increasingly been recognised as a multidimensional construct that extends beyond conventional economic indicators such as income and Gross Domestic Product (GDP). This study investigates the influence of demographic, socio-economic, and lifestyle factors on happiness in Malaysia using data from the World Values Survey Wave 7, comprising 1,313 respondents. Employing a generalized ordered logistic regression (gologit2) model with a partial proportional odds specification, the analysis captures the ordinal nature of happiness while allowing for greater flexibility in estimation. The findings reveal that financial satisfaction and health status are the most significant determinants of happiness, highlighting the critical role of both economic security and physical well-being in shaping life satisfaction. Employment status also contributes positively to happiness, reflecting the importance of income stability, social identity, and psychological benefits derived from work. In addition, lifestyle-related factors such as leisure time and religious importance are found to enhance happiness, suggesting that non-material aspects play a meaningful role in overall well-being. The study identifies a U-shaped relationship between age and happiness, where happiness declines during midlife and increases at older ages, consistent with international empirical evidence. Interestingly, higher levels of education are associated with lower levels of happiness, potentially reflecting unmet expectations or increased social pressures among more educated individuals. In contrast, variables such as gender, ethnicity, and family importance do not exhibit significant effects. Overall, the results underscore the multidimensional nature of happiness and the limitations of relying solely on economic indicators to assess well-being. The study provides important policy implications, emphasising the need for integrated approaches that promote health, financial security, employment opportunities, and work-life balance. These findings contribute to the growing literature on happiness economics, particularly within the context of a multi-ethnic, middle-income country like Malaysia.

## INTRODUCTION

Happiness is often described as a universal pursuit; however, its true nature remains complex and multifaceted, encompassing various aspects of life (Ryan, 2023; De Neve et al., 2022). Over the centuries, philosophers, psychologists, economists, and policymakers have attempted to define and understand happiness, including its meaning, measurement, and key determinants (Diener, 2021). At first glance, happiness may appear to be a straightforward concept, commonly associated with feelings of joy, contentment, or life satisfaction. However, growing research suggests that happiness cannot be reduced to fleeting emotions or temporary moments of pleasure (Carpentier, 2023).

Instead, happiness reflects a long-term and holistic state of well-being that integrates both internal and external factors. Traditionally, material wealth, income, and economic prosperity have been considered major determinants of happiness. However, the increasing focus on happiness economics highlights that well-being extends beyond purely economic indicators (Abd Razak et al., 2019; Trabelsi, 2023). Empirical evidence demonstrates that happiness is not solely determined by measures such as Gross Domestic Product (GDP), but is also influenced by a variety of factors, including social relationships, mental health, personal freedom, and governance (Helliwell et al., 2022; Law and Tiah, 2022). While GDP remains an important indicator, relying exclusively on it may overlook critical dimensions of well-being, particularly in middle-income countries such as Malaysia (Tambyah, 2022; Helliwell et al., 2020). In the context of Malaysia, examining the determinants of happiness is especially important due to its rapid socio-economic development alongside growing concerns about income inequality, social cohesion, and psychological well-being (Shrotryia and Singh, 2020; Behera et al., 2024; Subramaniam, 2025). These challenges are closely aligned with the aspirations of the United Nations Sustainable Development Goals (SDGs), particularly sDG (Good health and Well-being), SDG 8 (Decent Work and Economci Grwoth), and SDG 10 (Reduced Inequalities). Although Malaysia has experienced substantial economic growth in recent years, challenges such as income disparity, rising living costs, and political uncertainty persist. These issues have direct implications for individuals' happiness and overall quality of life, suggesting that increases in material wealth alone do not guarantee improved well-being (Ab Wahab et al., 2025).

By focusing on socio-demographic factors, including age, gender, education, employment status, income, ethnicity, family characteristics, and lifestyle variables, this study aims to provide a deeper understanding of the determinants of happiness in Malaysia. The findings are expected to contribute to the expanding field of happiness economics and offer valuable insights for policymakers in designing more inclusive and effective strategies to enhance societal well-being.

## LITERATURE REVIEW

The study of happiness has developed into a multidisciplinary field consisting of economics, psychology, and the social sciences. In the current literature, happiness is widely conceptualized as subjective well-being, which reflects how individuals their overall quality of life. The conventional economic approaches emphasize on measurable indicators such as income, subjective well-being focuses on individuals' own evaluations, emotional experiences, and overall life satisfaction. This approach defined happiness as a multifaceted construct that incorporates both cognitive evaluations of life satisfaction and affective elements, such as experiencing positive emotions and minimal negative emotions.

### 2.1 Domain Satisfaction Approach

Happiness does not depend on a single factor but is shaped by a complex interaction of psychological, social, and personal influences. Rather than being determined by one dominant variable, individuals' overall well-being reflects the cumulative effects of multiple aspects of life. A widely applied framework for understanding this complexity is the Domain Satisfaction Approach, which posits that overall happiness is the combined outcome of satisfaction across several key life domains, including health, income, employment, family life, and social relationships (Headey, Holmstrom and Wearing, 1984). This perspective recognises that individuals evaluate their lives not as a whole in isolation, but through their experiences and satisfaction within these distinct yet interrelated domains.

A key strength of this approach lies in its ability to explain variations in happiness across individuals with different life circumstances. For instance, a person may report high levels of happiness despite having moderate income if they experience strong social support, good health, and meaningful employment. Conversely, individuals with high income may report lower happiness if they experience poor health, weak social ties, or work-related stress. This suggests that happiness is not solely dependent on material conditions, but also on how individuals perceive and balance various dimensions of their lives.

Within this framework, demographic factors play a crucial role in shaping both domain-specific satisfaction and overall well-being. Characteristics such as age, gender, educational attainment, income level, employment status, and family structure significantly influence individuals' life opportunities, social responsibilities, and access to economic and non-economic resources (OECD, 2024; Joshanloo, 2023; Heyne et al., 2023). For example, age is often associated with changes in priorities and life circumstances, which may affect satisfaction across domains such as health, work, and family. Similarly, education can enhance access to better employment opportunities and income, but may also raise expectations and pressures that influence perceived satisfaction.

Moreover, employment status not only determines financial security but also affects psychological well-being through factors such as social identity, routine, and a sense of purpose. Family structure and social relationships, on the other hand, shape emotional support systems and interpersonal interactions, which are essential components of life satisfaction. These demographic characteristics therefore influence how individuals allocate their time, resources, and attention across different life domains, ultimately affecting their overall happiness.

Importantly, the Domain Satisfaction Approach also highlights that the relative importance of each domain may vary across individuals and cultural contexts. In collectivist societies such as Malaysia, family relationships, social harmony, and community attachment may play a more prominent role in shaping happiness compared to individualistic societies, where personal achievement and autonomy may be more emphasised. This contextual variation further reinforces the need to consider demographic and socio-cultural factors when analysing happiness.

In sum, demographic factors influence not only individuals' objective conditions within various life domains but also their subjective perceptions and evaluations of those domains. As a result, overall happiness can be understood as the outcome of a dynamic and multidimensional process, where satisfaction across different areas of life interacts to shape an individual's overall sense of well-being (Helliwell, 2023).

## 2.2 Concept and Measurement of Happiness

Happiness is widely conceptualized as a multifaceted construct that encompasses emotional well-being, overall life satisfaction, and a deeper sense of meaning or purpose in life. Rather than being a single-dimensional outcome, happiness reflects a combination of how individuals feel in their daily experiences, how they cognitively evaluate their lives as a whole, and the extent to which they perceive their lives as meaningful and fulfilling. This multidimensional perspective allows researchers to capture both short-term emotional states and long-term evaluations of life circumstances, providing a more comprehensive understanding of human well-being.

In empirical research, happiness is frequently assessed through self-reported indicators, whereby individuals evaluate their own lives based on personal standards, expectations, and experiences (Andrijic, 2022; Vitterso, 2025). These subjective assessments are particularly valuable because they reflect individuals' internal perceptions rather than relying solely on objective external measures such as income or material conditions. As a result, subjective well-being measures are widely regarded as reliable proxies for overall quality of life, especially when comparing individuals across different socio-economic and cultural contexts.

One of the most widely adopted approaches in measuring happiness is the life evaluation method. Under this approach, individuals are asked to assess their overall life satisfaction using a numerical scale, typically ranging from the worst possible life to the best possible life.

This method captures a holistic judgment of life circumstances, integrating various aspects such as health, financial stability, social relationships, and personal achievements into a single evaluative measure. Its simplicity and intuitive nature make it particularly suitable for large-scale surveys and cross-country comparisons.

Moreover, the life evaluation approach has been extensively validated in the literature and is commonly used in major international surveys, enabling consistent and comparable measurements of subjective well-being across diverse populations. It serves as a reliable tool for examining differences in happiness levels among individuals with varying demographic characteristics, such as age, gender, education, and income (Arrondo et al., 2021). By allowing individuals to express their overall life satisfaction in a standardized format, this approach facilitates robust empirical analysis and contributes significantly to the growing body of research in happiness economics and well-being studies.

### 2.3 Dimensions of Happiness

Happiness is often interpreted through three fundamental dimensions: hedonic well-being, which refers to emotional experiences and the presence of positive affect alongside the absence of negative emotions (Frey, 2018); evaluative well-being, which captures individuals' overall cognitive assessment of their life satisfaction (Andrijic, 2022); and eudaimonic well-being, which relates to a sense of purpose, personal growth, and the realisation of one's potential (Baytemir & Simsir Gokalp, 2025). These three dimensions collectively provide a comprehensive framework for understanding the complexity of human well-being, as each reflects a distinct yet interconnected aspect of how individuals experience and evaluate their lives.

The hedonic dimension emphasises short-term emotional states, including feelings of happiness, joy, and pleasure, as well as the absence of distress, anxiety, or sadness. This perspective is particularly relevant in capturing day-to-day fluctuations in well-being and is often measured through affective indicators. In contrast, the evaluative dimension focuses on a more stable and reflective judgment, where individuals assess their overall life circumstances based on personal standards, expectations, and aspirations. This dimension is less sensitive to temporary emotional changes and instead reflects a broader, long-term evaluation of life quality.

Meanwhile, the eudaimonic dimension extends beyond both emotional experiences and life satisfaction by emphasising meaning, self-realisation, and the pursuit of personal goals. It highlights whether individuals perceive their lives as purposeful and fulfilling, which is especially important in understanding deeper aspects of well-being that are not solely driven by material or emotional factors. According to Frey (2018), the evaluative aspect is the most widely adopted measure in empirical happiness research and is commonly used as a proxy for "happiness" in large-scale surveys. This is largely due to its comparability across individuals and populations, as well as its ability to capture overall life satisfaction in a single, interpretable measure. Moreover, evaluative well-being aligns closely with widely used survey instruments, such as life satisfaction scales, making it particularly suitable for quantitative analysis.

In this study, the evaluative approach to happiness is employed as the primary measure, while still acknowledging its conceptual links to both hedonic and eudaimonic dimensions. By adopting this approach, the analysis is able to integrate emotional experiences and life purpose indirectly within a broader life satisfaction framework. This allows for a more comprehensive examination of the determinants of happiness, recognising that individuals' overall well-being is shaped not only by their immediate emotional states but also by their long-term perceptions of life quality and personal fulfilment. Overall, incorporating these three dimensions provides a more nuanced understanding of happiness, reinforcing the view that well-being is inherently multidimensional. Such an approach is particularly important in empirical studies, as it ensures that happiness is not reduced to a single indicator but is instead examined through a holistic lens that captures the diverse factors influencing human well-being.

## 2.4 Empirical Support for Demographic Influence

Empirical studies consistently indicate the significance of demographic factors as key determinants of overall happiness. Specifically, considerable empirical research has explored the association between individual demographic variables and happiness. Age has been strongly linked to happiness, where happiness follows the U-shaped pattern declining in midlife before rising in later years. This pattern is evident across both developed and developing nations (Blanchflower, 2021; Karwetzky et al., 2022; Becker & Trautmann, 2022; Toshkov, 2022; Ratti & Sharma, 2021; Oshio & Shimizutani, 2024). Gender differences in happiness are more complex, as women report marginally higher overall happiness level (Lim, Shaw and Liao, 2017; Ndoya et al., 2024; Blanchflower and Bryson, 2024; Aw et al., 2021). Besides this, women also reporting elevated level of negative emotional states notably anxiety and depression indicating that gender differences are influenced by broader social and cultural factors (Blanchflower, 2021; Bryson & Blanchflower, 2024).

Education is widely recognized to have a positive relationship with happiness through both economic and non-economic channels (Yang et al., 2022; Leite et al., 2024). This involves better employment opportunities, elevated income, and enhanced social engagement. Nonetheless, the relationship may become weaker or negative when expectations related with higher education are not fulfilled (Ruiu & Ruiu, 2019). In the same way, income plays a key role in affecting happiness, although the marginal effect gradually declines at higher income level (Chen & Hsu, 2024; Luhmann, 2024; Cimpoeru, 2023). This indicates that increases in income do not necessarily produce proportional increases in happiness level (Easterlin, 2021; Guan, Eam & Yuan, 2020; Boo et al., 2020). Apart from these factors, contentment with one's financial situation has been recognized as an important predictor of happiness, notably in developing countries where the fulfilment of basic needs remains a significant concern (Korankye & Kalenkoski, 2021; Ngamaba et al., 2020; Wan Nawang et al., 2023). Health represents another crucial determinant, consistently exhibiting a strong positive association with happiness across different contexts. Those in better health has reported higher happiness level, meanwhile those in poor health has long-term negative effects on overall happiness level (Kar, 2023; Boo, Yen & Lim, 2016).

Employment status also another significant determinant, as employment not only provides financial stability but also confers the social identity, routine, and psychological benefits. In contrast, unemployment is strongly related to lower levels of happiness as a result of financial insecurity and elevated stress level (Barros et al., 2023; Lawes et al., 2023). In multicultural country as Malaysia, ethnic background further contributes to differences in happiness, as cultural norms, social integration, and community attachment are different across groups (Boo et al., 2020; Boo et al., 2016). Apart from economic and structural factors, social and lifestyle factors also affect happiness (Krys et al., 2021, 2023; Boo et al., 2020). Strong family relationships and social support are consistently linked to higher levels of happiness, particularly in collectivist cultures where family relationship is highly valued. Leisure time is also another important factor, as it improves the quality of life, facilitates social interaction, and enhance work-life balance (Liu & Da, 2020; Berticelli de Freitas, 2023; Khairul Salleh & Abas, 2025).

Furthermore, religion and spirituality are related to higher happiness by providing emotional support, purpose, and social integration (Hou et al., 2023; Datta, 2023; Rojas & Watkins-Fassler, 2022). The association between the number of children and happiness shows mixed results, with some studies reported negative or neutral effects due to greater financial and caregiving obligations, while others show the positive effects while controlling for contextual factors (Lyu, 2025). This variation further emphasizes the importance of considering demographic characteristics in understanding the complex nature of happiness.

## METHODS AND MATERIALS

This study utilizes secondary data obtained from the World Values Survey Wave 7 (WVS7), collected over the period of 2017 to 2022. The Malaysian sample comprises of 1,313 respondents aged 18 and above, collected using stratified sampling covering all states (Haerpfer et al., 2022). This study treats Happiness as an ordinal dependent variable, measured on scale ranging from "Very happy" to "Not at all happy," and recoded into three ordinal categories. The independent variables are grouped into demographic factors (e.g., age, gender, education, income, health, family-related variables, leisure time, financial situation, ethnicity, number of children's).

All statistical analyses were conducted using Stata SE15. As a preliminary step, chi-square tests were conducted to investigate the bivariate relationship between happiness and independent variables. As the dependent variable is recorded on an ordinal scale, this study employs the generalized ordered logistic regression model (gologit2) with a Partial Proportional Odds (PPO) specification (Williams, 2006, 2014, 2016; Liu, 2015). The reliability of this assumption was examined using the Brant test, to determine if the regression coefficients are constant across the different outcome levels.

The latent variable model is expressed as:

$$y_i^* = X_i\beta_j + \varepsilon_i,$$

where  $X_i$  is a  $1 \times p$  vector of explanatory variables,  $\beta$  is the vector of regression coefficients, and  $\varepsilon_i$  is a residual term assumed to follow a logistic distribution. The observed ordinal happiness outcome  $y_i^*$  is determined by which threshold  $\tau_j$  the latent variable  $y_i^*$  crosses, where  $j = 1, 2, \dots, J - 1$  indexes the cutpoints separating the  $J$  categories of happiness.

The model calculates the cumulative probabilities of being in higher happiness categories. Marginal effects are calculated to determine the magnitude and direction of relationships between independent variables and happiness. The adequacy of model is assessed using several goodness-of-fit measures, including Pseudo R squared, log-likelihood ratio tests, and the global Wald test. These indicators assess overall model's fit. Moreover, correlations among the independent variables (multicollinearity) is determined using the Variance Inflation Factor (VIF), where values exceeding 10 indicate potential issues. Overall, the gologit2 model is preferred due to its flexibility in handling violations of the proportional odds assumption and its ability to preserve the ordinal nature of the dependent variable, providing more reliable and interpretable results compared to alternative models such as multinomial logit.

## RESULTS AND DISCUSSIONS

### 4.1 Descriptive Statistics

This chapter summarize the empirical findings of this study, examining the determinants of happiness among adults in Malaysia. Descriptive analyses summarize the key characteristics of the sample. Table 1 summarizes categorical variables, while continuous variables such as age are reported using means and standard deviations. The dependent variable, happiness, is presented in Table 2.

**Table 1.** Categorical Variables by Percentages (%)

Variables	Category	Percentage
Gender:	Female	50.04%
	Male	49.96%
Employment:	Employed	74.11%
	Unemployed	25.89%
Education:	Lower	52.25%
	Middle	18.66%
	Higher	29.09%
Income:	Low Income	32.34%
	Medium Income	57.88%
	High Income	10.37%
Financial Situation:	Satisfied	66.72%
	Dissatisfied	33.28%
Children:	No children	40.44%
	Having more than one child	59.56%
Health:	Good	67.71%
	Fair	28.48%
	Poor	3.81%
Family:	Important	96.34%
	Not important	3.66%
Leisure:	Important	92.92%

God:	Not important	7.08%
	Important	88.35%
Ethnic:	Not important	11.65%
	Malay	67.33%
	Chinese	24.90%
	Indian and others	7.77%
Continuous Variables	Mean	Standard Deviation
Age	38.33	13.21

**Table 2.** Feeling of Happiness

Happiness (Ordinal Scale)	Frequency	Percentages	Mean	S.D.
Very Happy	242	18.43%	1.9603	0.0157
Quite Happy	882	67.17%		
Not very happy and Not at all happy	189	14.39%		

Gender distribution in this study is approximately balanced. Most respondents are reported being employed (74.11%), and majority have lower education levels (52.25%), followed by higher education (29.09%). Respondents in the medium-income category constitute the largest proportion of the sample (57.88%), and two-thirds of respondents expressed satisfaction with their financial condition (66.72%). Majority of respondents have children (59.56%) and reported good health status (67.71%). Family (96.34%), leisure (92.92%), and religion (88.35%) are considered highly important by respondents. The sample is predominantly Malay (67.33%), followed by Chinese (24.90%) and Indian/other ethnicities (7.77%). The mean age of respondents is 38.33 years (SD = 13.21), reflecting a moderately diverse age distribution. Here we may imply, the majority of respondents report being “Quite Happy” (67.17%), with 18.43% reporting “Very Happy” and 14.39% in the lowest happiness category. The mean happiness score (1.9603) and low standard deviation (0.0157) indicate that responses are clustered near the middle category, reflecting a generally positive sentiment with minimal variation.

The descriptive results indicate that happiness among adults in Malaysia is influenced by both economic and non-economic factors, including employment, income, financial satisfaction, health, and social values such as family, leisure, and spirituality. While employment and income suggest that financial stability contributes to well-being, the findings also show that happiness is not determined by income alone. Once basic needs are met, additional income tends to diminish returns on well-being. This highlights the importance of non-economic factors, which often have a more sustained and meaningful impact on life satisfaction.

In relation to business education, this highlights the importance of developing not only technical and employability skills but also financial literacy and decision-making abilities, as financial satisfaction appears more relevant than absolute income. Business programmes should therefore emphasize personal finance management and behavioural understanding of economic choices. The variation in education levels supports the role of human capital in improving life outcomes. However, the results imply that business education should go beyond academic knowledge by incorporating soft skills, adaptability, and lifelong learning, which are essential for both career success and personal well-being. The importance of health, family, and leisure further suggests that well-being depends on balance and non-market values. This reinforces the need for business education to integrate work-life balance, ethics, and responsible management practices, rather than focusing solely on productivity and profit. Overall, the descriptive findings confirm that happiness is multidimensional. For business education, this implies a broader approach that combines economic competence with well-being awareness, ethical values, and social responsibility, preparing individuals for both professional success and a balanced life.

#### 4.2 Generalized Ordered Logit Regression (Gologit2) Test Results

The determinants of happiness were examined using a Generalized Ordered Logit (gologit2) model. Table 3. reports the estimated coefficients, odds ratios, standard errors, and significance levels for each independent variable. Marginal effects were calculated using Stata's 'mfx' command following gologit2 estimation to estimate the magnitude and impact of independent variables in Table 4. (Qureshi, Chatta & Rehman, 2020; Williams, 2014).

**Table 3.** Generalized Ordered Logit Regression (Gologit2) Output Result

Number of observations: 1313		LR(34)= 304.51			
Pseudo R <sup>2</sup> =0.1354		Prob:0.0000			
Variables	Coefficient	Odds (OR)	Ratio	Standard Error	P> z
Female	0.0320	0.9684		0.1615	0.838
Age	0.0989	0.9058		0.0444	0.014
Age squared	-0.0013	1.0013		0.0005	0.006
Employed	-0.5084	1.6628		0.1176	0.009
Middle Education	0.4928	0.6109		0.3603	0.025
Higher Education	0.5099	0.6005		0.3186	0.008
Medium Income	0.3355	0.7150		0.2458	0.056
High Income	0.3269	0.7211		0.4227	0.283
Financial	-0.9927	2.6983		0.0759	0.000
Children	-0.3362	1.3998		0.1415	0.090
Fair Health	1.5634	0.2094		1.1971	0.000
Poor Health	1.5200	0.2187		3.4048	0.041
Family	0.4978	0.6079		1.0240	0.424
Leisure	0.2664	0.7661		0.1687	0.039
Importance of god	-0.1171	1.1242		0.0426	0.014
Malay	0.5327	0.5870		0.5564	0.103
Chinese	0.1701	0.8435		0.3445	0.558

Notes, 1. (\*\*\*) 1% level of significance, (\*\*) 5% level of significance, (\*) 10% level of significance 2. Odds Ratios are exponentiated coefficients.

**Table** Error! No text of specified style in document.. Marginal Effects after Generalized Ordered Logit Regression (Gologit2) Output

Model gologit2_mfx (Marginal Effects after gologit2)				
Variable	dy/dx	Std.Err	z	P> z
Female	-0.0037	0.0182	-0.2000	0.8380
Age	-0.0115	0.0047	-2.4800	0.0130
Age squared	0.0001	0.0001	2.7700	0.0060
Employed	0.0542	0.0191	2.8400	0.0040
Middle Education	-0.0513	0.0204	-2.5100	0.0120
Higher Education	-0.0550	0.0191	-2.8800	0.0040
Medium Income	-0.0398	0.0213	-1.8700	0.0620
High Income	-0.0346	0.0292	-1.1800	0.2360
Financial	0.1036	0.0189	5.4700	0.0000
Children	0.0383	0.0221	1.7400	0.0830
Fair Health	-0.1469	0.0178	-8.2600	0.0000
Poor Health	-0.1066	0.0272	-3.9200	0.0000
Family	-0.0579	0.0721	-0.8000	0.4220
Leisure	-0.0310	0.0150	-2.0700	0.0390
Importance of God	0.0136	0.0055	2.4600	0.0140
Malay	-0.0563	0.0314	-1.7900	0.0730

Chinese	-0.0202	0.0353	-0.5700	0.5670
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The results indicate a U-shaped relationship between age and happiness. A one-year increase in age is related to lower likelihood of higher happiness (OR = 0.91), whereas the positive effect of age squared (OR = 1.001) implies that happiness increases at older ages, consistent with previous studies (Beja, 2018).

Employment status is a significantly affects happiness, with employment associated with higher levels of happiness (OR = 1.66). Financial satisfaction emerges as strongest predictor (OR = 2.70), demonstrate that greater financial security substantially increased the likelihood of higher happiness. Education presents an intriguing pattern. Both middle (OR = 0.6109) and higher education (OR = 0.6005) are significantly associated with lower odds of higher happiness compared to the lowest education category. This aligns with prior findings suggesting that higher education may generate unmet expectations or perceived social pressures that can offset financial or professional gains (Ruiu & Ruiu, 2019; Nikolaev, 2018).

Health emerges as a critical determinant. Respondents reporting fair or poor health experience the largest reductions in happiness, with marginal effects of -14.69% and -10.66%, respectively, emphasizing the importance of good physical health in overall life satisfaction. Leisure time and religion also contribute positively to happiness, with marginal effects of -3.10% for leisure and 1.36% for the importance of God, consistent with evidence that personal time and spiritual engagement enhance well-being (Abd Aziz et al., 2024).

Other factors such as employment, number of children, and financial satisfaction positively affect happiness, with marginal effects of 5.42%, 3.83%, and 10.36%, respectively. In contrast, middle and higher education show negative marginal effects (-5.13% and -5.50%), indicating a nuanced relationship with happiness. Variables including gender, ethnicity, and family importance were not statistically significant, suggesting these factors do not meaningfully predict happiness in this sample. Overall, the estimation results highlight that happiness is mildly shaped by age, financial and employment status, health, education, leisure, and religious engagement. Health and financial well-being are the strongest determinants, while demographic variables such as gender and ethnicity play a minimal effect. These results highlight the multifaceted nature of happiness and provide insights for policies aimed at improving public well-being.

Model diagnostics indicate that the regression results are robust and reliable. Goodness-of-fit tests confirm that the model provides an adequate fit to the data, the parallel lines assumption is not violated, and multicollinearity among predictors is minimal. Overall, these checks support the validity of the findings reported in this study.

The Generalized Ordered Logit (Gologit2) results provide deeper insight into how various factors influence different levels of happiness, revealing that the effects are not uniform across categories. This suggests that determinants such as income, employment, health, and social values may have varying strengths depending on whether individuals report low, moderate, or high levels of happiness. In particular, variables related to financial satisfaction, employment, and health status are likely to show stronger and more consistent effects, indicating their central role in shaping well-being.

From a business education perspective, these findings highlight the importance of moving beyond a one-dimensional focus on income generation. The significant role of financial satisfaction implies that individuals' ability to manage resources and expectations is crucial. Therefore, business education should emphasize financial literacy, behavioural decision-making, and risk management, enabling individuals to achieve not only higher income but also greater financial well-being.

The differential effects observed across happiness levels also suggest that education and employment do not impact all individuals equally. This reinforces the need for business education to develop adaptive skills, critical thinking, and entrepreneurial capabilities, which can help individuals navigate diverse economic conditions and improve their well-being at different stages of life. Moreover, the significance of health and social-related variables, such as family and leisure, indicates that non-economic factors remain important even after controlling for income and education. This underscores the need for business education to incorporate holistic elements, including work-life balance, leadership ethics, and sustainable management practices, to ensure long-term well-being and productivity.

Overall, the Gologit2 results confirm that happiness is influenced by a combination of economic efficiency and personal well-being factors. For business education, this implies a shift towards a more comprehensive approach that integrates technical knowledge with well-being, ethical awareness, and social responsibility, preparing graduates to succeed not only economically but also in achieving a balanced and meaningful life.

## CONCLUSION

This study explored the determinants of happiness among adults in Malaysia focusing on demographic factors. The findings indicate that health status, financial satisfaction, employment, and education are the most influential predictors of subjective well-being, with good health and financial security contributing most strongly to higher happiness levels. Other predictors, including ethnicity, age, family size, leisure, and religious importance, also emphasize the complex and multifaceted nature of happiness.

These results underscore the need for integrated policy approaches that address both economic and social dimensions, such as improving access to quality healthcare, promoting financial stability, supporting employment opportunities, and enhancing educational attainment. By targeting these areas, policymakers can foster an environment that supports greater life satisfaction and well-being among Malaysians. Overall, the study contributes to the understanding of happiness determinants in a multi-ethnic, middle-income country context, providing evidence-based guidance for interventions aimed at enhancing national well-being.

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## CONFLICT OF INTEREST

The authors declare no conflicts of interest" should be included if there is no conflict of interest.

## AUTHORS CONTRIBUTION

**Vinothiny Subramaniam.:** Conceptualization, Methodology, Software, Software, Validation, Data curation, Writing- Original draft preparation **Norasibah Abdul Jalil.:** Visualization, Investigation. Supervision. Software, Validation, Writing. **Chi Chao-nan:** Proof reading and Editing

## AVAILABILITY OF DATA AND MATERIALS

Data available on request from the authors.

## DECLARATION OF GENERATIVE AI

During the preparation of this work, the authors used ChatGPT to enhance the clarity of the writing. After using the ChatGPT, the authors reviewed and edited the content as needed and take full responsibility for the content of the publication.

## ETHIC STATEMENTS

Not applicable.

## REFERENCES

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