Retos
Revista de Ciencias de Administración y Economía

April-September
pp. 143-157
https://doi.org/10.17163/ret.n29.2025.09

Life and work: impact of managerial decisions on employee well-being in Mexico

Vida y trabajo: impacto de las decisiones gerenciales en el bienestar de los empleados en México

Enrique Kato-Vidal
Professor at Universidad Autónoma de Querétaro Mexico
enriquekato@uaq.mx
https://orcid.org/0000-0001-5582-1971

Received on: 01/11/24 **Revised on:** 06/12/24 **Approved on:** 21/02/25 **Published on:** 01/04/25

Abstract: the focus on work-life balance has increased exponentially over the past two decades. Research has demonstrated that achieving this equilibrium leads to enhanced personal and professional satisfaction. Moreover, organizations benefit from improved work-life balance among employees, as it facilitates more efficient time and task allocation, thereby increasing productivity. The aim of this study was to estimate the effect of eight employee benefits on self-reported life satisfaction among workers. Logit equations were employed, utilizing data from National Survey of Self-Reported Well-being. The sample size exceeded 10 000 individuals, representing a population of over 30 million employees in Mexico. To assess the impact on well-being, the benefits were ranked from most to least frequent. The most common benefit was the mandatory year-end bonus ('aguinaldo'), while profit sharing was the least frequent. Results indicated that employees with a higher number of benefits have a greater probability of reporting satisfaction with their current and future life. The study also reports that the positive effect of employee benefits increases when organizations complementarily implement other labor strategies, such as annual income increases and considering employee opinions. The estimates were consistent, thus providing useful evidence for managers to design organizational policies that simultaneously contribute to employee well-being and promote higher productivity in both the short and long term.

Keywords: employment benefits, subjective well-being, life satisfaction, logit regression, decent work.

Resumen: el interés por el equilibrio trabajo-vida ha crecido exponencialmente en el último par de décadas. Se ha documentado que lograr ese balance proporciona una vida personal y profesional más satisfactoria y, a su vez, trae beneficios a las organizaciones, ya que la distribución de tiempos y tareas es más efectiva aumentando la productividad. El objetivo del artículo fue estimar el efecto de ocho prestaciones laborales en la satisfacción que reportan los empleados con su vida. Se utilizaron ecuaciones logit y datos de la Encuesta Nacional de Bienestar Autorreportado. El tamaño de la muestra superó 10 000 personas que representa un universo mayor a 30 millones de empleados en México. Para evaluar el impacto sobre el bienestar las prestaciones se ordenaron de la más a la menos frecuente, siendo la más frecuente el bono obligatorio en diciembre —el aguinaldo— y la menos el reparto de utilidades. Se encontró que los empleados con mayor número de prestaciones tienen mayor probabilidad de estar satisfechos con su vida actual y futura. Se reportó también que el efecto positivo de las prestaciones aumenta cuando las organizaciones usan complementariamente otras estrategias laborales como realizar aumentos anuales de ingreso y tomar en cuenta la opinión de los empleados. Las estimaciones mostraron estabilidad por lo que proporcionan evidencia útil a los gerentes para diseñar políticas organizacionales que simultáneamente contribuyan al bienestar laboral y que propicien mayor productividad en el corto y largo plazos.

Palabras clave: prestaciones laborales, bienestar subjetivo, satisfacción con la vida, regresión logit, trabajo decente.

Suggested citation: Kato-Vidal, E. (2025). Life and work: impact of managerial decisions on employee well-being in Mexico. *Retos Revista de Ciencias de la Administración y Economía*, *15*(29), pp. 143-157. https://doi.org/10.17163/ret.n29.2025.09

Introduction

Human resources management in organizations is responsible for recruiting people with the necessary skills, including their ability to work as a team. Decisions are made on the management of the personnel that seek to improve the business performance, the welfare of the workers or both. For example, Guest (2017) highlights policies related to health, safety, social interaction at work, income not linked to incentive schemes and active listening of employees through collective representation, surveys or direct consideration of their opinions.

With European data, Cuesta-Valiño *et al.* (2024) found that job satisfaction not only influences individual happiness, but also encourages altruistic activities. From another perspective, it has been proposed as a managerial objective to minimize worker turnover and maximize job happiness (Galván-Vela *et al.*, 2024). To identify the most effective decisions, managers need evidence, a topic of discussion that has been in place since at least the 1980s (Ichniowski and Shaw, 2003).

In each organization, quantitative studies can evaluate the set of decisions of their own. This approach, called *insider econometrics* (Shaw, 2009), seeks to provide specific answers on the effectiveness of managerial decisions in human resources management (HRM).

From a broader perspective, Ichniowski and Shaw (2003) document the growing number of companies that, during the 1990s, experienced and innovated in human resources management. The authors highlight three main findings:

i) There is complementarity between management policies, so companies should focus on multiple simultaneous decisions, rather than on single or sequential decisions.

(ii) The most innovative organizations in staff management achieved 7 per cent higher productivity compared to those with a traditional focus on human resources.

(iii) Companies that do not explore new decisions could face uncertainty about future productivity or avoid the costs associated with the transition.

This last point coincides with the conclusions of the literature on human resources analytics (Abellán-Sevilla *et al.*, 2024).

Additionally, a line of research focused on self-reported well-being has been consolidated (Kahneman and Krueger, 2006), which includes studies on job satisfaction. This aspect has generated articles that postulate that well-being at work translates into greater productivity and better financial performance of organizations.

Using panel data from England, Bryson *et al.* (2017) suggest that the predominant causal direction is from job satisfaction to productive performance, while reverse causality is less likely. This Satisfaction-Productivity hypothesis was also tested with Canadian data (Fang *et al.*, 2019), obtaining the same conclusion: labor benefits, such as flexible hours, remote work or care services for children and adults, increase work well-being, which in turn improves organizational results.

However, Fang *et al.* (2019) warn that many managers are reluctant to implement these benefits due to perceived costs and the difficulty of documenting their positive impact. Therefore, they recommend corroborating these findings with experimental data.

The Satisfaction-Productivity hypothesis, also known as the happy and productive worker hypothesis (Isham *et al.*, 2021), posits that the presence of high-quality supervisors promotes higher levels of well-being and productivity. This occurs when supervisors efficiently manage teams and provide both motivation and the resources needed for the job.

However, Isham *et al.* (2021) warn that excessive pursuit of higher productivity can harm workers' well-being and, in the long run, negatively affect productivity. In the same line, Guest (2017) argues that organizations prioritize improving performance before addressing

Print ISSN: 1390-6291; Electronic ISSN: 1390-8618

employee concerns. Meanwhile, Soukiazis and Ramos (2016) conclude that longer working hours and the imbalance between work and personal life reduce life satisfaction, well-being and ultimately productivity. These authors highlight not only the ethical reasons for promoting well-being in organizations, but also the potential benefits for both workers and companies. To this are added the social advantages derived from the greater altruism of individuals with greater job satisfaction (Cuesta-Valiño *et al*., 2024). Such gains would be achieved by eliminating psychological factors that reduce well-being and promote higher levels of job satisfaction.

To assess the impact of managerial decisions on employee well-being, there are several additional strategies to insider econometrics. Nasamu *et al*. (2021) highlight that the most robust strategy is the use of a randomized controlled trial (RCT) design, as it allows the effect of a specific business policy to be isolated with high confidence.

This ideal design requires collecting data before and after the implementation of the policy, in addition to forming a treatment group and a control group. However, meeting the amount of information needed is often a challenge, which makes assessments based on other approaches tend to be subject to greater uncertainty compared to a RCT design.

Other approaches to assessing managerial decisions, such as Return on Investment (ROI) or Cost-Benefit Analysis (CBA), present an intrinsic difficulty: they require the outcome variable (well-being or satisfaction) to be expressed in monetary terms. Because of this limitation, an alternative is to apply a cost-effectiveness ratio. In this approach, the numerator represents the change in life satisfaction or well-being, while the denominator reflects the net cost of the policy implemented.

According to Nasamu *et al*. (2021), net cost is defined as the difference between the cost per participant of implementing a policy and the productivity generated. In this way, the cost of a policy would be reduced to the extent that it improves employee well-being and, in turn, increases productivity.

About a decade ago, the OECD (2013) marked a milestone by publishing guidelines for collecting, measuring and using indicators of subjective well-being. The aim was to promote best practices, improve the quality of indicators and demonstrate that life satisfaction variables are valid and reliable measurements.

In this line, Aghion *et al*. (2016) analyzed the metropolitan areas of the United States and reaffirmed the validity of self-reported well-being as an indicator of expected material well-being. More recently, Murtin and Siegerink (2023) quantified the social cost of adverse labor practices to workers' well-being. This approach sought to avoid precarious working conditions, such as job insecurity, excessive working hours, or tensions with managers. A favorable working environment would not only improve employee well-being but could also increase organizational productivity.

Recent evidence on the relationship between well-being and productivity is supported by experimental evidence, highlighting two relevant cases. The first experiment showed that job seekers consider information about the organizational climate when choosing which companies to apply to. In particular, they prefer companies where greater job well-being prevails, suggesting that talent recruitment depends, in part, on internal working conditions (Ward, 2022).

The second case is a quasi-experiment in England on the effect of happiness on productivity. This study, carried out in 11 telesales centers, measured productivity directly through the number of sales, instead of subjective variables such as scales or managerial valuations (Bellet *et al*., 2023). The results indicated a positive impact of happiness on productivity, with explanatory mechanisms grouped into three categories: cognitive (greater speed and efficiency), motivational (increased effort and enjoyment of work) and socioemotional (positive mood).

For Latin America, no studies were found with experimental methodology on the relationship between well-being and productivity. However, there is an article with wide coverage of countries that addresses this issue (Cortés

et al., 2013). This study used data from the Latinobarómetro and focused on the subjective well-being of the self-employed, explaining the results from two main factors:

(a) Whether people were self-employed voluntarily or by necessity.
(b) The difference in welfare between employees and the self-employed.

The results showed that business owners experience greater well-being, as long as the degree of autonomy they enjoy as self-employed is considered. However, the authors highlighted the high job precariousness that characterizes the Latin American subcontinent.

In Mexico, the extent to which work can be considered decent has been analyzed (Arredondo *et al*., 2022). The authors developed a multidimensional index to evaluate the labor benefits that workers receive, including health, pension, housing, bonuses, holidays, childcare, among other benefits. This index has a range from 0 (minimum) to 1 (maximum), and its average valuation for Mexico was 0.30. As a further finding, the authors observed that foreign-capitalized firms provide more benefits to their workers compared to domestic firms. In the field of subjective well-being in Mexico, Charles-Leija (2022) performed a statistical exploration using information from the Consumer Confidence Survey, indicating that subjective well-being is an appropriate sensor of satisfaction.

In Medina-Garrido *et al*. (2017), 1500 workers in the banking sector in Spain were surveyed. The findings revealed that work benefits are not valued uniformly; workers consider some more important than others, but always want all benefits to be available and managers not to retaliate for using them. While benefits do not directly affect the performance of banking organizations, their impact is positive indirectly, mediated by well-being. This benefit translates work benefits into greater organizational performance (Medina-Garrido *et al*., 2017).

This broadcast channel gives managers the opportunity to influence employee well-being by providing a range of benefits and clearly communicating their availability.

Compared to Spain, precarious jobs persist in Mexico; however, the determinants of subjective well-being do not differ from those found in OECD countries (Dugain and Olaberría, 2015). People tend to report higher levels of well-being as their income and educational level increase (Maestas *et al*., 2023; Kapteyn *et al*., 2015). However, subjective well-being also depends on income distribution (Senik, 2005).

In the methodology used by Dugain and Olaberría (2015), an estimate of ordinary least squares (MCO) and an ordered logit model were used to take into account the response scale from 0 to 10, used to evaluate the life satisfaction.

Indeed, the appropriate estimate should employ an ordered logit, since the marginal effect varies based on the values of the predictive variable X (Soukiazis and Ramos, 2016), unlike the ordinary least squares (MCO) method, which assumes that well-being increases steadily over any value range of X.

Despite the interpretative advantages of the ordered logit, the resulting estimates usually present low adjustment values, such as the pseudo-R2. Three cases are cited: in Dugain and Olaberría (2015), no adjustment value is reported; in Pontarollo *et al*. (2020), the estimated adjustment was 0.066, and in Soukiazis and Ramos (2016), the adjustment value was 0.164.

The objective of this article is to estimate the effect of eight work benefits on the satisfaction that employees report with their lives. The hypothesis is that three variables (labor benefits, income increase and employee participation in decision-making) positively influence the life satisfaction of employees. In particular, it was postulated that those who receive these benefits and have a voice in the organization are more likely to report higher levels of life satisfaction compared to those who do not have these conditions.

Print ISSN: 1390-6291; Electronic ISSN: 1390-8618

This article contributes to national studies on subjective well-being, with a particular focus on Mexico. It looked at how employee satisfaction varies as the number of work benefits increases. Mexico was chosen because of the availability of a survey that includes more than 10,000 respondents who are representative of 30 million workers.

Well-being was compared in five different groups: the first was composed of employees without benefits, followed by groups with one, three and six benefits, and finally, a group with a maximum of eight benefits. The results show that, initially, life satisfaction increases as employees receive one or three benefits. From that point on, however, satisfaction stagnates, regardless of whether employees have six or eight benefits.

The estimate reveals that it is possible to avoid stagnating satisfaction if, in addition to providing benefits, management ensures an annual increase in income and if the organization implements policies that take into account the opinion of employees.

The rest of the article describes the methodology, discusses the results and discussion, and finishes with the conclusions.

Materials and methods

This analysis looked at the benefits that employees receive. The only source of information was the National Self-Reported Welfare Survey (ENBIARE) of the National Institute of Statistics of Mexico (INEGI, 2021), the period of uprising was June-July 2021, two months after a profound labor reform aimed at improving labor conditions (Kato-Vidal and Hernández-Mendoza, 2024).

In the survey, there are about 12 thousand employees surveyed, representing a universe of 32.5 million workers in Mexico. One of the items allows identifying the workplace, the most frequent being -with 63%- the facilities of the company. The list had a total of 15 workplaces. Those options with low response rate were eliminated and the list was reduced to seven options and the new total of employees was close to 11,500 people (representing 31.3 million employees) who work in companies, fixed positions such as kiosks, at the customers' or skipper's home, in the open sky or at the site of the work, etc.

Two response variables are chosen: i) Satisfaction with current life, and ii) Perception of the living standard in five years. In both cases, interviewees could respond on a scale from zero to 10, where zero represents the worst possible life and 10 the best possible life. Most respondents answered options 8, 9 or 10.

Methodologically, it is possible to estimate a multinomial logit model to simultaneously analyze the various response options (Hansen, 2022). In the literature on subjective well-being, it has been reported that the multinomial option generates low levels of adjustment of the pseudo-R2 statistic, i.e., the estimated models fail to faithfully reproduce the observed data.

Alternatively, a logit model using a dichotomous variable was estimated in this article. To translate the multiple answer options to only two values, the value of *one* was given to options 9 and 10 and the value of zero to the rest of the answers. In this way, the model was used to find under which working conditions an employee would be more likely to respond with a value of 9 or 10 to the degree of satisfaction with their current or future life.

The main explanatory variable is labor benefits. The survey asked employees whether or not they had eight different work benefits (INEGI, 2021; Ceja, 2019). The breakdown of benefits is broader compared to the three benefits included in the employment survey (INEGI, 2024).

It was necessary to order benefits so that it was easier to chart the impact of benefits on reported life satisfaction. Instead of making an individual analysis of each benefit, it was chosen to group them and observe the cumulative effect on the welfare of workers with different numbers of benefits.

To avoid estimation problems and to be able to more easily observe statistically significant differences, the benefits were grouped, and

five groups were analyzed (see table 1). In the first group, called *Zero*, those workers without any labor benefits were brought together. At the other extreme, the *Todas* group brings together workers who responded to have each and every one of the eight benefits.

In addition, three intermediate cases were raised. The simplest is the *Una* group whose workers only have the bonus benefit – the most frequent –. Then, group *Three* was integrated with those workers who simultaneously had the most frequent benefits, including the bonus. Finally, Group Six was integrated with workers who had the sextet of the most frequent benefits; they would only need to have the benefits of paid maternity leave and profit sharing.

In addition to benefits, two explanatory variables were also added to provide managers with additional tools with which to favorably affect the well-being of employees:

- It was considered whether the opinion of the employees is considered, having as answer options: Yes, No and Sometimes. Employees who are valued and taken into account would be expected to have greater subjective well-being; and
- Those employees who had received an increase in income in the last 12 months were identified, since a higher level of income allows them to cover a greater number of needs and obtain higher levels of satisfaction.

To complete the regression analysis, control variables were included, such as: sex, age, workplace, etc. The selection of variables was done through a heuristic process, choosing variables related to life satisfaction and seeking to achieve a consistent estimate (VanderWeele, *et al*, 2020; Cameron and Trivedi, 2022).

The estimation was made by a logit model, where the dependent variable takes the value of 0 or 1, zero if its satisfaction with life is 8 or less, and one if the reported satisfaction is 9 or 10. That high life satisfaction is the event defined in the research, and estimation helps to calculate what is the probability with which the event could occur. In particular, the estimated equation was as follows:

$$Prob\ of\ event = Y_i = \propto_i + \beta_1 X_i + \beta_2 \Delta w_i + \beta_3 V_i + \beta_4 (X_i \times \Delta w_i) + \beta_5 (X_i \times V_i) + \gamma Z_i + \epsilon_i$$

wher $\propto$ is the constant of the equation, *i* is the index for each of the people analyzed, *X* represents the benefit groups analyzed, Δw is a dichotomous variable that indicates whether or not the employee received income increase, *V* is a categorical variable that records whether the employee's voice is always taken into account, sometimes or never represents the set of 13 control variables and is the random error term of the equation. In the estimation, errors were grouped according to the number of benefits received.

The above equation was used with the two life satisfaction variables, the first for estimating satisfaction with current life and the second for satisfaction with future life. The estimated equation also includes two interaction terms: ($Xi \times \Delta wi$) and (Xi × Vi), which were used to estimate the complementarity between strategies and show how much the effect of benefits is reinforced with increases in income or when taking into account employee opinion (Mize, 2019).

The interpretation of βs in logit models is somewhat more complex than in linear regression models. Since the variable Yi is the probability of an event $Y_i = logit(prob) = ln\left(\frac{prob}{1-prob}\right)$, then, where the last term is the reason for the probabilities of an event occurring. In this sense, a coefficient β measures what is the change in the probability ratio, given an increase of the variable X. The interpretation is as follows: If β>1, an increase of X increases the probability of the event; if β<1, X would decrease the probability of the event; and if β=1, X does not affect the probability of the event. The results and their discussion are set out below.

Print ISSN: 1390-6291; Electronic ISSN: 1390-8618

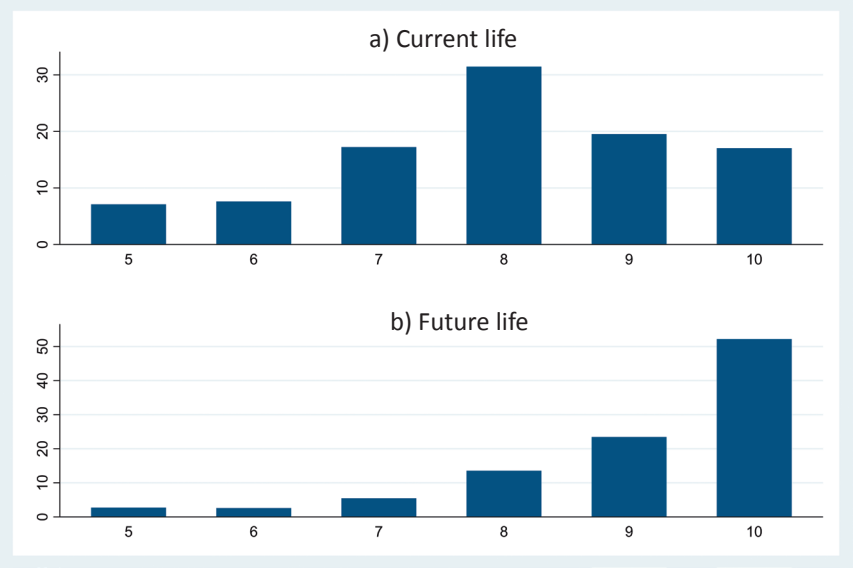
Results and discussion

Descriptive statistics

Two aspects stand out in Figure 1. First, most employees gave a value close to eight to rate satisfaction with their current life (panel a) and, second, the high optimism of half of the workers who responded that in five years their standard of living would be at the highest level (panel b) is surprising. In addition, it is observed that about a third of the responses (35.2%) answered that they have a level of satisfaction of 9 or 10 with their current life and that percentage doubles up to 73.7% when assessing the perception about their life in five years.

Figure 1

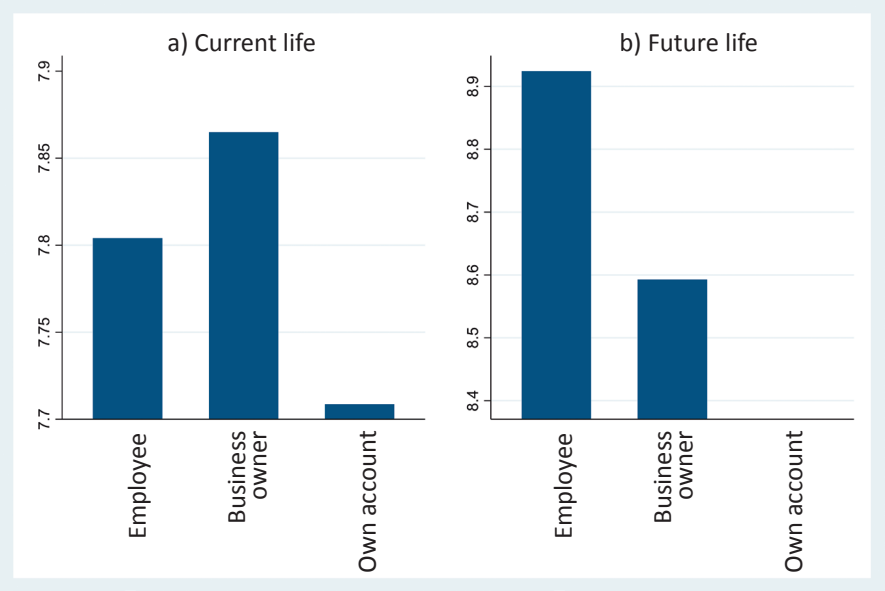
Mexico: Employee satisfaction with current and future life (percentage of responses)



Note. The percentage of employees who chose each response option is displayed. To simplify it is only reported from step five, options less than five have a very small percentage, less than 2% of the answers. Data from INEGI-ENBIARE (2021).

Comparatively, employee satisfaction with their current life is lower than that of business owners. This finding is consistent with the literature on well-being. Figure 2 shows that five-year future life satisfaction increases in all three groups of economically active people. The most noticeable increase is that of employees who even outperform business owners in their perception of satisfaction.

Figure 2
Mexico: Satisfaction Level of Employees, Business Owners and Self-Employed (Scale 0 to 10)



Note. The self-employed report the lowest level of satisfaction of the three groups, they evaluate with 7.71 their current life and with 8.37 their future life. Data from INEGI-ENBIARE (2021).

Table 1 lists these benefits and ranks them in the most frequent form, the "aguinaldo" – a mandatory bonus in December – which is the least frequent form of profit sharing: a percentage of the profit generated in the previous year paid to the worker during April or May. Benefit groups have between 3000 and 8000 people, which would support an efficient estimate. The first case is large, equivalent to 30% of all employees, corresponding to workers without any benefits. In the last case – the top – only 28% of workers reported enjoying all the benefits foreseen in the survey. The hypothesis proposed posits that if a worker has a greater number of benefits, this would reflect better working conditions (De la Torre-Ruiz *et al.*, 2019), which would translate into greater satisfaction in the current and future lives of employees (Sirgy *et al.*, 2021).

Table 1
Mexico: Percentage of employees who have work benefits

Group	Benefits	Accumulation of benefits	Yes, you do	People
Zero	None		30 %	3614
One	1 Bonus (mandatory bonus in December)	1	69 %	8211
	2 Public medical service for their work	1+2	59 %	7002
Three	3 Paid Holidays	1+2+3	55 %	6578
	4 Paid Medical disability	1+2+3+4	51 %	6122
	5 Pension Fund (retirement savings)	1+2+3+4+5	47 %	5614
Six	6 Public credit for housing	1+2+3+4+5+6	45 %	5360

Print ISSN: 1390-6291; Electronic ISSN: 1390-8618

Group	Benefits	Accumulation of benefits	Yes, you do	People
	7 Paid maternity leave (or paternity leave)	1+2+3+4+5+6+7	38 %	4.514
All	8 Profit sharing	1+2+3+4+5+6+7+8	28 %	3393

Note. The benefits are ordered from most to least frequent. The percentages decrease because there are fewer workers who simultaneously have all the benefits. Data from INEGI-ENBIARE (2021).

Regression analysis

The estimated coefficients are reported in Table 2. Variants of the estimated equation are presented to evaluate the stability of the coefficients. Initially, control variables and interactions were excluded. The final estimates included some interaction, either between labor benefits and income gains, or alternatively between benefits and the variable that captures if the worker's opinion is taken into account.

In columns [1] to [4], satisfaction with current life was used as a dependent variable, while in columns [5] to [8] satisfaction with future life (at 5 years) was used. In general, it is noted that the coefficients show relative stability between the different specifications.

When adding the control variables, an increase in the pseudo-R2 and in the percentage of correctly classified cases is observed. Alongside the pseudo-R2, the area statistic under the ROC curve indicates that the fit is higher for the satisfaction with current life variables. Other statistics, such as the percentage of correctly classified cases or the deviation ratio, do not reveal significant differences between the degree of adjustment when current or future life satisfaction is used as a dependent variable.

The set of estimates is valid, since the absence of multicollinearity is verified (using the variance inflation test) and the hypothesis ($\chi 2$) that the models present a good fit is not rejected. Table 2 only presents a summary of the estimates, and the coefficients are expressed as odds ratios.

Table 2

Effect of work benefits on life satisfaction (odds ratio)

	Current life				Future life			
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
Benefits (base = None)								
One (i.e. bonus)	1.103**	1.096**	1.402**	1.207**	1.257**	1.050**	1.085**	1.274**
Three	1.450**	1.401**	1.522**	1.486**	1.498**	0.940	0.879**	1.167**
Six	1.401**	1.289**	1.321**	1.985**	1.836**	1.051	1.031	1.220**
All (Eight)	1.374**	1.307**	1.175**	1.934**	2.299**	1.328**	1.396**	1.460**
Income increase (base = No)								
Yes	1.124	0.988	0.907**	0.988	1.149*	1.030	1.051*	1.030
Opinion taken into account (base = Sometimes)								
Yes	1.421**	1.126	1.125	1.427**	1.492**	1.261**	1.262**	1.388**
No	0.889	1.003	1.001	1.406**	0.822	0.946	0.946	1.159**
Interactions and controls								
Interaction (Benefits × Income Increase)	No	No	Yes	No	No	No	Yes	No

	Current life				Future life			
Interaction (Services × Opinion taken into account)	No	No	No	Yes	No	No	No	Yes
Control variables	No	Yes	Yes	Yes	No	Yes	Yes	Yes
Adjustment statistics								
Pseudo R2	0.012	0.192	0.193	0.193	0.033	12.23	0.123	0.123
Percentage correctly classified	64.73	74.26	74.19	74.25	73.83	75.58	75.66	75.63
Average Variance Inflation Factor	1.84	3.21	3.31	3.95	1.84	3.200	3.30	3.94
Area under the ROC curve	0.5716	0.7874	0.7879	0.7879	0.6256	0.7374	0.7377	0.7377
Deviation ratio	0.8575	0.8838	0.8839	0.8839	0.8784	0.8898	0.8899	0.8899
Goodness of fit (prob(χ^2))	0.2136	0.1445	0.1500	0.1398	0.2321	0.5803	0.5805	0.5502
Remarks	10 731	10 707	10 707	10 707	10 712	10 712	10 712	10 712

Note: ** p<.01, * p<.05. Logit estimation where it takes the value 1 if it was answered that life satisfaction was 9 or 10, the coefficients are expressed as odds ratio. If the coefficient = 1 indicates that the probability of the event (high life satisfaction) is the same as in the base category; if the coefficient > 1, then the probability of the event is greater than in the base category. Notes: a) Pseudo-R2 indicates the improvement in model fit compared to a model that only includes the intercept, b) The correctly rated percentage is the percentage of observations for which the model correctly predicts the category of the dependent variable, c) The Average Inflation Factor of Variance with values between 1 and 5 indicates an acceptable level of multicollinearity, d) The Area Under the ROC Curve is a metric of the performance of binary classification models, ranging from 0 to 1, where 1 represents a perfect classification, e) The deviation ratio is a measure that compares the deviation of the adjusted model with the deviation of the model using only the intercept, a value closer to one indicates a better fit of the model, and f) A p -high value of indicates that there is no evidence to reject that the model fits well. INEGI-ENBIARE (2021).

The evidence presented in Table 2 shows that workers who receive more benefits report more often being more satisfied. This finding is consistent with that of Cuesta-Valiño *et al.* (2024), who quantify that job satisfaction has an effect on happiness almost equivalent to that of satisfaction with social life. Allocation of work benefits has a significant effect, while income increases alone do not show the same pattern; their ratios fluctuated around 1, suggesting that a policy of income growth does not translate into a higher probability of satisfaction.

In perspective, an isolated income policy does not have a positive impact, but when policies are combined (benefit interaction × income increase), an *indirect* effect arises in which income increase potentiates the positive effect of benefits. Therefore, a managerial decision on labor income developments should consider that income increases have a direct impact on *future* life satisfaction and, indirectly, through benefits, on current life satisfaction (see Figure 3b).

In addition, the effect of considering the opinion of employees was estimated. Unlike income increases, considering opinion does have a direct effect on well-being. In this sense, Galván-Vela *et al.* (2024) analyze the interaction between job satisfaction, affective commitment, and job happiness. Estimated coefficients show values greater than one, indicating that the probability of reporting life satisfaction is higher when the opinion of employees is constantly heard in their workplaces, compared to when they are occasionally or never taken into account. By itself, the policy of giving workers a voice is effective in improving their well-being. In addition, considering employee suggestions also has an indirect positive effect when interacting with benefits (see Figure 3c).

Columns [4] and [8] in Table 2 report the coefficients of the equations that include the interaction between benefits and the consideration of employee opinion. Comparatively, these columns present the coefficients with the highest values,

Print ISSN: 1390-6291; Electronic ISSN: 1390-8618

suggesting that organizations that simultaneously award benefits and consider employee opinions are the ones most likely to have workers with high satisfaction with both current and future life.

As a synthesis, Figure 3 is presented. The left panel shows the results using the current life satisfaction variable, and the right panel shows the future life satisfaction variable. At the top (panels a), it is observed that those employees with the highest number of benefits are those who have a higher probability of responding positively to the question of whether they are satisfied with life. These results come from the no-interaction estimates, based on columns [2] and [6] in Table 2. It was found that, when the number of benefits is low, only the satisfaction with the current life increases. However, by achieving most or all of the benefits, there is a greater likelihood of being satisfied with both current and future life. As noted above, managers can use work benefits as potential tools to increase employee well-being, and combine them with other resources, such as human resource analytics, which not only contribute to managing change in organizations, but also to increasing job well-being (Abellán-Sevilla *et al*., 2024).

The middle part of Figure 3 (panels b) elaborates on the effect of benefits and their relationship to income increases. These findings come from estimates [3] and [7] in Table 2 (benefit interaction × income increase). The central message of panels *a* continues, adding the following: regardless of the number of benefits, those workers who receive annual income increases more often respond that they are satisfied with life, compared to those who do not receive them. The behavior of the graphs in panel *b* shows that, in order to achieve the positive effect of the benefits, it is necessary to grant the benefits accompanied by annual increases in income.

Finally, at the bottom of Figure 3, another perspective is provided. Instead of showing the indirect effect of income growth, panel c show how the effect of benefits changes if, in an organization, workforce suggestions is always valued, *sometimes* valued, or *never* valued. For managers who seek to positively affect well-being, the *best* alternative is to offer work benefits and, simultaneously, take into account the opinion of employees. Underneath this better alternative, *sometimes* taking opinions into account contributes to satisfaction only with *current* life, as long as workers enjoy most or all of the benefits. Finally, the strategy with the *least* positive impact would be to provide benefits without taking into account opinions (see Figure 3c).

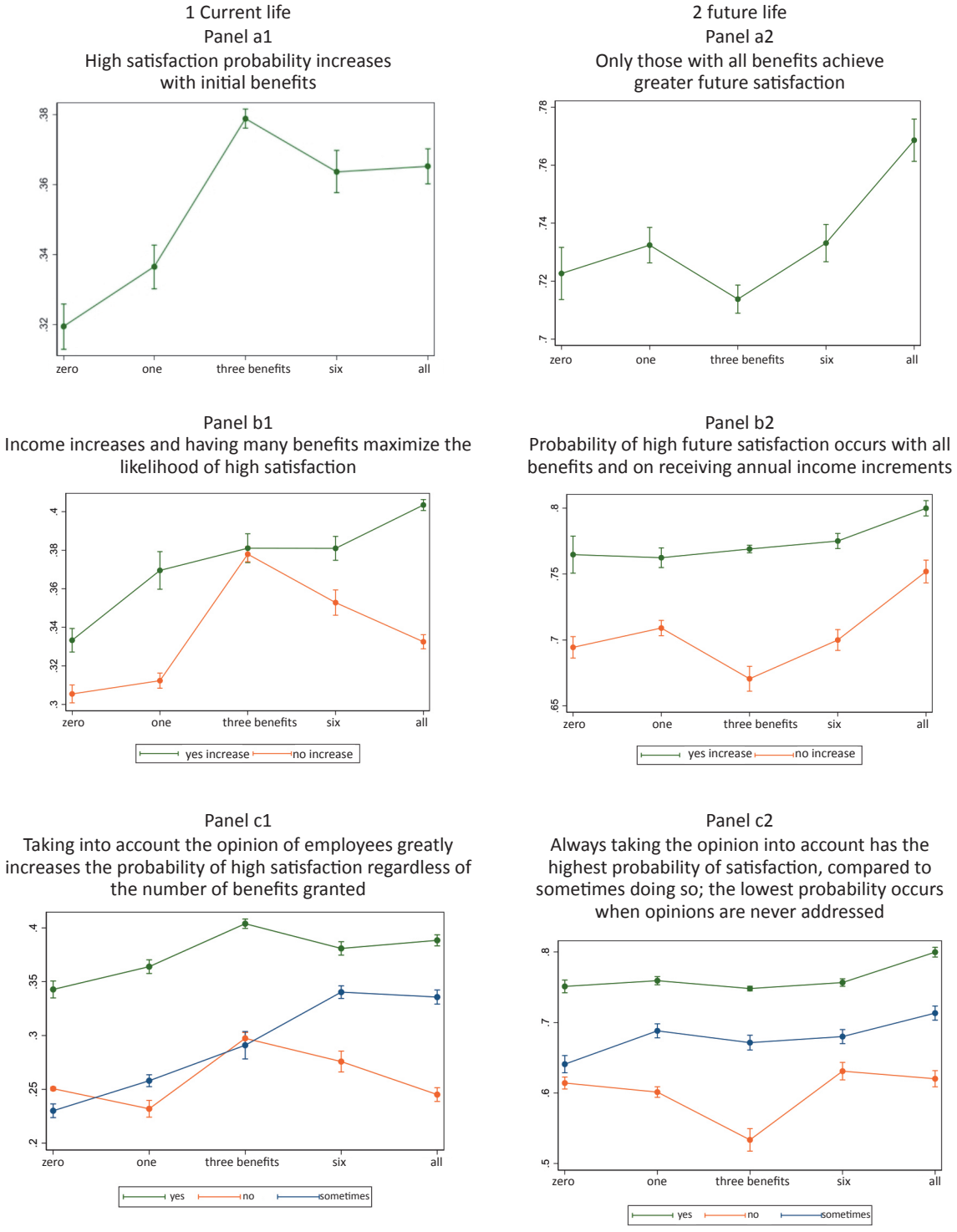
Estimates of the triple interaction: benefits × income increase × taking into account opinions are not reported. This analysis was considered beyond the scope of this article and could be addressed in future research. The results presented here make it possible to recommend that companies not only provide employment benefits, but that in order to achieve greater positive effects, these benefits should be accompanied by increases in income or, alternatively, attention to the opinions of workers. If all three actions were implemented together, the effect would be positive, especially when workers have few benefits.

Other authors have reported that labor benefits increase worker satisfaction (Guest, 2017; Fang *et al*., 2019; Medina-Garrido *et al*., 2017). In this sense, it has been observed that full-time workers report higher well-being than part-time workers, and the latter have higher well-being than the unemployed (Layard and De Neve, 2023; Cortés *et al*., 2013). Imperfect evidence that productivity has a positive relationship with well-being is that people report higher levels of life satisfaction in larger urban concentrations. Productivity is known to be higher in larger cities (Duranton and Puga, 2020).

The estimates presented were very consistent. To show this, different specifications were compared, with and without control variables, as well as with and without interaction variables (see table 2). In addition, using the same set of predictor variables, a similar behavior was observed between the variables satisfaction with current life and satisfaction with future life. The stability of the parameters provides confidence that the findings can be used to design productivity and well-being policies in organizations (Gorard, 2021).

Figure 3

Model predictions: benefit effects, income increase, and considered opinion (probability of high life satisfaction)



Note. High life satisfaction is measured with answers 9 and 10. Estimates in Table 2.

Print ISSN: 1390-6291; Electronic ISSN: 1390-8618

Conclusions

This article aimed to estimate the effect of eight work benefits on employees' satisfaction with their lives. Evidence is provided that work benefits positively affect the well-being of employees, both in their satisfaction with current life and with future life. The existing literature indicates that increased well-being is a contributing factor to the increase in performance indicators in organizations. Thus, managers could, at the same time, foster workers' subjective well-being and promote higher long-term productivity.

Unlike what is reported in the literature, where benefits such as flexibility of working hours or the possibility of doing work from home are studied, in the Mexican case analyzed, labor benefits are much more essential. These include the right to a pension, health care, housing, and paid holidays, among others. In this context, it is not surprising that, with more benefits, the likelihood of being satisfied with current and future life grows. It is recalled that the analysis presented showed a differentiated treatment of benefits, so that the most common among workers appeared at the beginning, while the least frequent – and probably the most valued – were included at the end.

One limitation of the study was the absence of a labor income variable in the survey content. Ideally, and to corroborate the results, one could try to identify the relationship between the level of income and the number of benefits received. It is not ruled out that the increase in welfare resulting from benefits is correlated with a higher level of income. To address the lack of an income variable, the categorical variable of locality size was used as the proxy variable of income, as well as fixed effects by state to control the unobserved variables, which partially explain income.

The scarce literature on non-monetary income and labor benefits was noted in the preparation of this article. Therefore, the analysis contributes to this poorly researched area by assessing the effects of various labor benefits and, in particular, by exposing the characteristics of a Latin American country: Mexico.

The findings bring a labor dimension to studies on subjective well-being, which usually exclude satisfaction at work, concentrating on life satisfaction in general.

Finally, based on the results obtained, it can be suggested as a future line of research the use of labor characteristics as an explanatory variable when evaluating the productive performance in organizations.

References

Abellán-Sevilla, A.-J., Ortiz-de-Urbina-Criado, M. and Mora-Valentín, E.-M. (2024). Analíticas de recursos humanos para la gestión del cambio y de la felicidad. *Retos Revista de Ciencias de la Administración y Economía, 14*(28), 221-236. https://doi.org/10.17163/ret.n28.2024.03

Aghion, P., Akcigit, U., Deaton, A. and Roulet, A. (2016). Creative destruction and subjective well-being. *American Economic Review, 106*(12): 3869-3897. https://doi.org/10.1257/aer.20150338

Arredondo, R. N., Davia, M. A. and Varela, R. (2022). Decent work in Mexico: the influence of the economic environment and openness to the outside world. *Problemas del desarrollo, 53*(211), 29-53. https://doi.org/10.22201/iiec.20078951e.2022.211.69886

Bellet, C. S., De Neve, J.-E. and Ward, G. (2023). Does employee happiness have an impact on productivity? *Management Science 70*(3), 1656-1679. https://doi.org/10.1287/mnsc.2023.4766

Bryson, A., Forth, J. and Stokes, L. (2017). Does employees' subjective well-being affect workplace performance? *Human Relations, 70*(8), 1017-1037. https://doi.org/10.1177/0018726717693073

Cameron, A. C. and Trivedi, P. K. (2022). Binary Outcome Models. En *Microeconometrics Using Stata*, vol. II, Second Edition. Routledge.

Ceja, E. C. (2019). *Análisis de las prestaciones laborales y de seguridad social bajo un régimen formal e informal en México*. (Tesis). Universidad Vasco de Quiroga.

Charles-Leija, H. (2022). Análisis exploratorio de datos de Bienestar Subjetivo en México, 2013 a 2020. *Panorama Económico, 18*(37), 209-228. https://doi.org/10.29201/peipn.v18i37.135

Cortés Aguilar, A., García Muñoz, T. M. and Moro-Egido, A. I. (2013). Heterogeneous self-employment and satisfaction in Latin America. *Journal*

of Economic Psychology, 39, 44-61. https://doi.org/10.1016/j.joep.2013.07.001

Cuesta-Valiño, P., Penelas-Leguía, A., López-Sanz, J. M. and Ravina-Ripoll, R. (2024). Job satisfaction and happiness keys in the prosocial behavior of citizens in Europe. *BMC psychology, 12*(1), 524. https://doi.org/10.1186/s40359-024-01972-7

De la Torre-Ruiz, J. M., Vidal-Salazar, M. D. and Cordón-Pozo, E. (2019). Employees are satisfied with their benefits, but so what? The consequences of benefit satisfaction on employees' organizational commitment and turnover intentions. T*he International Journal of Human Resource Management, 30*(13), 2097-2120. https://doi.org/10.1080/09585192.2017.1314315

Dugain, V. and Olaberriá, E. (2015). What Makes Mexicans Happy? *OECD Economic Department Working Papers*, 1196. https://doi.org/10.1787/18151973

Duranton, G. and Puga, D. (2020). The economics of urban density. *Journal of Economic Perspectives, 34*(3), 3-26. https://doi.org/10.1257/jep.34.3.3

Fang, T., Lee, B., Timming, A. R. and Fan, D. (2019). The effects of work-life benefits on employment outcomes in Canada: A multivariate analysis. *Relations industrielles/Industrial relations, 74*(2), 323-352. https://doi.org/10.7202/1062086ar

Galván-Vela, E., Ravina-Ripoll, R., Salazar-Altamirano, M. A. and Sorzano-Rodríguez, D. M. (2024). El trinomio compromiso, satisfacción y justicia organizacional en el binomio felicidad e intención de rotar. *Retos Revista de Ciencias de la Administración y Economía, 14*(28), 187-202. https://doi.org/10.17163/ret.n28.2024.01

Gorard, S. (2021). *How to Make Sense of Statistics*, SAGE.

Guest, D. E. (2017). Human resource management and employee well-being: Towards a new analytic framework. *Human Resource Management Journal, 27*(1), 22-38. https://doi.org/10.1111/1748-8583.12139

Hansen, B. E. (2022). Binary Choice. En *Econometrics*. Princeton University Press.

Instituto Nacional de Estadística y Geografía, INEGI. (2024). *Cuestionario de Ocupación y Empleo*. Encuesta Nacional de Empleo, INEGI. México. https://bit.ly/4i5tkR6

Instituto Nacional de Estadística y Geografía, INEGI. (2021). *Encuesta Nacional de Bienestar Autorreportado* [ENBIARE]. INEGI, México. https://bit.ly/43dCaYG

Ichniowski, C. and Shaw, K. (2003). Beyond incentive pay: Insiders' estimates of the value of complementary human resource management practices. *Journal of Economic Perspectives, 17*(1), 155-180. https://doi.org/10.1257/089533003321164994

Isham, A., Mair, S. and Jackson, T. (2021). Worker well-being and productivity in advanced economies: Re-examining the link. *Ecological Economics, 184*, 106989. https://doi.org/10.1016/j.ecolecon.2021.106989

Johansson Sevä, I., Vinberg, S., Nordenmark, M. and Strandh, M. (2016). Subjective well-being among the self-employed in Europe: macroeconomy, gender and immigrant status. *Small Business Economics, 46*, 239-253. https://doi.org/10.1007/s11187-015-9682-9

Kahneman, D. and Krueger, A. B. (2006). Developments in the Measurement of Subjective Well-Being. *Journal of Economic Perspectives, 20*(1), 3-24. https://doi.org/10.1257/089533006776526030

Kapteyn, A., Lee, J., Tassot, C., Vonkova, H. and Zamarro, G. (2015). Dimensions of subjective well-being. *Social Indicators Research, 123*, 625-660. https://doi.org/10.1007/s11205-014-0753-0

Kato-Vidal, E. and Hernández-Mendoza, P. (2024). Subcontracting retreat: early estimates using administrative data. *Revista de economía mundial*, (66), 25-42.

Layard, R. and De Neve, J. E. (2023). Wellbeing: Science and Policy. Cambridge University Press. https://doi.org/10.1017/9781009298957

Maestas, N., Mullen, K. J., Powell, D., Von Wachter, T. and Wenger, J. B. (2023). The value of working conditions in the United States and implications for the structure of wages. *American Economic Review, 113*(7), 2007-2047. https://doi.org/10.1257/aer.20190846

Medina-Garrido, J. A., Biedma-Ferrer, J. M. and Ramos-Rodríguez, A. R. (2017). Relationship between work-family balance, employee well-being and job performance. *Academia Revista Latinoamericana de Administración, 30*(1), 40-58. https://doi.org/10.1108/ARLA-08-2015-0202

Mize, T. D. (2019). Best practices for estimating, interpreting, and presenting nonlinear interaction effects. *Sociological Science, 6*, 81-117. https://doi.org/10.15195/v6.a4

Murtin, F. and Siegerink, V. (2023). Valuing business impacts in the areas of wage inequality and employee well-being. *OECD Papers on Well-being and Inequalities, 15*. OECD Publishing, Paris. https://doi.org/10.1787/740deb2f-en

Nasamu, E., Connolly, S., Bryan, M. and Bryce, A. (2021). Evaluating the costs and benefits of workplace wellbeing initiatives. In P. Brough, K. Daniels y E. Gardiner (eds.), *Handbook on Management and Employment Practices* (Handbook Series

Print ISSN: 1390-6291; Electronic ISSN: 1390-8618

in Occupational Health Sciences). Springer. https://doi.org/10.1007/978-3-030-24936-6_38-1

OECD. (2013). *Guidelines on Measuring Subjective Well-being*. OECD Publishing, Paris, https://doi.org/10.1787/9789264191655-en

Pontarollo, N., Orellana, M. and Segovia, J. (2020). The determinants of subjective well-being in a developing country: The Ecuadorian case. *Journal of Happiness Studies, 21*(8), 3007-3035. https://doi.org/10.1007/s10902-019-00211-w

Senik, C. (2005). Income distribution and well-being: what can we learn from subjective data? *Journal of Economic Surveys, 19*(1), 43-63. https://doi.org/10.1111/j.0950-0804.2005.00238.x

Shaw, K. (2009). Insider econometrics: A roadmap with stops along the way. *Labour Economics, 16*, 607-617. https://doi.org/10.1016/j.labeco.2009.09.001

Sirgy, M. J., Yu, G. B., Lee, D. J., Joshanloo, M., Bosnjak, M., Jiao, J., Ekici, A., Atay, E. and Grzeskowiak, S. (2021). The dual model of materialism: Success versus happiness materialism on present and future life satisfaction. *Applied Research in Quality of Life, 16*, 201-220. https://doi.org/10.1007/s11482-019-09763-8

Soukiazis, E. and Ramos, S. (2016). The structure of subjective well-being and its determinants: A micro-data study for Portugal. *Social Indicators Research, 126*, 1375-1399. https://doi.org/10.1007/s11205-015-0938-1

VanderWeele, T. J., Trudel-Fitzgerald, C., Allin, P., Farrelly, C., Fletcher, G., Frederick, D. E., Hall, J., Helliwell, J. F., Kim, E. S., Lauinger, W. A., Lee, M. T., Lyubomirsky, S., Margolis, S., McNeely, E., Messer, N., Tay, L., Viswanath, V., Węziak-Białowolska, D., y Kubzansky, L. D. (2020). Current recommendations on the selection of measures for well-being. *Preventive Medicine, 133*, article 106004. https://doi.org/10.1016/j.ypmed.2020.106004

Ward, G. (2022). *Happiness at work: essays on subjective wellbeing in the workplace and labor market*. (Doctoral dissertation). Massachusetts Institute of Technology. https://bit.ly/433DNYX