KEEPING the Menu Together: How Trust Drives Productivity Through Retention in Homegrown Restaurants in Region XII

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ABSTRACT

This study determined the mediating effect of employee retention (ER) on the relationship between organizational trust (OT) and organizational productivity (OP) of restaurants in Region XII. This study employed a descriptive correlational research design with mediation analysis. Stratified random sampling was used to select the respondents. Adapted survey questionnaires, which had been pilot-tested and content-validated, were used to collect data from 204 respondents. The data were analyzed using the Mean, Pearson's r, Multiple Regression Analysis, and MedGraph, with the Sobel z-test. The results uncovered that ER, OT, and OP were evident most of the time. Furthermore, the study found a significant relationship between the variables and substantial partial mediation of ER in the OT-OP relationship. The partial mediation model indicates that ER is one of the reasons OT affects the OP of restaurant employees in Region XII. The partial mediation effect indicates that while trust directly influences productivity, its impact is significantly amplified when employees are retained within the organization.

KEYWORDS: *Business management, homegrown restaurants, employee retention, organizational trust, Philippines*

INTRODUCTION

Organizational productivity is a more important predictor of success in an economic environment marked by volatility, uncertainty, complexity, and ambiguity (Green, 2016). Inwood et al. (2008 defined a homegrown restaurant as a restaurant-diner that originates in the region and offers a personalized dining experience, focusing on local foods and cultural influences. As cited by

Kumolu-Johnson (2024), restaurants that struggle with organizational productivity, frequent staff turnover, and inconsistent training lead to delays in workflow and service quality. Barrington, (2021) also stated that low employee engagement has been a problem in the US; that only one-third of employees are actively interested in their work, which affects performance as a whole. The productivity of Philippine restaurant businesses faces several obstacles, including high personnel turnover, uneven service quality, and operational inefficiencies (Dingil et al., 2023). Also, Naig and Borbon (2021) noted that restaurant workers struggle to reconcile work and personal life, which reduces their dedication and productivity.

A number of studies have shown that Organizational Productivity (OP) is affected by Organizational Trust (OT) and Employee Retention (ER). According to Brown et al. (2015), a key determinant of an organization's productivity is its degree of trust. Walumbwa and Christensen (2011) noted that subordinates may be devoted, motivated to work, and productive if they trust their superiors and believe their decision-making processes are transparent. Additionally, Oțoiu et al. (2019) stated that trust between them promotes collaboration, inhibits unhealthy rivalry, and, above all, makes it easier for the responders to handle a variety of challenges, thereby improving productivity. The same OP is likewise affected by ER, as cited by Mitchell et al. (2001), that an organization's productivity is directly impacted by employee retention since keeping an experienced worker reduces the time and expense required to hire and train a fresh recruit. Employee productivity inevitably drives the development of procedures to improve teamwork, which in turn increases productivity (Hanaysha, 2016). Accordingly, Papa et al. (2018) also noted that a high retention rate will enable organizations to acquire the essential knowledge and skills needed to effectively pursue modern innovations. Furthermore, J. A. (2014) stated that employee engagement and motivation tend to be higher when they feel appreciated and secure in their positions, which increases productivity.

The study is socially significant because it increases worker stability, which raises job satisfaction and service quality for the general public (Wildes, 2007). As a result, this consideration gives practitioners and policymakers the opportunity to improve organizational settings that support economic sustainability in the hospitality industry. Furthermore, this research explores three key variables: employee retention, organizational productivity, and organizational performance. Khadka and Khadka (2024) noted that enhancing employees' productivity at work requires retention factors, including training

and development, career growth opportunities, and performance appraisal. Research has shown that performance appraisals provide feedback that links individual goals to the organization's objectives, and that training initiatives improve employees' job satisfaction and skill sets, thereby increasing productivity (Hamidi, 2023). Moreover, Team (2024) cited that one of the important organizational components that significantly affects productivity is trust.

Despite existing studies on other operational aspects, there are limited comprehensive analyses on productivity in the restaurant sector in Mindanao (Amantoc et al. 2022). It also emphasizes the unique socio-economic, cultural, and political factors in the region, such as workforce diversity, ethnic composition, and migration policies, that affect labor market dynamics, employee retention, and organizational productivity in ways that differ from other parts of the country. These localized conditions potentially undermine the effectiveness of conventional employee retention and productivity strategies, underscoring the need to investigate context-specific solutions tailored to Mindanao's unique environment. Despite extensive studies on organizational trust and productivity, empirical work on the mediating role of employee retention in homegrown restaurants in Mindanao, particularly in Region XII, remains limited. This gap is significant because local restaurant operations are influenced by distinct workforce characteristics and organizational dynamics that may differ from those reported in larger hospitality organizations and urban business settings.

Finally, by publishing the results in a peer-reviewed journal, the findings will be shared with the individuals, organizations, and groups that will benefit from the study. It will be showcased at regional, national, and international conferences. The results of the study will be presented at government-sponsored seminars attended by restaurant owners, managers, and employees. Copies of the study will also be given to the libraries of Notre Dame of Midsayap College, the University of the Immaculate Conception, and the Commission on Higher Education for reference.

This study is anchored on Social Exchange Theory, which posits that employees develop positive workplace attitudes and behaviors when they perceive supportive and trustworthy relationships within their organization. Organizational Trust Theory further explains that employees are more likely to remain committed and productive when they believe that management and

coworkers act with integrity, competence, and concern for their well-being. These theoretical perspectives provide the basis for understanding how organizational trust influences organizational productivity, both directly and indirectly, through employee retention among restaurant employees in Region XII.

Research Questions

1. What is the level of organizational trust, employee retention, and organizational productivity among homegrown restaurants in Region XII?
2. Is there a significant relationship between employee retention, organizational trust, and organizational productivity among homegrown restaurants in Region XII?
3. Does employee retention significantly mediate the relationship between organizational trust and organizational productivity in homegrown restaurants in Region XII?

METHODOLOGY

Research Design. This study utilized a descriptive-correlational, mediation-analytic research design. This enabled the researcher to assess how employee retention and organizational trust relates with the organizational productivity of homegrown restaurants. This study used a mediation analysis to examine whether organizational trust has a direct or indirect effect on productivity via employee retention.

Research Locale. The study was carried out in SOCCSKSARGEN, Region XII. South Cotabato, Cotabato, Sultan Kudarat, Sarangani, and General Santos are the four main provinces that make up the region (Department of Trade and Industry, 2019). Kidapawan City, Tacurong City, Koronadal City, General Santos City, and Midsayap were the only cities and municipalities the researcher considered for the study. According to the Department of Trade and Industry (DTI) Summary Statistics for Accommodation and Food and Beverage Establishments (2021), there are 33,215 food establishments in the Philippines, of which 961 are located in Region XII. This indicates that there are sufficient participants for the study and that the researcher coordinated with the DTI Regional Office. The researcher chose this location because Region XII is important to the Mindanao economy and is known for its diverse range of economic activities, including the growing number of homegrown restaurants.

Research Respondents. The respondents in the study were homegrown restaurant employees in Region XII, distributed throughout the region. To ensure a representative and equitable sample, stratified random sampling was used to select respondents for data collection. The study's participants had to be regular employees of the homegrown restaurants purposively selected, work within Region XII, and have been employed for at least 1 year. Workers with less than 1 year of tenure, non-regular employees, and those employed outside the region were excluded.

Research Instrument. A modified five-point Likert-scale questionnaire was used to collect pertinent data from respondents. This enabled a measurable assessment of how they perceive and experience organizational trust, employee retention, and organizational productivity. The employee retention questionnaire was based on the study by Caredo et al. (2022) and had a Cronbach's alpha of 0.864. This unidimensional scale lacked indicators and was deemed appropriate as the mediating variable for the study. The survey instrument for organizational trust was adapted from the study of Sadq et al. (2020), with the indicators' integrity, benevolence, and ability, with a Cronbach's coefficient of (0.849). Lastly, for organizational productivity the tool was adapted from Nwannebiufe (2017) Cronbach's coefficient of (0.868), and contained the following indicators: effectiveness and efficiency.

Data Gathering Procedure. Adapted survey questionnaires were used to gather the quantitative data. It was developed using the findings of expert research that had previously developed questionnaires, including the same study factors. These modified questionnaires were suitable as their validity and reliability had already been examined. The researcher then wrote to the head of the Department of Trade and Industry (DTI) requesting a list of restaurants registered in Region XII. In response, DTI provided a list containing the business name, the owners' names, and the business address. The researcher conducted an on-site inspection of the study area to identify restaurants based on the set criteria. After selecting the establishments, the researcher personally conducted the survey and directly approached the employees during data collection. The survey questionnaires were delivered to the different restaurants during their operating hours and collected after 1 week, or upon participants' request, to allow ample time to complete the tool.

Ethical Considerations. The researcher is committed to upholding the highest ethical standards throughout the research process. As part of this

commitment, the study was submitted to the University of the Immaculate Conception Research Ethics Committee (UIC-REC) for review and approval, ensuring adherence to ethical principles such as informed consent, participant safety, transparency, data privacy, and the responsible use of research findings. Moreover, participants were properly oriented about the study's purpose, their rights, and potential risks prior to participation. The researcher ensured that all procedures, including data collection and handling, were designed to protect participant confidentiality and maintain compliance with the Data Privacy Act of 2012. This effort is further supported through close collaboration with a qualified research adviser and expert panel members who provided guidance throughout the process. In addition, the researcher has full access to essential institutional resources, such as the UIC Library's online and offline databases, internet access, equipment, and workspaces. These facilities play a vital role in ensuring the quality, rigor, and completion of the research.

RESULTS AND DISCUSSION

Level of Employee Retention, Organizational Trust, and Organizational Productivity of Restaurants in Region XII

The data in Table 1 illustrate the levels of employee retention, organizational trust, and productivity, using descriptive statistics (means and standard deviations). The standard deviation being less than 1.0 indicates that the responses are consistent. The organizational trust score was 4.08 overall, which is regarded as high. This indicates that integrity, benevolence, and ability are oftentimes manifested among restaurant employees. The result is consistent with the findings of Tanrıverdi and Apaydin (2021), who noted that restaurant employees exhibited a high degree of trust in their organizations. Similarly, Kim and Jogaratnam (2010) found that organizational trust was significantly high among restaurant employees.

Table 1

Level of Employee Retention, Organizational Trust, and Organizational Productivity of Restaurants in Region XII

Latent Variables	Mean	SD	Description
Employee Retention	4.19	0.55	High
Organizational Trust	4.08	0.56	High
Integrity	4.03	0.63	High

Benevolence	4.08	0.59	High
Ability	4.12	0.61	High
Organizational Productivity	4.11	0.58	High
Effectiveness	0.63	4.10	High
Efficiency	0.58	4.12	High

The organizational productivity had an overall mean of 4.11, indicating that efficiency and effectiveness are often evident among restaurant employees. The finding is congruent with Murphy et al. (2017), who noted that practices such as performance incentives improve productivity and profitability in hospitality settings, especially restaurants.

The mediating variable, employee retention, had an overall mean of 4.19, indicating a high level. This means that employee retention is oftentimes evident among restaurant employees. The result supports the findings of Dermody et al. (2004) that working conditions and job characteristics such as flexibility, workload, and fair compensation positively affect employee retention in restaurants.

Correlations between variables

As demonstrated in Table 2, all three variables have substantial connections. The correlation between organizational trust and employee retention was significant (r = .629, p < .05), suggesting that trust and productivity are interrelated. When employees feel safe, respected, and supported, they collaborate more effectively and work more efficiently.

Table 2

Correlations between variables

Variables	r-value	p-value	Sig. Level
Organizational Trust (IV) & Organizational Productivity (DV)	.699***	.000	Significant
Organizational Trust (IV) & Employee Retention (MV)	.629***	.000	Significant
Employee Retention (MV) & Organizational Productivity (DV)	.742***	.000	Significant

*p<.05

The result corroborates the study by Gordon and Parikh (2020), which found that organizational support and trust are associated with better emotional well-being and performance among frontline restaurant employees, thereby

demonstrating the link between trust and productivity. Moreover, a significant correlation was found between employee retention and organizational productivity ($r = .742$, $p < .05$), indicating that employee retention is important for achieving organizational productivity. This aligns with the study of Patterson and West (2004), which highlights that organizations' high retention rates tend to create climates of productivity.

Lastly, a significant correlation was also observed between organizational trust and organizational productivity ($r = .699$, $p < .05$), suggesting that the two were interrelated. This corroborates Sharkie (2009), stating that organizations with high trust experience better employee performance and productivity outcomes.

Data Entry for the Different Paths

The regression analysis presented in Table 3 explores how organizational trust, employee retention, and productivity are connected and confirms the mediation effect. The analysis shows that organizational trust is a strong predictor of productivity ($B = .719$, $p < .05$), meaning that for every one-unit increase in trust, productivity increases by .719 units.

Table 3

Data Entry for the Different Paths

Independent Variable (IV) Organizational Trust Dependent Variable (DV) Organizational Productivity Mediating Variable (MV) Employee Retention	
STEPS	
1. Path C (IV and DV)	
Organizational Trust Regressed on Organizational Productivity	
B (Unstandardized regression coefficient	.719
e (Standard error)	.052
Significance	.000
2. Path B (MV and DV)	
Employee Retention Regressed on Organizational Productivity	
B (Unstandardized regression coefficient	.533
e (Standard Error)	.058
Significance	.000
3. Path A (IV and MV)	
Organizational Trust Regressed on Employee Retention	
B (Unstandardized regression coefficient	.608
e (Standard Error)	.053

Significance .000	
4. Combined Influence of MV and IV on DV	
Organizational Productivity Regressed on Employee Retention and Organizational Trust	
DV on MV and IV	
Employee Retention: (MV)	
B (Unstandardized regression coefficient)	.395
SE (Standard Error)	.056
Beta (Standardized regression coefficient)	.384
Organizational Trust:(IV)	
Beta (Standardized regression coefficient)	.374
Part Correlation	.053
Total R Square	.699

It also reveals that employee retention significantly predicts productivity ($B = .533$, $p < .05$), and that trust strongly influences retention ($B = .608$, $p < .05$). These results support the mediation model, suggesting that trust boosts retention, which in turn enhances productivity. The overall model explains 69.9% ($r^2 = .699$) of the variation in productivity, indicating a strong relationship among the variables, while the remaining 30.1% may be due to other factors not included in this study.

Thus, the mediating effect of employee retention between the relationship of organizational trust and organizational productivity is significant. This implies that retention is strongly influenced by a culture of trust, in which restaurant employees are seen as honest, competent, supportive, and committed to the company's collective success. When trust among coworkers is high, employees feel valued, understood, and empowered, creating a foundation that encourages long-term commitment. In turn, this stability fosters higher organizational productivity, as retained employees are more experienced, motivated, and aligned with restaurant goals. This result is consistent with the findings of Živković et al. (2021), which revealed that in the food industry, organizational trust enhances organization-wide productivity, primarily when it leads to strong employee retention.

While the findings generally support previous studies linking trust, retention, and productivity, some research suggests that organizational trust alone may not always guarantee productivity gains when unresolved factors such as leadership quality, compensation, and work-life balance remain. This indicates that trust should be complemented by broader organizational support

mechanisms to maximize employee performance. The study contributes to the growing body of hospitality management literature by providing empirical evidence from Region XII and highlighting the importance of organizational trust and employee retention in enhancing productivity in homegrown restaurants.

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