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ORIGINAL RESEARCH ARTICLE

The Relationship between Fair Labor Practices and Employee Retention on Employee Productivity in Lodging Facilities in Tacurong City

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ABSTRACT

The hospitality industry relies on effective human resource management to sustain service quality, employee satisfaction, and organizational performance. Fair labor practices and employee retention are recognized as key factors influencing employee productivity; however, their combined effects remain underexplored in small and medium-sized lodging facilities in provincial areas of the Philippines. This study determined the levels of fair labor practices, employee retention, and employee productivity and examined their relationships among employees of lodging facilities in Tacurong City. A quantitative descriptive-correlational design was employed involving 50 employees from 11 registered lodging facilities selected through total enumeration sampling. Data were gathered using validated questionnaires with high reliability (Cronbach's alpha = 0.88 for fair labor practices, 0.87 for employee retention, and 0.95 for employee productivity). Descriptive statistics, Pearson correlation, and multiple linear regression were used for data analysis. Results showed high levels of fair labor practices (M = 4.13), employee retention (M = 4.28), and employee productivity (M = 4.16). Fair labor practices (r = .63, p < .001) and employee retention (r = .70, p < .001) were both significantly and positively associated with employee productivity. Regression analysis revealed that the two variables jointly explained 53.9% of the variance in employee productivity (R^2 = .54), with employee retention emerging as the stronger predictor. The findings emphasize the importance of fostering equitable labor practices and implementing effective employee retention strategies to enhance workforce productivity and organizational performance in the hospitality industry.

Keywords: *Employee retention, employee productivity, fair labor practices, hospitality management, lodging facilities*

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INTRODUCTION

The hospitality industry serves as a cornerstone of economic development, driving growth through tourism, employment generation, and the expansion of service-oriented businesses. In the Philippines, this sector is a vital catalyst for local economies, fostering the growth of small and medium-sized enterprises (SMEs) and creating diverse employment opportunities in both urban and provincial regions (Tajeddini et al., 2020). Within this landscape, lodging facilities play a critical role by providing essential infrastructure that sustains tourism and commercial activity in emerging cities and municipalities (Jung et al., 2021).

The Philippine hospitality sector continues to play a significant role in the country's economic growth through employment generation, business development, and tourism support. According to the Philippine Statistics Authority (2025), the accommodation and food service sector comprised 30,861 establishments in 2022, employing approximately 363,970 workers nationwide. Of these, 3,213 establishments were engaged in short-term accommodation activities, providing employment to 76,263 workers and generating approximately ₱110.85 billion in revenue, demonstrating the sector's substantial contribution to the national economy. Moreover, the 2024 Annual Survey of Philippine Business and Industry (ASPBI) reported an increase to 37,500 accommodation and food service establishments, indicating the industry's continued recovery and expansion following the COVID-19 pandemic (Philippine Statistics Authority, 2026). This sustained growth highlights the resilience of the hospitality industry and underscores the importance of strengthening organizational practices, particularly in human resource management, to maintain employee productivity and service quality amid increasing industry demand.

Locally, Tacurong City functions as a primary commercial and service hub within Sultan Kudarat Province. The city hosts several registered lodging establishments that cater to business travelers, tourists, and local economic needs. This study identifies eleven such registered facilities, collectively employing fifty personnel. Given this context, there is a critical

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Locally, Tacurong City functions as a primary commercial and service hub within Sultan Kudarat Province. The city hosts several registered lodging establishments that cater to business travelers, tourists, and local economic needs. This study identifies eleven such registered facilities, collectively employing fifty personnel. Given this context, there is a critical

need to examine labor practices, employee retention, and productivity within these small and medium-sized enterprises (SMEs) to ensure their operational efficiency and long-term sustainability in a provincial setting.

In the Philippine hospitality industry, labor practices are shaped by organizational policies, economic conditions, and government-mandated regulations (Galang et al., 2023). Existing research indicates that hospitality employees frequently express concerns regarding compensation, benefits, job security, and working conditions—factors that significantly influence performance and organizational outcomes (Era and Del Rosario, 2020; Galang et al., 2023). Unlike large international hotel chains, which possess structured human resource systems, smaller provincial lodging establishments often face challenges in implementing comprehensive labor standards due to limited financial and organizational resources (Tayco, 2022).

Compensation and benefits are primary determinants of employee retention in the hospitality sector. Employees who perceive fairness in salaries, incentives, and overtime compensation are more likely to remain committed to their organizations and demonstrate higher productivity (Alo, 2025; Tayco, 2022). Moreover, positive working conditions, supportive leadership, and opportunities for professional development are strongly correlated with employee loyalty. Studies consistently show that organizations prioritizing fair labor practices experience lower turnover rates and greater workforce stability (Galang et al., 2023; Ghani et al., 2022).

In the Philippines, labor protection is governed by Presidential Decree No. 442, or the Labor Code, which mandates fair compensation, overtime pay, and employee welfare. Article 87 specifically requires employers to provide additional compensation for overtime work, reinforcing the government's commitment to labor standards (Philippine Labor Law Library, 2024). However, the implementation of these standards varies significantly across the industry, particularly among smaller lodging facilities with limited human resource capacities. This inconsistency may adversely affect employee satisfaction, retention, and productivity.

This study is anchored in three foundational frameworks: Adams' (1963) Equity Theory, which posits that employees evaluate fairness by comparing their efforts and rewards against those of others; Herzberg's Two-Factor Theory (1959), which distinguishes between "hygiene factors" (salary, benefits, and working conditions that prevent dissatisfaction) and "motivational factors" (recognition and growth that drive commitment); and Homans' (1958) Social Exchange Theory, which suggests that employees reciprocate favorable organizational treatment with loyalty and high performance. Recent research validates the enduring relevance of these theories, demonstrating that the balance between intrinsic motivators and extrinsic hygiene factors remains a primary determinant of retention (Jo and Shin, 2025; Salunkhe et al., 2024). Collectively, these theories support the assumption that fair labor practices and employee retention significantly influence productivity. Furthermore, employee retention is driven by a complex mix of monetary and non-monetary factors. Research reveals that job dissatisfaction, poor work environments, excessive workloads, and limited career growth are key drivers of turnover (Galang et al., 2023), whereas supportive relationships and organizational support enhance engagement (Era and Del Rosario, 2020).

Despite the growing body of literature on these topics, significant research gaps remain regarding small and medium-sized lodging establishments in the Philippine provinces. Most existing studies focus on large-scale urban enterprises or examine labor practices, retention, and productivity as isolated constructs rather than integrated variables (Biason, 2020; Era and Del Rosario, 2020; Tayco, 2022; Civak, 2024). Consequently, there is limited empirical evidence regarding how these factors collectively influence productivity in smaller cities like Tacurong. Therefore, this study aims to examine the influence of fair labor practices and employee retention on employee productivity in Tacurong City. The study determined the levels of fair labor practices, employee retention, and employee productivity among the identified lodging facilities. Furthermore, it examined the significant relationships among these variables and established the degree to which fair labor practices and employee retention served as predictors of employee productivity.

MATERIALS AND METHODS

Description of the study area

Tacurong City is the only component city of Sultan Kudarat Province and serves as one of the major commercial and service centers in the SOCCSKSARGEN Region. According to the Philippine Statistics Authority (2025), the city has a population of 116,945 and a total land area of approximately 15,340 ha, making it the province's most populous urban center. Its strategic location connecting Cotabato, General Santos, and Davao City has contributed significantly to the expansion of tourism and hospitality establishments.

According to the official 2025 State of the City Address (SOCA) published by the Tacurong City Government, the 8th Tacurong City Bird Festival attracted approximately 20,000 visitors, the Talakudong Festival welcomed around 50,000 visitors and generated an estimated ₱15 million in local revenues, while the Inugyunay Festival attracted approximately 60,000 visitors and generated about ₱3.9 million through its food fair activities (Tacurong City Government, 2025).

Sampling technique and participants

This study employed a total enumeration sampling technique, wherein all accessible employees from the registered lodging facilities in Tacurong City were included in the study population. Total enumeration was deemed appropriate because the target population was relatively small, allowing the researcher to collect data from all qualified employees rather than selecting a representative subset. This approach minimized sampling error and provided a comprehensive assessment of the labor practices, employee retention, and productivity experiences of employees working in the selected lodging establishments.

Tacurong City was selected as the study site because it serves as the primary commercial and service center of Sultan Kudarat Province and hosts several small- and medium-sized lodging facilities that support tourism, business travel, and local economic activities. Unlike studies conducted in large urban hotels and metropolitan hospitality industries, the present study sought to address the limited empirical evidence regarding labor practices and employee outcomes in provincial lodging establishments. The city provides a relevant context for examining workforce management practices in hospitality enterprises operating under limited organizational and financial resources.

The study included all employees from the registered lodging facilities operating in Tacurong City at the time of data collection. The total population consisted of 50 employees, comprising regular, contractual, and probationary workers who had been employed for at least six months. Although the sample size appears relatively small compared with studies conducted in larger hospitality organizations, the use of total enumeration ensured complete coverage of the target population. According to Creswell and Creswell (2018), total population sampling is appropriate when the entire population of interest is small, accessible, and possesses characteristics that are directly

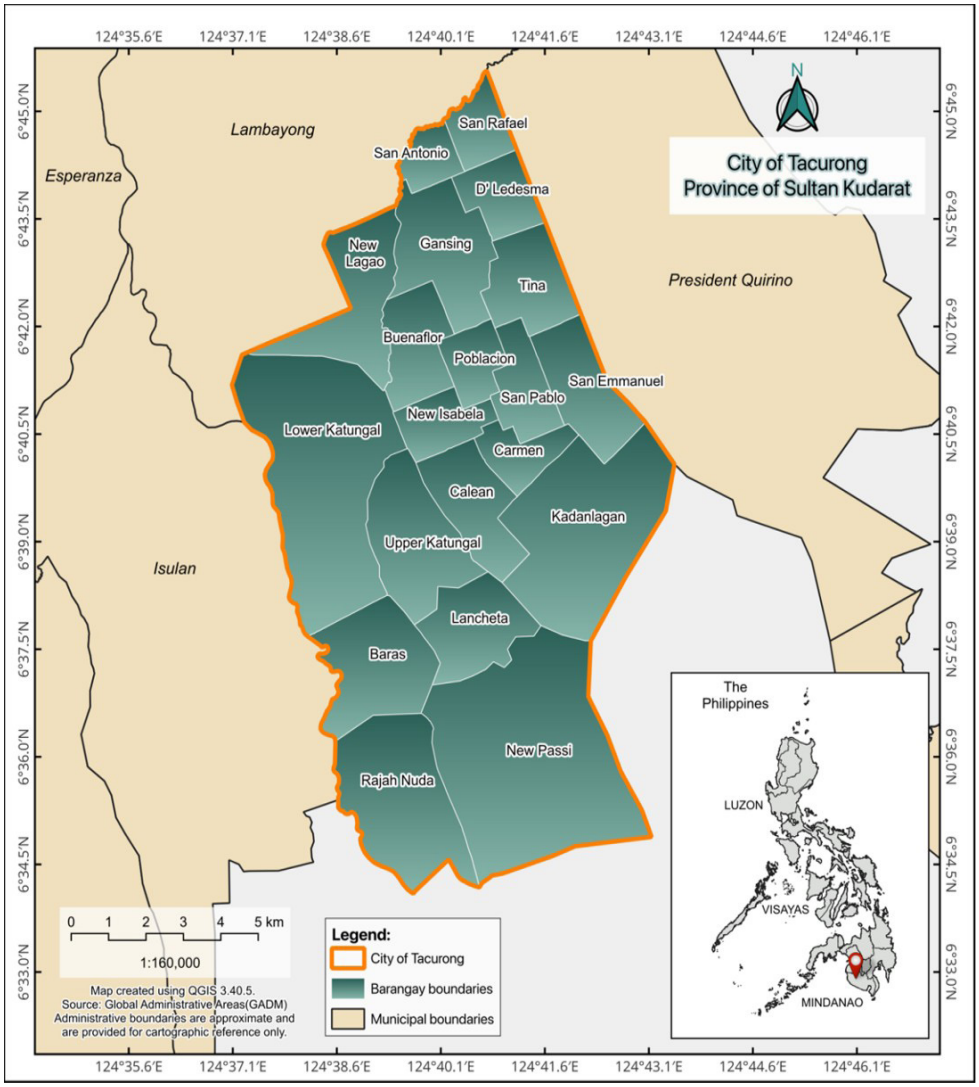


Figure 1. Map of the Tacurong City, Sultan Kudarat, Philippines.

relevant to the objectives of the study. Similarly, Etikan et al. (2016) emphasized that complete enumeration strengthens the validity of findings by eliminating sampling bias and ensuring that all available participants are represented. Therefore, the inclusion of all fifty employees provided an adequate and justified basis for examining the relationships among fair labor practices, employee retention, and employee productivity within the context of lodging facilities in Tacurong City.

Before the administration of the survey, permission was obtained from the owners and managers of the selected lodging establishments. All respondents were informed about the purpose of the study, and written informed consent was secured prior to participation. Confidentiality, anonymity, and voluntary participation were strictly observed throughout the research process.

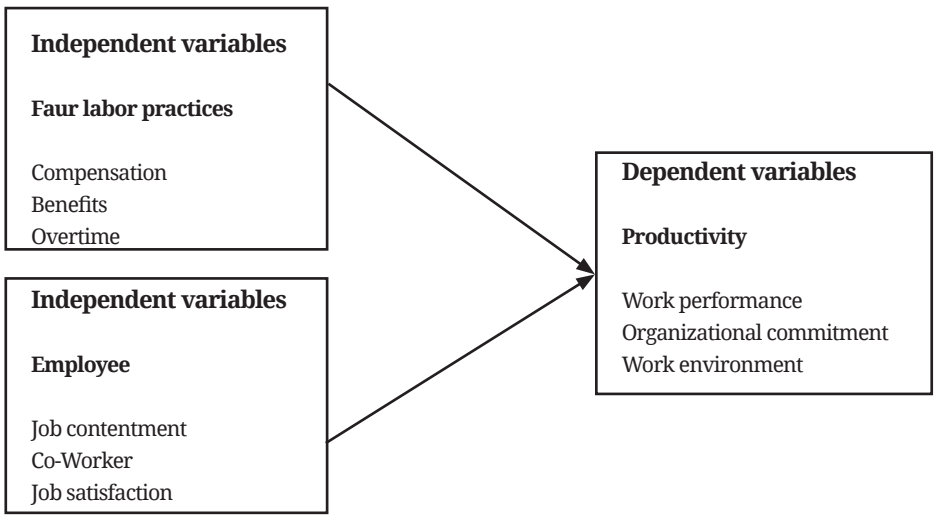


Figure 2. The conceptual framework of the study.

This study is anchored on a conceptual framework that examines the influence of fair labor practices and employee retention on employee productivity in lodging facilities in Tacurong City. In the framework, fair labor practices and employee retention serve as the independent variables, while employee productivity is treated as the dependent variable.

Fair labor practices include compensation, benefits, and overtime practices. These factors are expected to influence employee productivity because employees who perceive fairness in compensation and workplace treatment are more likely to become motivated, satisfied, and committed to their work. Equity Theory supports this relationship by explaining that employees who experience fair treatment tend to respond positively through improved work performance and organizational behavior.

Employee retention consists of job content, co-worker relationships, and job satisfaction. Employees who remain within an organization for a longer period are expected to become more experienced, efficient, and productive. Herzberg's Two-Factor Theory explains that meaningful work, supportive workplace relationships, and job satisfaction contribute to employee motivation and commitment. Similarly, Social Exchange Theory suggests that employees who receive support and favorable treatment from their organization are more likely to reciprocate through loyalty and improved productivity.

The variables were adapted from the studies of Biason (2020) and Civak (2024). Based on Biason (2020) asserts that fair labor practices and employee retention can be impacted by compensation, benefits promotions, job content, co-worker and job satisfaction. (Civak, 2024) The overtime for employees can affect their decision to resign from work, which can affect employee retention in the organization. Also, (Halim et al, 2020), stressed that, organizational commitment, work environment, and working performance can all have an impact on productivity of employee.

Survey instrument

The survey instrument used in this study was adapted from the works of Biason (2020), Halim, et al (2020), Yoopetch et al. (2021), and Civak (2024). The original questionnaires were carefully reviewed to ensure their alignment with the variables of the present study. During the adaptation process, items were selected based on their consistency with the study's conceptual framework and objectives. Statements related to compensation, benefits, and working conditions were retained to measure fair labor practices, while items addressing job satisfaction, organizational commitment, and co-worker relationships were used to assess employee retention. Indicators focusing on work performance and working environment were also included to evaluate employee productivity. Some items were modified to better suit the local context of lodging facilities in Tacurong City, while those found to be redundant or irrelevant were excluded. The selection and modification of items were guided by their clarity, relevance, and appropriateness to the respondents' work environment.

To ensure content validity, the revised instrument was evaluated by experts in hospitality management and research, and their feedback was incorporated to improve the clarity, relevance, and coherence of the questionnaire items. A pilot test was conducted among 20 employees from lodging facilities outside the actual study area who possessed similar characteristics to the study participants. These pilot respondents were selected to determine whether the survey items were understandable, appropriate, and applicable to employees working in hospitality establishments. Based on the pilot test results and respondent feedback, necessary revisions were made to improve the comprehensibility of the instrument.

Furthermore, the internal consistency of the instrument was assessed using Cronbach's Alpha. Cronbach's Alpha was used because it is a widely accepted statistical tool for measuring the reliability and consistency of questionnaire items in quantitative research. A reliability coefficient of 0.70 or higher is generally considered acceptable, indicating that the instrument consistently measures the intended constructs. The study obtained Cronbach's Alpha coefficients of 0.88 for fair labor practices, 0.87 for employee retention, and 0.95 for employee productivity, indicating high reliability. Overall, this rigorous validation and reliability testing process ensured that the instrument effectively measured the intended variables and was suitable for use in the Philippine hospitality context.

Previous studies consistently demonstrate that fair labor practices positively influence employee attitudes and organizational outcomes. Employees who receive equitable compensation, adequate benefits, and favorable working conditions are more likely to experience job satisfaction and improved performance. Similarly, employee retention is associated with stronger organizational commitment, increased work experience, and higher levels of productivity. Based on these theoretical and empirical findings, the study hypothesized that fair labor practices are significantly related to employee productivity among lodging facility employees in Tacurong City. Furthermore, employee retention was hypothesized to be significantly related to employee productivity among lodging facility employees in Tacurong City.

Data collection procedure

The data collection phase initiated with the adaptation and refinement of the research instrument to ensure its alignment with the study's specific objectives. Prior to deployment, formal administrative clearances were obtained from the Dean of the College of Business Administration and Hospitality Management and the research adviser. Upon receiving institutional approval, the researcher coordinated with the management and key representatives of the eleven registered lodging establishments in Tacurong City to secure permission for the upcoming survey distribution. To uphold strict ethical standards, an informed consent form and a participant information sheet were attached to every questionnaire. Before administering the survey, the researcher comprehensively explained the study's objectives to the respondents, explicitly detailing that participation was entirely voluntary and that they reserved the right to withdraw at any stage without consequences. Furthermore, complete anonymity and data confidentiality were guaranteed in strict compliance with the Data Privacy Act of 2012. The distribution and data gathering only proceeded once the respondents had read, understood, and signed the informed consent documents.

To maximize efficiency and ensure clear communication, the researcher personally conducted site visits to distribute the instruments. During these institutional visits, formal request letters outlines the scope and purpose of the investigation were presented to the management of each establishment. Following administrative clearance, the survey forms were handed out to the target respondents, alongside a thorough briefing to clarify any questions regarding the items. To secure a high return rate and preserve data integrity, the completed questionnaires were personally retrieved by the researcher on the same day of completion.

Statistical analysis

To assess the level of fair labor practices, employee retention, and productivity, the researcher employed mean. This tool allowed for a clear description of the average responses and the consistency of the data across various indicators such as compensation, job content, and working environment. To examine the relationships and influences between the study's variables, the author utilized Pearson Correlation (r) and Multiple Linear Regression. The Pearson Correlation was used to determine the significance and strength of the relationship between fair labor practices, employee retention, and employee productivity. Additionally, the Multiple Regression analysis was performed to identify the extent to which the independent variables—fair labor practices and employee retention—significantly influenced the dependent variable, which was employee productivity.

Each construct is measured using a five-point Likert scale, allowing respondents to express their level of agreement with each statement. To guide the statistical evaluation and narrative description of the calculated mean scores, the following interval logic and parameter boundaries were established.

Table 1. Statistical parameter, descriptive rating, and interpretation scale.

Scale range	Descriptive rating	Interpretation (Fair labor practices)	Interpretation (Employee retention)	Interpretation (Employee productivity)
4.21 – 5.00	Very High	Always practiced	Always retained	Always productive
3.41 – 4.20	High	Often practiced	Often retained	Often productive
2.61 – 3.40	Moderate	Sometimes practiced	Sometimes retained	Sometimes productive
1.81 – 2.60	Low	Seldom practiced	Seldom retained	Seldom productive
1.00 – 1.81	Very Low	Never practiced	Never retained	Never productive

RESULTS

Table 2. Level of fair labor practices of the lodging facilities in Tacurong City.

No.	Indicator	Mean	Description	Interpretation
1	Compensation	4.32	Very high	Always practiced
2	Benefits	4.02	High	Often practiced
3	Overtime	4.03	High	Often practiced
	Overall mean	4.13	High	Often practiced

Table 2 shows that fair labor practices in lodging facilities in Tacurong City obtained an overall mean of 4.13, interpreted as High and Often Practiced. Compensation recorded the highest mean (M=4.32), followed by Overtime (M=4.03) and Benefits (M=4.02).

The findings suggest that lodging facilities in Tacurong City maintain strong institutional commitment to fair labor standards, particularly in compensation. This proactive approach to human resource management likely serves as a significant driver for employee retention and organizational stability within the local hospitality sector.

Table 3. Level of employee retention of the lodging facilities in Tacurong City.

No.	Indicator	Mean	Description	Interpretation
1	Job content	4.34	Very high	Always retained
2	Co-worker	3.34	Moderate	Sometimes retained
3	Job satisfaction	4.15	High	Often retained
	Overall mean	4.28	Very high	Always retained

Table 3 Presents that Employee retention obtained an overall mean of 4.28, interpreted as Very High and Always Retained. Job Content had the highest mean (M=4.34), followed by Job Satisfaction (M=4.15). Co-worker relationships obtained the lowest mean (M=3.34).

The findings suggest that employees remain in their organizations because they find their work meaningful and satisfying. However, the lower rating for co-worker relationships indicates the need to strengthen teamwork and interpersonal support systems.

Table 4. Level of employee productivity of the lodging facilities in Tacurong City.

No.	Indicator	Mean	Description	Interpretation
1	Working performance	4.24	Very high	Always productive
2	Organizational commitment	3.98	High	Often productive
3	Working environment	4.25	Very high	Always productive
	Overall mean	4.16	High	Often productive

Table 4 Shows that Employee productivity yielded an overall mean of 4.16, interpreted as High and Often Productive. Working Environment had the highest mean (M=4.25), followed by Working Performance (M=4.24), while Organizational Commitment had the lowest mean (M=3.98).

The findings suggest that work environment appears to contribute positively to employee productivity. The relatively lower organizational commitment suggests that employees may benefit from additional recognition, career development opportunities, and organizational support.

Table 5. Correlation result on the significant relationship between fair labor practices and employee productivity.

Variables	R	*p*-value	Interpretation
Fair labor practices Vs Employee productivity	.63**	.000	High correlation
Correlation is significant at the 0.01 level (2-tailed)			

Table 5 presents Pearson correlation analysis revealed a significant positive relationship between fair labor practices and employee productivity (r=.63, *p*<.001). Thus, the null hypothesis was rejected.

The findings imply that employees who perceive fairness in compensation, benefits, and overtime practices are more likely to demonstrate higher productivity.

Table 6. Correlation result on the significant relationship between employee retention and employee productivity.

Variables	R	*p*-value	Interpretation
Employee Retention Vs Employee Productivity	.70**	.000	High correlation
Correlation is significant at the 0.01 level (2-tailed)			

Table 6 shows A significant positive relationship was found between employee retention and employee productivity (r=.70, *p*<.001). Therefore, the null hypothesis was rejected.

The stronger relationship between retention and productivity suggests that employees who remain longer in the organization develop greater experience and efficiency.

Table 7. Multiple linear regression result on the significant influence of fair labor practices and employee retention on employee productivity

	Unstandardized coefficients		Standardized coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	.03	.57		.06	.96
Fair labor practice	.30	.14	.29	2.20	.03
Employee retention	.67	.18	.50	3.76	.000
p-value	.000b				
R	.73a				
R^2	.54				

Presented in the table 7 is the Multiple Linear Regression analysis showed that fair labor practices and employee retention significantly influenced employee productivity, F (2,47)=27.520, *p*<.001. The model explained 53.90% of the variance in productivity (R^2=.54). Employee retention emerged as the stronger predictor (β=.50) than fair labor practices (β=.29).

The findings indicate that employee retention plays a crucial role in improving productivity. Managers should therefore implement strategies that promote employee development, recognition, and supportive workplace relationships.

DISCUSSION

The findings of this study were based on the responses of fifty employees from eleven registered lodging facilities in Tacurong City, representing the entire accessible workforce through total enumeration sampling. These respondents worked in small- and medium-sized lodging establishments. The findings revealed that fair labor practices among lodging facilities in Tacurong City were generally perceived as highly implemented, with compensation receiving the highest rating. This result suggests that employees place considerable value on equitable financial rewards and perceive them as indicators of organizational fairness. The findings are consistent with the work of Alo (2025), who reported that compensation significantly influences employee motivation and performance within the hotel industry.

Similarly, Ariyanto and Yuliana (2023) found that fair compensation systems positively affect employee productivity because employees tend to reciprocate favorable treatment through increased effort. The present findings also support Adams' Equity Theory (1963), which posits that employees compare their contributions with the rewards they receive and are more likely to demonstrate positive work behaviors when they perceive fairness. However, the lower ratings for benefits suggest that smaller lodging establishments may encounter challenges in providing extensive non-monetary rewards, a situation similarly reported by Ghani et al. (2022), who observed that resource limitations often constrain the implementation of comprehensive employee benefit programs in hospitality organizations.

Employee retention was found to be very high, with job content emerging as the strongest indicator. This finding indicates that employees are likely to remain in organizations when they perceive their work as meaningful, engaging, and aligned with their capabilities. The result is consistent with the Job Characteristics Model of Hackman and Oldham (1976), which emphasizes that skill variety, task significance, and autonomy enhance employee motivation and retention. Likewise, Chen et al. (2023) demonstrated that well-designed jobs positively influence employees' intention to stay in an organization. In contrast, co-worker relationships received only a moderate rating, suggesting the existence of interpersonal challenges within the workplace. This finding corroborates the

study of De Clercq et al. (2020), who found that inadequate peer support contributes to turnover intentions, while supportive workplace relationships strengthen employees' commitment to remain. Similarly, Abugre and Acquaah (2022) emphasized that negative co-worker interactions may increase cynicism and reduce retention. Thus, while meaningful job content promotes retention, organizational efforts to strengthen teamwork and interpersonal support remain necessary.

The results further indicated that employee productivity was generally high, with working environment obtaining the highest mean score. This suggests that employees perform better when they work in environments characterized by comfort, safety, and organizational support. The findings are consistent with Budie et al. (2019), who reported that satisfaction with the physical work environment contributes positively to employee effectiveness and performance. Likewise, Hamed et al. (2023) concluded that favorable workplace conditions significantly enhance employee productivity. However, organizational commitment registered the lowest productivity dimension, implying that although employees perform their assigned tasks effectively, they may not necessarily possess strong emotional attachment to the organization. This observation aligns with Murray and Holmes (2021), who argued that employee commitment develops through recognition, empowerment, and opportunities for professional growth. Consequently, organizations may need to complement favorable working conditions with developmental initiatives that cultivate stronger organizational attachment.

The study also established a significant positive relationship between fair labor practices and employee productivity. This finding suggests that employees who perceive fairness in compensation, benefits, and overtime practices are more likely to exhibit higher levels of productivity. The result supports Equity Theory (Adams, 1963), which proposes that perceived fairness motivates employees to maintain favorable work behaviors. It is likewise consistent with Lawler's (1968) extension of Equity Theory, which demonstrated that equitable reward systems positively influence both productivity and work quality. Furthermore, the findings are congruent with those of Desucatan et al. (2024), who found that compensation practices significantly affect employee performance and retention. The consistency of these findings across different contexts reinforces the argument that fair labor practices remain an essential component of effective workforce management in hospitality organizations.

Moreover, employee retention demonstrated a stronger positive relationship with productivity compared with fair labor practices. This finding indicates that employees who remain in an organization for extended periods tend to accumulate valuable knowledge, improve their skills, and contribute more effectively to organizational performance. The result supports Social Exchange Theory (Homans, 1958), which suggests that employees reciprocate favorable organizational treatment through loyalty and productive behaviors. The present findings are consistent with those of Chatzoudes and Chatzoglou (2022), who emphasized that retention contributes to organizational effectiveness by preserving institutional knowledge and reducing the costs associated with turnover. Similarly, Mullen (2016) noted that long-serving employees often exhibit greater competence and efficiency because of their familiarity with organizational processes. Therefore, retaining experienced employees appears to be a strategic mechanism for sustaining productivity within lodging facilities.

Finally, the Multiple Linear Regression analysis revealed that both fair labor practices and employee retention significantly influence employee productivity, with employee retention emerging as the stronger predictor. This finding suggests that while fair compensation and compliance with labor standards are important, their effects on productivity are strengthened when organizations successfully retain employees over time. The result aligns with Galang et al. (2023), who emphasized that retention strategies contribute to workforce stability and improved organizational outcomes within the Philippine hospitality industry. Likewise, Naz et al. (2020) found that supportive work environments enhance employee retention, which subsequently promotes organizational commitment and performance. However, the stronger predictive value of retention in the present study differs from studies that identified compensation as the primary determinant of productivity. This discrepancy may be attributed to contextual differences, particularly the provincial setting of Tacurong City, where employment stability and supportive work-place relationships may be valued more strongly than financial incentives alone. Hence, the findings suggest that lodging facility managers should adopt a balanced approach that combines equitable labor practices with retention-oriented strategies to enhance employee productivity sustainably.

CONCLUSION

This study concluded that fair labor practices and employee retention significantly influence employee productivity among lodging facilities in Tacurong City. Employees perceived fair labor practices to be highly implemented, particularly in terms of basic salary, overtime pay, and compliance with mandated employee benefits, while employee retention emerged as the stronger predictor of productivity. The findings indicate that employees who experience fair treatment and remain longer in the organization are more likely to contribute positively to workplace performance. The study emphasizes the importance of maintaining equitable labor practices while fostering conditions that encourage employees to stay within the organization. Although fair compensation is essential in promoting motivation and productivity, organizations should also recognize the value of retention strategies that enhance employees' job experiences and strengthen their commitment to the workplace. Stable and retained employees possess greater familiarity with organizational processes, allowing them to perform more efficiently and effectively. The findings provide practical implications for managers of lodging facilities, particularly in developing human resource policies that balance financial compensation with initiatives aimed at improving employee satisfaction and retention. By investing in both fair labor practices and employee-centered management approaches, hospitality establishments may achieve higher levels of productivity and service quality. Ultimately, the study contributes valuable local evidence that may guide workforce management practices in small and medium-sized lodging establishments operating in similar provincial settings.

RECOMMENDATIONS

- Lodging facility managers should ensure the consistent provision of fair basic salaries, timely overtime pay, and legally mandated benefits in accordance with labor regulations.
- Management should establish employee recognition and reward programs, including performance incentives and appreciation initiatives, to strengthen organizational commitment.
- Regular training and career development opportunities should be provided to enhance employees' competencies and encourage long-term retention.
- Team-building activities and effective conflict-resolution mechanisms should be implemented to improve co-worker relationships and workplace cohesion.

  Human resource policies should prioritize both employee welfare and retention strategies, recognizing their combined influence on productivity.

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AUTHOR CONTRIBUTIONS

L. O. E: Lead author, conceptualizes, analyzes, conducts, interprets, and writes most of the manuscript. R S. L: interprets and contributes to some part of the manuscript.

DECLARATION

Informed consent statement

The study was conducted in accordance with ethical research standards. Informed consent was obtained from all participants, and data confidentiality was strictly maintained. Conflict of interest the authors declared no conflict of interest

Conflict of interest

The author declares that there is no conflict of interest regarding the publication of this research article. The study was conducted independently of any commercial, financial, or institutional relationships that could be construed as a potential conflict of interest, and all data collection from the lodging facilities in Tacurong City was pursued solely for academic and professional advancement.

AI Declaration

The authors explicitly declare that no artificial intelligence tools were used at any stage of this research, including data collection, analysis, or manuscript drafting. The entire study, from its conceptualization to the final written output, is strictly the original work of the researchers.

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