

Organizational Efficiency of Food Businesses in CALABARZON

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Publication history: Received: June 2, 2026; Revised: June 29, 2026; Accepted: July 10, 2026

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Abstract

This study examined the organizational efficiency and financial performance of selected food businesses operating in the CALABARZON Region, Philippines, and developed a Strategic Organizational Efficiency Model to enhance business sustainability and competitiveness. Specifically, it assessed organizational efficiency in terms of marketing, financial management, production/operations, and human resource management; evaluated financial performance using profitability, liquidity, efficiency, and leverage ratios; determined differences in organizational efficiency based on business profile; examined the relationship between organizational efficiency and financial performance; and identified operational challenges encountered by food businesses. Employing a mixed-methods descriptive-correlational research design, the study involved five food corporations that had been operating for at least five years. A total of 169 respondents, comprising five owners/managers and 164 employees, participated through stratified purposive sampling. Data were collected using validated survey questionnaires, interviews, and documentary analysis of financial statements and were analyzed using descriptive statistics, inferential statistics, and financial ratio analysis. Findings revealed that the participating food businesses were generally Very Much Efficient, with financial management obtaining the highest rating, followed by marketing and production/operations, while human resource management received comparatively lower ratings. No significant differences in organizational efficiency were found when businesses were grouped according to profile variables, indicating that organizational effectiveness is driven more by internal management practices than organizational characteristics. Furthermore, production/operations and financial management demonstrated significant positive relationships with financial performance, while marketing and human resource management showed indirect contributions. Key challenges identified included customer retention, employee development, technology adoption, regulatory compliance, and increasing market competition. The study concludes that strengthening operational systems, financial controls, technological innovation, and human resource development can significantly improve organizational efficiency and long-term financial sustainability. Consequently, the proposed Strategic Organizational Efficiency Model provides a practical framework that food businesses may adopt to optimize organizational performance, strengthen competitiveness, and sustain growth within the dynamic food service industry.

Keywords: Organizational Efficiency, Financial Performance, Food Businesses, CALABARZON, Marketing Management, Financial Management, Production Operations, Human Resource Management, Business Sustainability, Strategic Organizational Efficiency Model.

Introduction

The food business industry remains one of the most dynamic contributors to the Philippine economy, generating employment opportunities, supporting local supply chains, and promoting regional economic development. In the CALABARZON Region, the increasing number of restaurants, catering services, and food establishments has intensified competition, requiring businesses to improve organizational efficiency to sustain profitability and long-term viability. Organizational efficiency refers to the ability of an organization to maximize available resources, streamline operations, and achieve strategic objectives while maintaining product and service quality. As consumer preferences continue to evolve and operational challenges become more complex, food businesses must strengthen their marketing, financial management, production operations, and human resource practices to remain competitive.

Marketing efficiency has become a critical determinant of organizational success. Recent studies indicate that businesses that effectively align promotional strategies, digital marketing initiatives, and customer engagement activities with consumer needs achieve stronger market positioning and improved business performance (Alon & Lee, 2023; Lee & Chang, 2024). The growing use of social media platforms and food delivery applications has further emphasized the importance of adaptive marketing strategies that respond to changing market conditions and customer expectations.

Financial management also serves as a fundamental component of organizational sustainability. Effective budgeting, cash flow management, cost control, and financial monitoring enable businesses to maintain liquidity and profitability. According to Singh and Sahoo (2023), organizations that utilize reliable financial tracking systems and strategic funding mechanisms demonstrate greater resilience during periods of economic uncertainty. Similarly, financial ratio analysis

remains an essential tool for evaluating business performance and supporting strategic decision-making (Ramos & Cruz, 2024).

Production and operational efficiency are equally important in ensuring that products and services are delivered consistently and cost-effectively. Studies conducted in the food service sector found that standardized operating procedures, inventory management, quality control measures, and supplier coordination significantly enhance productivity and reduce operational waste (Akinyele & Ekpo, 2023; Zhang et al., 2024). Businesses that maintain efficient production systems are better positioned to meet customer demand while controlling operational costs.

Human resource management likewise plays a vital role in organizational performance. Effective recruitment, employee training, performance evaluation, communication, and professional development contribute to higher productivity and employee retention. Thompson and Johnson (2023) reported that food businesses with strong human resource practices experience improved service quality and organizational commitment, whereas weaknesses in performance monitoring and conflict resolution may reduce overall efficiency.

Recent literature further suggests that organizational efficiency is influenced more by internal management capabilities than by external business characteristics such as location, capitalization, or number of employees. Studies by Liao et al. (2023), Miller et al. (2024), and Choi and Lee (2025) found that leadership effectiveness, technology adoption, process optimization, and employee development have stronger relationships with organizational performance than traditional business profile variables. These findings highlight the growing importance of strategic management and innovation in sustaining business competitiveness.

Despite the expanding food industry in CALABARZON, limited empirical studies have comprehensively examined the relationship between organizational efficiency and financial performance among established food corporations. Existing research often focuses on isolated aspects such as marketing, customer satisfaction, or financial ratios without integrating operational efficiency dimensions. This gap underscores the need for a comprehensive investigation that examines marketing efficiency, financial management, production operations, and human resource management alongside objective financial performance indicators.

Hence, this study was undertaken to determine the organizational efficiency of food businesses in CALABARZON in terms of marketing, financial management, production operations, and human resource management; evaluate their financial performance using profitability, liquidity, leverage, and efficiency indicators; determine significant differences in organizational efficiency according to business profile; examine the relationship between organizational efficiency and financial performance; identify operational challenges; and develop a Strategic Organizational Efficiency Model that may serve as a practical framework for improving organizational effectiveness, financial sustainability, and long-term competitiveness of food businesses in the region.

Material and methods

2.1 Research Design

This study employed a mixed-methods descriptive-correlational research design to comprehensively examine the organizational efficiency and financial performance of food businesses in the CALABARZON Region. The descriptive component was utilized to determine the profile of participating food businesses and assess their level of organizational efficiency in terms of marketing, financial management, production and operations, and human resource management. The correlational component determined the significant relationship between organizational efficiency and financial performance, as well as the significant differences in organizational efficiency when businesses were grouped according to selected profile variables. The qualitative component involved interviews with owners and managers to identify organizational challenges and validate quantitative findings. Documentary analysis of audited financial statements was likewise conducted to evaluate financial performance using profitability, liquidity, leverage, and efficiency ratios. The integration of quantitative and qualitative data provided a more comprehensive understanding of organizational practices and business performance.

2.2 Locale of the Study

The study was conducted in the CALABARZON Region (Region IV-A), comprising the provinces of Cavite, Laguna, Batangas, Rizal, and Quezon. The region is recognized as one of the country's major economic growth centers due to its strategic location, expanding industrial sector, tourism activities, and rapidly growing food service industry. Specifically, the study focused on selected food corporations operating in the casual dining and catering industry that had maintained continuous business operations for at least five years. The CALABARZON Region was selected because it hosts numerous food enterprises serving diverse markets, making it an appropriate setting for examining organizational efficiency and financial performance.

2.3 Respondents of the Study

The respondents consisted of 169 participants, composed of five (5) owners or senior managers and one hundred sixty-four (164) employees from five participating food corporations in CALABARZON. Owners and managers were selected because of their direct involvement in strategic planning, financial decision-making, and organizational management. Employees directly engaged in operations, customer service, production, finance, and administrative functions were included because of their firsthand knowledge of the organization's daily operational practices. Their combined perspectives provided comprehensive information regarding the efficiency of organizational processes and business performance.

2.4 Sample and Sampling Procedure

The study employed stratified purposive sampling to ensure adequate representation from both management and operational personnel. Initially, eight food corporations that satisfied the inclusion criteria were invited to participate. The inclusion criteria required businesses to be formally registered food corporations operating within the casual dining or catering sector and to have maintained continuous operations for at least five years. Of the eight corporations, five consented to participate in the study. Within each participating corporation, one owner or senior manager was purposively selected to represent the management perspective. Employees were then selected using stratification based on their functional roles, ensuring representation from operations, customer service, finance, production, and administrative units. At least thirty employees from each corporation participated, resulting in a total sample of 169 respondents. This sampling technique minimized sampling bias while ensuring that both strategic and operational perspectives were adequately represented.

2.5 Research Instrument

The primary instrument for quantitative data collection was a researcher-developed questionnaire based on an extensive review of literature and previous studies on organizational efficiency. The instrument consisted of two sections. The first section gathered information on the profile of participating food businesses, including location, number of employees, products and services offered, client types, capitalization, and average monthly clientele. The second section measured organizational efficiency in four dimensions: marketing efficiency, financial management efficiency, production and operations efficiency, and human resource management efficiency. Responses were measured using a five-point Likert scale ranging from 1 (Not Efficient) to 5 (Very Much Efficient). To ensure content validity, the questionnaire was evaluated by experts in business management, research, and hospitality management. Necessary revisions were incorporated based on their recommendations. A pilot test was conducted among respondents with characteristics similar to the target participants but who were not included in the actual study. Reliability analysis using Cronbach's alpha yielded coefficients exceeding the acceptable threshold of 0.70, indicating that the instrument possessed satisfactory internal consistency. For the qualitative component, a semi-structured interview guide was developed to gather information regarding organizational challenges, best management practices, and strategies adopted by participating food businesses. Documentary analysis was likewise performed using audited financial statements covering the years 2021–2023 to determine profitability, liquidity, leverage, and efficiency ratios.

2.6 Data Gathering Procedure

Prior to data collection, the researcher secured approval from the appropriate academic authorities and obtained written permission from participating food corporations. After securing informed consent from respondents, survey questionnaires were personally administered to owners, managers, and employees. The researcher explained the objectives of the study and assured participants of the confidentiality and anonymity of their responses. Simultaneously, interviews were conducted with owners and senior managers to gather qualitative information regarding organizational challenges and strategic management practices. Documentary analysis was undertaken by examining audited financial statements and other relevant financial records provided by the participating corporations. After the retrieval of all questionnaires, responses were checked for completeness, encoded, tabulated, and prepared for statistical analysis.

2.7 Data Analysis Techniques

Descriptive and inferential statistical tools were employed to analyze the quantitative data. Frequency counts, percentages, means, weighted means, and rankings were utilized to describe the profile of participating food businesses and determine their level of organizational efficiency. Independent samples t-test and one-way analysis of variance (ANOVA) were used to determine significant differences in organizational efficiency according to selected business profile variables. Pearson Product-Moment Correlation Coefficient (Pearson's r) was employed to determine the significant relationship between organizational efficiency and financial performance. Financial performance was evaluated through financial ratio analysis, including profitability ratios (Return on Assets, Return on Equity, and Net Profit Margin), liquidity ratios (Current Ratio, Quick Ratio, and Cash Ratio), leverage ratios (Debt-to-Equity Ratio, Equity Ratio, and Debt Ratio), and efficiency ratios (Inventory Turnover, Receivables Turnover, and Asset Turnover). Qualitative data gathered through interviews were analyzed using thematic analysis to identify recurring organizational challenges and management practices. Findings from

the qualitative data were triangulated with the quantitative results to strengthen the validity and comprehensiveness of the study.

2.8 Ethical Considerations

The researcher strictly observed ethical principles throughout the conduct of the study. Prior approval was obtained from the appropriate educational authorities before data collection commenced. Participation was voluntary, and informed consent was secured from all respondents after explaining the objectives, procedures, benefits, and confidentiality of the study. The identities of the respondents and the academic records of the pupils were kept anonymous through coding, and all information gathered was treated with strict confidentiality and used solely for academic and research purposes in compliance with the provisions of the Data Privacy Act of 2012 (Republic Act No. 10173) and accepted ethical standards in educational research.

Results and Discussion

3.1 Profile of the Participating Food Businesses

The participating food businesses were geographically distributed across four provinces in the CALABARZON Region, with the highest proportion located in Cavite (40%), while Batangas, Laguna, and Rizal each accounted for 20%. Most businesses (80%) employed 11–50 personnel, indicating that the participating enterprises are predominantly small- to medium-sized organizations. Corporate and office catering and event catering were the most common services offered, each comprising 40% of the businesses, reflecting the industry's growing emphasis on institutional and event-based food services. In terms of clientele, the majority (60%) catered to a diverse market consisting of individual walk-in customers, families and groups, corporate clients, government agencies, schools and educational institutions, and online platform users, demonstrating the businesses' ability to serve multiple market segments. All participating businesses reported an initial capitalization ranging from ₱3 million to ₱15 million, although 60% currently reported capital of up to ₱3 million, suggesting changes in capital investment over time that may be associated with business expansion, operational expenditures, or post-pandemic financial adjustments. Moreover, all businesses consistently served 101–300 clients per month, indicating stable customer demand and sustained operational activity. Overall, the profile suggests that the participating food businesses possess relatively similar organizational characteristics, providing a suitable basis for examining organizational efficiency and financial performance across comparable enterprises..

Table 1
Profile of the Participating Food Businesses

Variables	Frequency	Percentage (%)
Location		
Batangas	1	20
Cavite	2	40
Laguna	1	20
Rizal	1	20
Number of Employees		
10 and below	1	20
11–50	4	80
Products/Services Offered		
Full-Service Catering	1	20
Corporate and Office Catering	2	40
Event Catering	2	40
Types of Clients		
IW, FG, C, GC, SEI	1	20
IW, FG, C, GC, EO, SEI	1	20
IW, FG, C, GC, SEI, OPU	3	60
Initial Capital		
₱3,000,000–₱15,000,000	5	100
Present Capital		
Up to ₱3,000,000	3	60
₱3,000,000–₱15,000,000	2	40
Average Number of Clients per Month		
101–300	5	100

Legend: IW – Individual Walk-in; FG – Families/Groups; C – Corporate Clients; GC – Government Clients; EO – Event Organizers; SEI – Schools and Educational Institutions; OPU – Online Platform Users.

3.2 Level of Organizational Efficiency of Food Businesses in CALABARZON

The results indicate that the participating food businesses demonstrated a Very Much Efficient level of organizational efficiency, with a grand mean of 4.59. Marketing efficiency obtained the highest overall mean (4.83), followed by financial management efficiency (4.81) and production and operations efficiency (4.62), while human resource management received the lowest mean (4.10). These findings suggest that businesses effectively implement marketing strategies, maintain sound financial management, and sustain efficient operational systems. However, comparatively lower ratings in human resource management indicate opportunities to strengthen employee performance monitoring, scheduling, professional development, and conflict resolution. The findings are consistent with recent studies emphasizing that organizational competitiveness is strengthened through integrated management practices, particularly in marketing, finance, and operations (Garcia & Mendoza, 2024; Lopez & Rivera, 2025).

Table 2
Level of Organizational Efficiency of Food Businesses in CALABARZON

Variable	Owner Mean	Employee Mean	Overall Mean	Verbal Interpretation
Marketing Efficiency	4.84	4.81	4.83	Very Much Efficient
Financial Management Efficiency	4.80	4.82	4.81	Very Much Efficient
Production and Operations Efficiency	4.60	4.64	4.62	Very Much Efficient
Human Resource Management Efficiency	4.12	4.08	4.10	Much Efficient
Grand Mean	4.59	4.59	4.59	Very Much Efficient

3.3 Differences in Organizational Efficiency According to Business Profile

The analysis revealed no statistically significant differences in organizational efficiency across all business profile variables ($p > .05$). This indicates that organizational efficiency does not depend on organizational size, location, clientele, or capitalization. Rather, internal managerial capabilities and organizational practices appear to exert greater influence on business performance than demographic or structural characteristics..

Table 3
Summary of Test of Difference on Organizational Efficiency

Profile Variable	p-value	Decision	Interpretation
Location	> .05	Failed to Reject H_0	Not Significant
Number of Employees	> .05	Failed to Reject H_0	Not Significant
Products/Services Offered	> .05	Failed to Reject H_0	Not Significant
Types of Clients	> .05	Failed to Reject H_0	Not Significant
Present Capital	> .05	Failed to Reject H_0	Not Significant

3.4 Financial Performance of Food Business

Financial ratio analysis demonstrated that the participating food businesses maintained satisfactory financial performance from 2021 to 2023. Profitability generally improved during the study period, reflecting stronger financial recovery following economic disruptions. Liquidity ratios indicated adequate capacity to meet short-term obligations, although some firms exhibited either excessive liquidity or working capital constraints. Leverage analysis suggested that most corporations maintained sustainable capital structures, while efficiency ratios revealed effective inventory, receivables, and asset utilization. Overall, these findings indicate that participating businesses have achieved financial stability through prudent financial management and operational efficiency.

Table 4
Financial Performance of Food Business

Financial Indicator	Overall Result	Interpretation
Profitability	Moderate to Very Good	Improving profitability
Liquidity	Moderate	Adequate short-term solvency
Leverage	Moderate to Very Good	Sustainable capital structure
Efficiency Ratios	Very Good	Strong operational efficiency

3.5 Relationship Between Organizational Efficiency and Financial Performance

The findings demonstrate that organizational efficiency contributes positively to financial performance. Businesses exhibiting stronger marketing, financial management, production, and operational practices likewise demonstrated better profitability, liquidity, and operational efficiency. The results highlight that investments in organizational systems and management practices enhance business sustainability and competitiveness..

Table 5

Relationship Between Organizational Efficiency and Financial Performance

Variables	Result	Interpretation
Organizational Efficiency and Financial Performance	Significant Positive Relationship	Better organizational efficiency is associated with stronger financial performance

3.6 Major Organizational Challenges

Despite the high level of organizational efficiency, respondents identified several challenges that continue to affect organizational performance. Human resource management emerged as the primary area requiring improvement, particularly in employee performance evaluation, workforce scheduling, and conflict management. Additional concerns included increasing market competition, customer retention, technological adaptation, and compliance with regulatory requirements. These findings suggest that continuous organizational innovation and strategic management remain essential for sustaining competitive advantage..

Table 6

Major Organizational Challenges

Area	Major Challenge
Human Resource Management	Performance evaluation and employee scheduling
Marketing	Customer retention and market competition
Operations	Technology adoption and process optimization
Financial Management	Cost management and regulatory compliance

Conclusions & Recommendations

The findings revealed that food businesses in the CALABARZON Region exhibited a very much efficient level of organizational efficiency, particularly in marketing, financial management, and production and operations, while human resource management showed comparatively lower performance. Financial ratio analysis further indicated that the participating businesses maintained satisfactory financial performance in terms of profitability, liquidity, leverage, and operational efficiency. Moreover, no significant differences were found in organizational efficiency when businesses were grouped according to their profile characteristics, suggesting that business location, size, clientele, and capitalization do not significantly influence organizational efficiency. Instead, effective internal management practices, strategic leadership, and operational excellence emerged as the primary drivers of organizational success and financial sustainability.

Based on these findings, food businesses are encouraged to sustain their strengths in marketing, financial management, and operational practices while prioritizing improvements in human resource management through enhanced employee performance evaluation, workforce scheduling, continuous training, and conflict management. Business owners and managers should continue investing in technology adoption, process optimization, customer relationship management, and strategic financial planning to strengthen long-term competitiveness and financial resilience. Furthermore, the proposed Strategic Organizational Efficiency Model may be adopted as a practical framework for improving organizational performance, while future researchers may validate and expand the model by including a larger sample of food businesses from other regions and incorporating additional organizational and financial performance indicators.

Compliance with ethical standards

The author declares no conflict of interest. This research received no specific grant from any funding agency in the public, commercial, or not-for-profit sectors. This study was self-funded. The authors thank the participating respondents for their contributions

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