

Does employee engagement mediate the impact of organizational trust on employee loyalty and intention to leave among hospital workers?



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ABSTRACT

This study explores the relationships between organizational trust (OT), employee engagement (EE), employee loyalty (EL), and intention to leave (ITL) among hospital workers in Mongolia. A total of 467 employees from three hospitals in Ulaanbaatar participated in the study, and structural equation modeling (SEM) with path analysis was applied to test the proposed model. The findings show that organizational trust plays a key role in improving employee loyalty and engagement while lowering the intention to leave. In addition, employee engagement mediates the link between organizational trust, loyalty, and turnover intention, suggesting that trust-building efforts should be supported by strategies to enhance engagement. These results underline the importance of organizational trust as a basis for employee commitment and retention in healthcare settings, where workforce stability is essential. By fostering a culture of trust, hospitals can strengthen loyalty, reduce turnover, and improve overall organizational performance.

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1. Introduction

Developing effective leadership, building organizational trust, improving job satisfaction, and increasing employee loyalty and engagement are some of the main responsibilities of contemporary human resource management (Top et al., 2015). Trust is vital in all aspects of social life and serves as a cornerstone for effective social processes (Molm et al., 2007). As a complex social and psychological phenomenon, organizational trust has been analyzed and interpreted by scholars from diverse perspectives (Kmieciak, 2021). It is also a subject of extensive research in organizational behavior, management, and psychology (Li et al., 2021).

Since it is the foundation of practically all organizational relationships, organizational trust has drawn the interest of numerous academics (Vanneste et al., 2014). The majority of research on this topic has demonstrated its importance and significance for the sustainability and performance

of organizations. As a key determinant of long-term success, organizational trust fosters strong, stable relationships with employees, promotes loyalty, and contributes to overall organizational resilience. Moreover, achieving particular organizational goals and sustaining a high level of performance depend heavily on organizational trust (Celep and Yilmazturk, 2012). Even though academics concur that trust is essential for efficient organizational operation, there is still no consensus on the definition of trust. According to certain research, trust is progressively built through reciprocal social interactions. Establishing an environment of trust and fostering a sense of trust among all employees is a critical management concern.

Relationships built on trust help reduce workplace conflict, increase productivity and job satisfaction, inspire employees to work more efficiently and creatively, and save operating and administrative expenses (Berraies et al., 2021; Top et al., 2015). Therefore, enhancing employee trust in the organization is a top priority for employers. However, building and maintaining organizational trust remains a significant challenge for many organizations. The paucity of research on this subject in Mongolia emphasizes the need for more investigation.

The following research questions were addressed in this study, which also looked at the connections

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between organizational trust, employee engagement, loyalty, and intention to leave among hospital employees in Mongolia:

- How does organizational trust influence employee loyalty, engagement, and intention to leave?
- Does the correlation between organizational trust (OT), employee loyalty (EL), and intention to leave (ITL), get mediated by employee engagement (EE)?

The study's findings are expected to offer valuable insights for organizational policymakers, human resource managers, and researchers, helping to inform strategies for improving organizational trust, employee engagement, loyalty, and retention.

This study advances the theoretical understanding of organizational trust by integrating it with employee loyalty, engagement, and intention to leave in the specific context of hospital employees in Mongolia—a context that has received little scholarly attention to date. While previous studies have explored organizational trust and its relationships with various outcomes in different countries and sectors, few have examined how these relationships operate together, and whether employee engagement mediates these links, particularly in the healthcare sector of a developing country.

2. Literature review

2.1. Organizational trust

In recent years, organizational trust has become an interesting research topic in various social science disciplines (Zeffane and Melhem, 2017). One of the most significant theories for elucidating the causes, development, and outcomes of trust in organizations is the social exchange theory (George et al., 2021).

The framework of social exchange theory states that organizational trust, which reflects social exchange, is represented by employees' evaluations of the organization's reliability and employer support (Gharib et al., 2021). In addition to raising expectations for the organization's objectives and activities, organizational trust is crucial for fostering long-term stability, job satisfaction, and human potential (Dai et al., 2022).

Organizational trust is a deeper expression of the correlation between employees and their organization than just the result of human resource management efforts. Research has demonstrated that organizational trust enhances employee job satisfaction, loyalty, and engagement, while also reducing turnover.

The degree to which workers have faith in their managers and coworkers is known as organizational trust in the context of interpersonal relationships. This trust is fostered when the organization treats employees fairly and respects their interests. When workers believe they can gain from the organization's and its management's activities and

behavior, they are more likely to react favorably (Yang and Tsai, 2023).

Research on organizational trust can be broadly categorized into two main areas (Dai et al., 2022):

1. Static research: This area focuses on defining and measuring trust inside organizations by examining the idea, dimensions, and measurement instruments of organizational trust.
2. Dynamic research: This area explores how trust is established, preserved, and affected over time, as well as the reasons for its emergence, growth, and evolution inside an organization (Kmieciak, 2021).

According to research, organizational trust has a positive impact on important metrics that are linked to organizational success, including organizational citizenship behavior, employee engagement, loyalty, and satisfaction (Pham and Tran, 2023; Ugwu et al., 2014). Therefore, fostering organizational trust is essential to improving an organization's competitiveness and sustainable development.

Mongolian society is deeply influenced by its nomadic heritage, which emphasizes communal values, strong interpersonal ties, respect for authority, and collective responsibility. These cultural characteristics profoundly shape workplace dynamics, significantly affecting how employees perceive organizational trust, engagement, and loyalty. In many Mongolian workplaces, especially in public sectors like healthcare, a collectivist cultural framework prevails. Employees highly value harmony, group cohesion, and maintaining strong relationships with colleagues and supervisors. This collectivism strengthens organizational trust, as employees are more inclined to support each other and prioritize group interests over individual ambitions. In hospitals, where teamwork is critical, these communal values enhance trust between staff and management and foster a strong sense of loyalty.

Respect for hierarchy is deeply ingrained in Mongolian culture. Employees tend to defer to supervisors and value clear, decisive leadership. When leaders demonstrate fairness, transparency, and support, trust in management is reinforced. This respect for authority also means that once trust is established, employees often display high levels of engagement and loyalty. Conversely, a perceived breach of trust by leaders can severely damage morale and increase turnover intentions.

Additionally, Mongolian employees may avoid direct confrontation or openly expressing dissatisfaction to maintain harmony. As a result, even when engagement is low or trust is eroded, employees might not voice their concerns directly, potentially masking early signs of disengagement or turnover intention. To address this, managers must proactively create safe spaces for feedback and encourage open communication to accurately assess engagement levels. Historically, Mongolians have demonstrated strong loyalty to family, community, and workplaces perceived as supportive and trustworthy. When employees feel that an

organization genuinely cares for their well-being, through supportive policies, fair treatment, and opportunities for professional growth, they tend to reciprocate with greater loyalty and lower turnover intentions. In hospital settings, where emotional bonds are formed through shared challenges, this effect is particularly pronounced.

Finally, Mongolia's transition from a socialist to a market-based economy has introduced significant social and economic changes, leading to generational differences in workplace expectations. Older employees may place greater emphasis on job security and loyalty, whereas younger employees might prioritize personal growth and engagement opportunities. Recognizing and addressing these generational dynamics is crucial for designing effective strategies to build trust and enhance engagement.

2.2. Hypothesis formulation

2.2.1. Organizational trust and employee loyalty

Trust inside the organization is a critical element that directly influences employee loyalty and engagement, as it reflects the organization's reliability, dependability, fairness, and trustworthiness. Research has demonstrated that interpersonal trust—particularly trust in management and colleagues—significantly enhances employee satisfaction and loyalty (Zanabazar et al., 2024a).

According to Fard and Karimi (2015), a favorable work environment and employee trust can increase engagement and commitment, which in turn can improve performance. Similarly, Pham and Tran (2023) demonstrated that organizational trust positively influences job satisfaction and organizational loyalty, while Rindfleisch (2000) identified that organizational trust is a crucial component of employee loyalty.

Additionally, Melián-Alzola and Martín-Santana (2020) discovered that employee loyalty is positively impacted by employee trust in their organization. We postulated the initial hypothesis for the study based on the aforementioned research, which suggests that employee loyalty increases with organizational trust.

H1: There is a positive correlation between organizational trust and employee loyalty.

2.2.2. Organizational trust and employee engagement

Researchers have come to view employee engagement as a critical factor that significantly influences consumer satisfaction (Deepalakshmi et al., 2024), increased competitiveness (Macey et al., 2009), and organizational sustainable growth (Rasool et al., 2021). According to Bakker and Albrecht (2018), employee engagement refers to the

belief in the organization's values and the readiness to contribute to achieving its business goals. It reflects the employee's emotional and cognitive commitment to the organization, measured by their work performance and effort. Macey and Schneider (2008) discovered that the degree of trust in the organization and its management has a strongly significant impact on employee engagement. Cohen (2015) emphasized that employees are more likely to put in more effort and keep a positive attitude toward their work when they have faith in the company. According to Ugwu et al. (2014), organizational trust also increases employee engagement, which in turn positively impacts organizational success.

Employees feel more appreciated and trusted when they have faith in their management and organization, which increases their level of engagement (Tummers and Den Dulk, 2013; Zanabazar et al., 2024a). Organizational trust positively influences employee performance, commitment, and engagement (Alfes et al., 2016). Additionally, Alshaabani et al. (2022) found that as employees' trust in their organization increases, so does their level of engagement. The majority of academics use social exchange theory to explain this association. In other words, employees are more inclined to participate and contribute when they believe their company values them.

Employee loyalty, initiative, and risk-taking are all enhanced when employees have trust in management and their coworkers (Kmieciak, 2021). Building on these findings from previous studies, we propose a second hypothesis: employee engagement increases as trust in the organization increases.

H2: There is a positive correlation between organizational trust and employee engagement.

2.2.3. Organizational trust and intention to leave

Organizational trust significantly influences employees' intention to leave their jobs. When the psychological contract between employers and employees is violated, trust is frequently damaged, and employees may decide to leave the organization. Schaufeli and Bakker (2004) found that employee engagement enhances trust in organizational performance and reduces turnover intentions.

Trust between employers and co-workers promotes positive work attitudes and reduces the intention to leave (Gopalan et al., 2023). Additionally, organizational trust is a critical factor that positively impacts long-term, stable employer-employee relationships, as George et al. (2021) confirmed.

Research has shown that high levels of internal trust within an organization enhance job satisfaction and employee engagement, ultimately reducing intention to leave (Ivziku et al., 2024). In particular, leadership trust serves as a powerful catalyst for workplace success. When employees genuinely trust their leaders, engagement levels rise dramatically as

team members willingly invest their full talents and energy (Mazzetti and Schaufeli, 2022). Conversely, a lack of trust within the organization makes employees intend to leave the organization (Nketsiah and Nkansah, 2024).

Haridas et al. (2022) demonstrated a clear inverse relationship between management trust and employee turnover intentions, indicating that employees who trust their management are more likely to work with their organization for a longer time. Given those findings, we propose the following as the third hypothesis for the study:

H3: There is a negative correlation between organizational trust and the intention to leave.

2.2.4. Employee engagement and employee loyalty

Employee engagement and loyalty are critical elements that drive an organization's competitiveness and long-term sustainability. Research indicates that employee engagement positively impacts loyalty, with engaged employees more likely to be committed and stable in their roles.

Employees who trust their organization and actively participate in its processes experience greater job satisfaction, which, in turn, enhances their loyalty to the organization. Increased trust in the workplace, often fostered by management's support and inclusion in decision-making, further strengthens employee loyalty.

High employee engagement enhances job satisfaction, which in turn strengthens loyalty, reduces turnover, and contributes to improved organizational performance (Deepalakshmi et al., 2024). Preko and Adjetei (2013) found a significant linear correlation between employee loyalty, engagement, and performance. A study by Syahrizal et al. (2019) confirmed that employee engagement has a substantial influence on job satisfaction and loyalty, concluding that organizations must actively support EE to foster increased employee loyalty.

Numerous studies have demonstrated that employee engagement positively affects loyalty. Organizations can increase employee satisfaction and loyalty, ensuring sustainable organizational development, by implementing policies that actively engage their employees. We have proposed the following research hypothesis in light of the findings of these studies.

H4: There is a positive correlation between employee loyalty and employee engagement.

2.2.5. Employee engagement and intention to leave

In addition to having a positive impact on productivity and organizational development, employee engagement also has a substantial impact on employee turnover intention. According to numerous studies, job satisfaction rises and, as a

result, employees are less likely to leave their jobs when they are actively involved in organizational activities, have the chance to voice their ideas and opinions, and feel appreciated and acknowledged at work (Schaufeli and Bakker, 2004). Conversely, employees who are less engaged and dissatisfied with their work environment are more inclined to look for jobs elsewhere (Yean et al., 2022).

Shantz and Alfes (2015) found that EE and turnover intention are inversely related. On the other hand, employees who are content with their positions and have high levels of organizational trust are more productive and feel a sense of belonging in their organization. As a result, their intention to leave is significantly reduced (Lacap, 2019; Otoo, 2024). Similarly, Bui et al. (2024) discovered that EE and job satisfaction are adversely connected to the intention to leave, meaning that higher employee engagement leads to better job performance and increases the likelihood of employees staying with the organization.

However, employees with low engagement are less productive and less involved in their workplace, which leads to decreased job satisfaction and increases the likelihood of leaving their jobs (Wen et al., 2022). Based on this compelling evidence, we propose the following research hypothesis.

H5: There is a negative correlation between employee engagement and the intention to leave.

2.2.6. Employee loyalty and intention to leave

According to numerous studies, employee loyalty increases employees' commitment to their organization and considerably reduces their intention to leave. Loyal employees not only experience fulfillment in their daily responsibilities but also thrive within environments that actively support their growth and well-being. These individuals recognize a meaningful connection between their contributions and the organization's broader mission, fostering a sense of purpose that transcends transactional employment. When personal values harmonize with organizational culture, employees develop deep-rooted commitment that manifests as enhanced productivity, advocacy, and long-term dedication. Research consistently demonstrates that organizations with highly engaged, loyal workforces significantly outperform competitors in profitability, customer satisfaction, and adaptability to market changes—creating a sustainable competitive advantage that drives long-term business success.

According to Wen et al. (2022), when employees are more loyal to their employers, they are less likely to intend to leave and are more inclined to develop their knowledge and skills. They are also more inclined to look for chances to develop professionally. Similarly, Abd-El-Salam (2023) found that investing in the work environment, fostering positive management relationships, and supporting career development all contribute to increasing

employee loyalty. When loyal employees are involved in the long-term, successful growth of their organization, they are more productive and less inclined to leave. According to [Obeng and Atan \(2024\)](#), the loyalty of employees is directly correlated to employees' intention to leave their jobs.

Employees who are content and loyal are more dependable and dedicated to the development of their organization. Unfair connections inside the organization, an unfair work environment, and a lack of opportunity for professional development all have an impact on the intention to leave ([Kraimer et al., 2011](#)). In such an environment, employees' ambition to leave their jobs increases significantly, and their desire to work sustainably in the long term decreases. In light of the evidence, the study puts up the following hypotheses.

H6: There is a negative correlation between employee loyalty and the intention to leave.

2.2.7. The mediating role of employee engagement

In modern management research, interest in comprehending the interaction between organizational trust, employee engagement, and loyalty has become a priority at both national and international levels.

Employee trust has a direct and indirect impact on an organization's overall performance, and in many industries, this relationship is especially significant. However, the correlation between organizational trust, loyalty of employees, and turnover intention is not always clear. As a result, several studies have demonstrated that the link between these parameters is mediated by employee engagement ([Al-Shalabi, 2019](#)).

Employee engagement rises when they have trust in their organization, and this engagement is crucial for enhancing employee loyalty and job satisfaction, and reducing turnover intention ([Zeffane and Melhem, 2017](#)). The higher the level of trust employees have in their organization, the more engaged they are in their work, and the more loyal they tend to be to the organization.

According to [Melián-Alzola and Martín-Santana \(2020\)](#), trust strengthens employee relationships and motivates them to concentrate more on their work and organizational goals, which in turn increases organizational loyalty and stability. In contrast, numerous studies have demonstrated that employee engagement and loyalty decline, and turnover intentions rise when organizational trust is poor or nonexistent ([Nketsiah and Nkansah, 2024](#)). This demonstrates the influence of factors such as the organization's management system, the internal psychology of employees, and the work environment. As a result, we have proposed the following research hypotheses:

H7a: Employee engagement mediates the correlation between organizational trust and employee loyalty.

H7b: Employee engagement mediates the correlation between organizational trust and intention to leave.

3. Methodology

3.1. Data collection and sample size

The survey was conducted online by employees of three district hospitals in Ulaanbaatar between September 16 and December 20, 2024. The sample consisted of 467 employees out of a total of 783 from two district hospitals. The sample size was determined using the [Krejcie and Morgan \(1970\)](#) table, and participants were selected through a simple random sampling method.

3.2. Measurement items and data analysis

The survey utilized 12 questionnaires developed by [Cummings and Bromiley \(1996\)](#) to measure organizational trust. Employee engagement was assessed using the short version of the Utrecht Work Engagement Scale (UWES-9) ([Schaufeli et al., 2006](#)). Employee loyalty was evaluated using four questionnaires developed by [Bettencourt et al. \(2001\)](#), while intention to leave was measured using four questionnaires developed by [Hasselhorn et al. \(2003\)](#).

All questionnaire items were rated on a 5-point Likert scale. Statistical analysis was conducted using SPSS version 26 and Smart PLS 4.1.0.9. The study examined the factors' connection and dependability to guarantee the accuracy of the measurements. To investigate the correlations between the variables and get findings, structural equation modeling, or structural equation modeling (SEM) was utilized.

4. Results and discussion

4.1. Participants' demographic

Among the participants, 21.6% were male, while 78.4% were female. The age distribution was as follows: 5.4% were 25 years old or younger, 20.3% were between 26 and 30 years old, 27.4% were between 31 and 40 years old, 29.3% were between 41 and 50 years old, and 17.6% were over 50 years old. Regarding work experience, 6.2% had worked for up to one year, 20.1% for 1–3 years, 24.8% for 4–10 years, 18.2% for 11–15 years, 16.7% for 16–20 years, 7.5% for 21–25 years, and 6.4% for more than 26 years. In terms of education, 15.6% of employees held a high school diploma, 14.6% had a specialized professional qualification, 36.6% had a bachelor's degree, and 33.2% held a master's degree or higher. Regarding job positions, 23.8% were doctors, 36.0% were nurses, 16.9% were service workers, 13.1%

were administrative workers, and 10.3% were specialists.

4.2. Measurement model

4.2.1. KMO and Bartlett's test for sampling adequacy

The KMO (Kaiser-Meyer-Olkin) statistic assesses the sufficiency of the sample size and evaluates the strength of the correlation between variables. According to researchers, a KMO value between 0.5 and 0.6 is considered weak, between 0.7 and 0.8 is acceptable, and above 0.9 is excellent. We determined the appropriate sample size using power analysis to ensure statistical validity. The Kaiser-Meyer-Olkin (KMO) measure and Bartlett's test findings are shown in Table 1.

The sample size is sufficient as the KMO value is more than 0.9 and Bartlett's Test of Sphericity indicates a significance level of 0.000 ($p < 0.05$).

4.2.2. Confirmatory factor analysis

Before testing the research hypotheses, we verified that our proposed model constitutes a valid structural equation model. We conducted a confirmatory factor analysis (CFA) to assess model fit using established indices.

Following the thresholds suggested by Hair et al. (2019), an acceptable model fit is indicated by a Tucker-Lewis Index (TLI), Incremental Fit Index (IFI), and Comparative Fit Index (CFI) above 0.9, alongside a root mean square error of approximation

(RMSEA) below 0.06. Table 2 displays the CFA results.

The results of the analysis indicated that $\chi^2/df = 5 < 3.948 > 3$, RMSEA = 0.038 < 0.06, CFI = 0.973 > 0.90, TLI = 0.935 > 0.90, and NFI = 0.975 > 0.90, suggesting that the research model is appropriate (Hu and Bentler, 1999).

4.2.3. Reliability analysis of variables

The descriptive data, such as average variance extracted (AVE), composite reliability (CR), standard deviation, and mean values, are shown in Table 3. Table 3 demonstrates that Cronbach's alpha values are above the acceptable internal consistency reliability level of 0.70, ranging from 0.796 to 0.948 (Field, 2024). All of the AVE values were greater than 0.5 (Fornell and Larcker, 1981), and the CR values varied from 0.867 to 0.967, exceeding the suggested minimum of 0.70 (Hair et al., 2019). These findings support convergent validity and show how highly reliable and consistent the measurement tools employed in this investigation were.

The findings of the Fornell-Larcker criterion, which was applied to evaluate the measurement variables' discriminant validity, are shown in Table 4. Table 4 demonstrates that for every major construct in the model, the square roots of the AVE values (bold numbers) are greater than the corresponding inter-construct correlations (all figures below the bold values). This demonstrates discriminant validity among the constructs and validates that the Fornell-Larcker criterion has been met.

Table 1: Result of KMO and Bartlett's test

KMO and Bartlett's test		
Kaiser-Meyer-Olkin measure of sampling adequacy		.936
Bartlett's test of sphericity	Approx. Chi-Square	7158.312
	df	415
	Sig.	.000

Table 2: Result of confirmatory factor analysis

Model fit	χ^2/df	RMSEA	CFI	TLI	NFI
Standard	< 5 > 3	< 0.06	> 0.95	> 0.90	> 0.90
Results	3.948	0.038	0.973	0.935	0.975

Table 3: Reliability and validity

Variables	Mean	Standard deviation	α (> 0.7)	CR (> 0.7)	AVE (> 0.5)
Organizational trust	4.140	0.877	.962	.967	.707
Employee engagement	4.278	0.765	.938	.948	.671
Employee loyalty	4.335	0.803	.864	.908	.711
Intention to leave	1.513	0.677	.796	.867	.621

α : Cronbach's alpha

Table 4: Fornell-Larcker criterion

	OT	EE	EL	ITL
Organizational trust	0.841			
Employee engagement	0.501	0.819		
Employee loyalty	0.535	0.549	0.843	
Intention to leave	-0.299	-0.295	-0.328	0.788

4.3. Hypothesis testing

4.3.1. Direct relationships

To test the hypotheses, we conducted SEM using Smart PLS 4.1.0.9 software. The SEM results are

shown in Table 5. As shown in Table 5 and Fig. 1, Hypotheses 1-3 were confirmed. The organizational trust had a directly positive impact on employee loyalty ($\beta = 0.347$, $p < 0.001$), a strong positive direct influence on employee engagement ($\beta = 0.501$, $p < 0.001$), and a weak negative direct effect on the

intention to leave ($\beta = -0.138$, $p = 0.016$). On the other hand, as organizational trust increases, both

employee engagement and loyalty increase, while intention to leave decreases.

Table 5: Research results in PLS-SEM

Hypothesis	Path	Standardize beta	Standard error	T-statistics	P-value	Remarks
H1	OT→EL	0.347***	0.038	6.482	.000	Supported
H2	OT→EE	0.501***	0.050	9.955	.000	Supported
H3	OT→ITL	-0.138***	0.043	5.418	.016	Supported
H4	EE→EL	0.375***	0.068	8.147	.000	Supported
H5	EE→ITL	-0.123***	0.060	4.920	.005	Supported
H6	EL→ITL	-0.387**	0.050	5.136	.002	Supported

***: $p < 0.001$; **: $p < 0.01$, significance levels are two-tailed

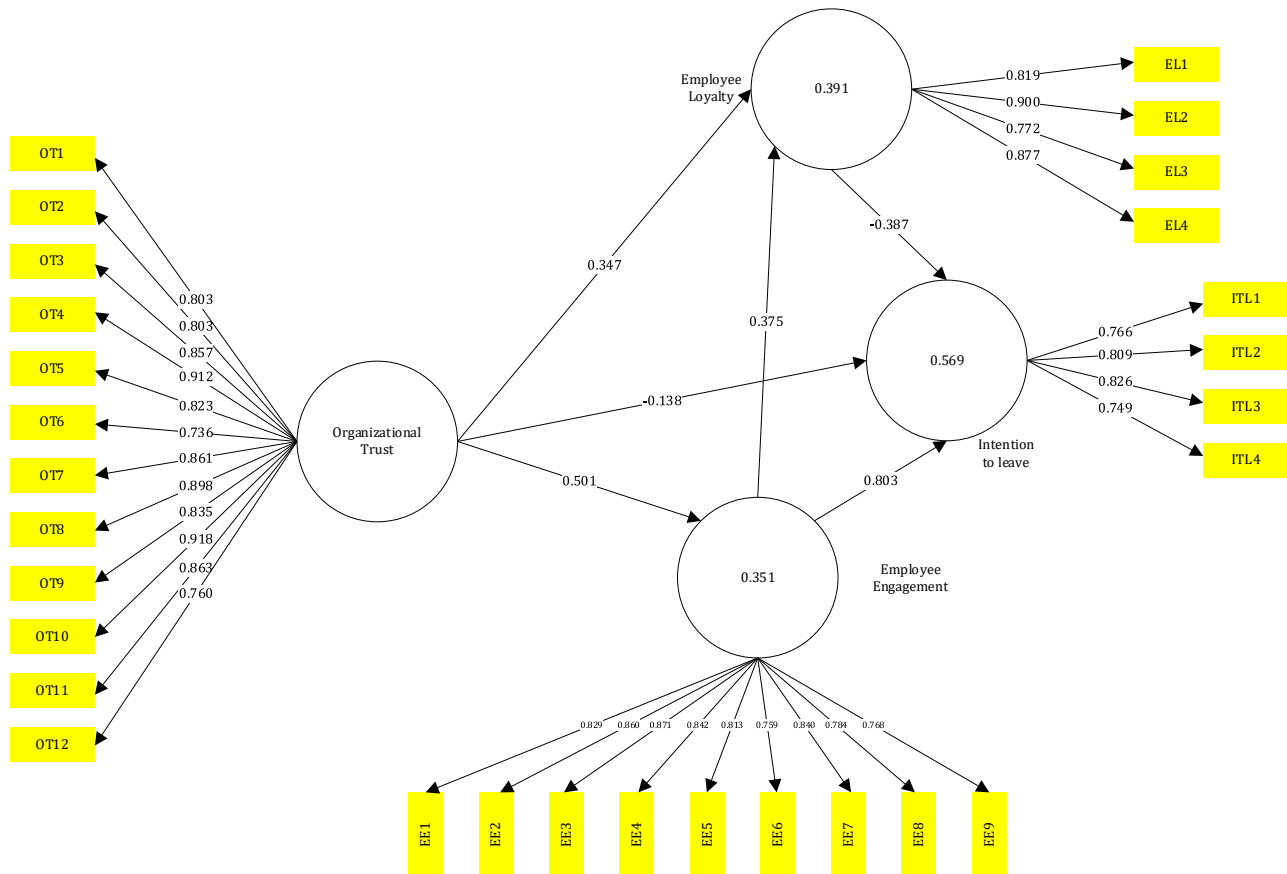


Fig. 1: Structural equation model

Furthermore, the results of the research showed that employee engagement had a negative effect on intention to leave ($\beta = -0.123$, $p < 0.005$) and a positive impact on employee loyalty ($\beta = 0.375$, $p < 0.001$). Therefore, Hypotheses 4 and 5 are supported. In other words, as employee engagement increases, employee loyalty increases, and intention to leave decreases. Additionally, we discovered a strong correlation between intention to depart and employee loyalty ($\beta = -0.387$, $p < 0.001$), supporting

Hypothesis 6. In other words, higher employee loyalty reduces the intention to leave.

4.3.2. Mediation effects

One of the main objectives of this study was to examine whether EE mediates the relationship between OT, EL, and ITL. The analysis results are presented in Table 6.

Table 6: The mediating impact of employee engagement

Hypothesis	Path	Direct effect	Indirect effect	Total effect
H7a	OT→EE→EL	0.347***	0.188***	0.535***
H7b	OT→EE→ITL	-0.138***	-0.161***	-0.299***

***: $p < 0.001$, significance levels are two-tailed

As shown in Table 6, the study found that EE fully mediates the correlation between organizational trust, employee loyalty, and intention to leave, confirming Hypotheses H7a and H7b. This suggests that the impact of OT on employee loyalty and

intention to leave is significantly mediated by employee engagement.

Since the effects of the related independent variables were positive and significant at $p < 0.05$, our analysis confirmed all four hypotheses.

4.4. Discussion

This study investigated how organizational trust influences employee loyalty and intention to leave, with employee engagement serving as a mediator, among hospital employees in Mongolia. Overall, the findings underscore the central role of trust in fostering a committed and stable workforce, particularly within the healthcare sector. These results are in line with earlier studies that emphasize trust as a critical factor in fostering productive workplace cultures and long-term organizational success (Pham and Tran, 2023; Ugwu et al., 2014). A particularly noteworthy contribution of this study is the mediating role of employee engagement in the relationship between organizational trust and both employee loyalty and intention to leave.

Our results demonstrate that organizational trust not only directly enhances employee loyalty and engagement but also indirectly strengthens these outcomes through employee engagement (Fard and Karimi, 2015; Melián-Alzola and Martín-Santana, 2020; Pham and Tran, 2023; Deepalakshmi et al., 2024). This highlights the significance of trust as a foundational psychological resource that shapes employees' willingness to invest effort, identify with organizational goals, and remain within the organization. In the hospital setting, where trust in leadership and policies is crucial, enhancing trust can lead to better retention of healthcare workers.

Hospitals can foster engagement through continuous professional development, recognition programs, and a supportive work culture.

The strong positive relationship between trust and engagement suggests that when hospital employees perceive their organization and leaders as reliable and supportive, they are more emotionally and cognitively invested in their work (Zanabazar et al., 2024a; Alshaabani et al., 2022; Cohen, 2015; Tummers and Den Dulk, 2013; Ugwu et al., 2014). In high-stakes environments like healthcare, such engagement translates into better patient care, increased collaboration, and higher morale.

The inverse relationship between trust and intention to leave aligns with global evidence but takes on unique importance in Mongolia's context. In a society that values collective harmony and loyalty, breaches of trust can have an amplified negative effect, potentially leading to silent disengagement before actual turnover (George et al., 2021; Gopalan et al., 2023; Haridas et al., 2022; Ivziku et al., 2024; Mazzetti and Schaufeli, 2022). Thus, fostering trust through transparent communication, fairness, and participatory leadership becomes even more crucial. Similarly, the negative association between employee loyalty and intention to leave suggests that loyalty acts as a protective factor against turnover (Obeng and Atan, 2024; Wen et al., 2022; Zanabazar et al., 2024b). In the Mongolian context, where long-term relationships and loyalty are culturally valued, this bond can be further reinforced through

equitable treatment, recognition of contributions, and support for professional development.

Moreover, the finding that employee engagement mediates the relationship between trust and both loyalty and turnover intention offers practical insight: merely establishing trust is not sufficient. Hospitals must actively translate trust into engagement by creating meaningful opportunities for involvement, recognition, and professional growth. Engagement acts as a catalyst that converts the potential of trust into tangible organizational outcomes.

The study's insights also highlight the importance of considering cultural nuances when designing human resource strategies. Mongolia's strong hierarchical respect and communal orientation mean that leadership behavior profoundly impacts trust perceptions. Leaders who act with integrity, demonstrate care, and support collective success can significantly bolster both engagement and loyalty, thereby reducing turnover intentions. In sum, this study emphasizes that to reduce staff turnover and promote long-term organizational commitment, hospitals should not only build trust but also channel it into active employee engagement. Strategies aimed at strengthening these factors should be culturally tailored, recognizing Mongolia's emphasis on respect, collective harmony, and relationship-building.

4.5. Implications for practice

From a practical perspective, the findings suggest several actionable strategies for organizational leaders and policymakers in the healthcare sector:

- **Strengthening organizational trust:** Hospitals should implement transparent leadership practices, fair policies, and open communication channels to build and maintain trust among employees.
- **Enhancing employee engagement:** Engagement levels can be considerably raised by offering chances for professional development, praising staff members' efforts, and creating a happy workplace.
- **Promoting employee loyalty:** Ensuring competitive compensation, career development, and a supportive organizational culture will enhance employees' commitment and reduce turnover rates.
- **Reducing intention to leave:** Organizations should proactively address factors contributing to employees' intention to leave by promoting trust, engagement, and loyalty.

5. Conclusions

Our study sheds light on the crucial role of organizational trust in shaping employee engagement, loyalty, and intention to leave among hospital workers in Mongolia. The findings suggest that organizational trust directly enhances loyalty

and engagement while reducing turnover intentions. Importantly, employee engagement serves as a key mediating mechanism, transforming trust into stronger loyalty and lower turnover intention.

Theoretical implications; From a theoretical standpoint, this research enriches the literature on organizational behavior and human resource management by demonstrating the mediating role of employee engagement in the trust–loyalty–turnover nexus. While previous studies have often examined these relationships separately or in different cultural contexts, our findings provide empirical support for social exchange theory within a Mongolian healthcare setting. The results highlight that trust is not only a direct antecedent of positive work attitudes but also an essential foundation that enables engagement, which in turn leads to greater loyalty and retention. This integrated model underscores the interconnectedness of psychological states and behavioral outcomes, contributing to a deeper understanding of employee dynamics in collectivist cultures.

Practical implications: On a practical level, the study provides actionable guidance for hospital administrators and policymakers. Building and maintaining organizational trust should be prioritized through transparent communication, fair decision-making processes, and consistent support for employees. Additionally, simply fostering trust is not sufficient; it must be translated into engagement through strategies such as professional development opportunities, recognition systems, and inclusive decision-making. In Mongolia, where cultural values emphasize hierarchy, respect, and collective harmony, leadership styles that are participatory and culturally sensitive will be especially effective in strengthening trust and engagement.

Moreover, improving employee loyalty and reducing intention to leave are critical in addressing ongoing challenges such as workforce shortages and high turnover in healthcare. Strengthening these factors can lead to higher organizational resilience, better patient care outcomes, and more sustainable human resource management.

In conclusion, this study highlights that by fostering trust and actively engaging employees, hospitals can cultivate a more loyal, stable, and motivated workforce. These insights not only contribute to theory but also offer a roadmap for leaders seeking to build resilient organizations that align with the unique cultural context of Mongolia.

5.1. Limitations of research

It is important to recognize the various limitations of our study. Firstly, it was conducted exclusively in three district hospitals in Ulaanbaatar, potentially limiting the generalizability of the findings to other healthcare settings or geographical regions within Mongolia. Second, self-reported surveys were used to gather the data, which could include common method bias because participants

may have given answers that were socially acceptable or lacked true self-awareness.

Thirdly, our study's data collection was constrained by the use of online-only questionnaires administered over a fixed period.

This study offers valuable insights into the connections between organizational trust, employee engagement, and loyalty in Mongolian hospitals while also highlighting numerous opportunities for future research. Future studies should identify additional mediating and moderating variables that influence the relationships among organizational trust, employee engagement, and loyalty. This will facilitate targeted studies exploring effective strategies for fostering organizational trust and engagement within healthcare organizations.

List of abbreviations

AVE	Average variance extracted
CFA	Confirmatory factor analysis
CFI	Comparative Fit Index
CR	Composite reliability
EE	Employee engagement
EL	Employee loyalty
IFI	Incremental fit index
ITL	Intention to leave
KMO	Kaiser-Meyer-Olkin
OT	Organizational trust
RMSEA	Root mean square error of approximation
SEM	Structural equation modeling
TLI	Tucker-Lewis index

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Compliance with ethical standards

Ethical considerations

The study was conducted consistent with the Ethical Code of Conduct for the Faculty members and Students of the National University of Mongolia. Participation was voluntary, and informed consent was obtained from all respondents. The anonymity and confidentiality of the participants' data were strictly maintained throughout the study.

Conflict of interest

The author(s) declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

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