


The role of management accountant in developing incentive programs in auto-machine shops in San Jose, Occidental Mindoro

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Abstract

This study focuses on the role of management accountants in developing incentive programs for auto machine shops in San Jose, Occidental Mindoro using descriptive quantitative data collection and analysis methods. It aimed to determine the effectiveness of incentive programs for auto-machine shops in San Jose, Occidental Mindoro, to determine the role of management accountants, and to determine the best practices for developing incentive programs for auto-machine shops in San Jose, Occidental Mindoro. The respondents of the study consisted of management accountants, shop owners, and customers who were included in the final administration of self-constructed questionnaires. The study also highlights the significance of effective incentive programs for various stakeholders, including auto machine shop owners, customers, management accountants, employees, startup auto-machine shop businesses, and upcoming scholars. The findings of the study showed that the management accountant of the Auto-Machine Shop has a positive view of incentive programs and believes they can improve employee motivation, performance, morale, and job satisfaction. Moreover, this study showed that incentive programs can improve employee engagement and productivity, and careful evaluation of the type of incentive program and its target audience is critical for maximizing its success. Thus, incentive programs can have a positive impact on customer satisfaction and loyalty in the auto-machine shop industry by encouraging repeat business and building customer loyalty. Therefore, it is recommended that the carefully designing and implementing of an incentive program, the management accountant can help to improve employee motivation, productivity, and job satisfaction, ultimately leading to increased customer satisfaction and loyalty, and driving business growth and success.

Keywords: incentive programs, management accountants, auto-machine shops, business growth, Occidental Mindoro

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1. Introduction

A crucial issue for job seekers, workers, employers, and shareholders is incentive compensation. The importance of incentive pay in luring and keeping talent as well as motivating actions that support strategic goals has generally received attention. The emphasis now is on potential risks associated with incentive compensation plans, though as a result of recent market events. As a result, businesses must put strong risk management procedures in place to guarantee that incentive compensation is properly aligned with both the company's risk appetite and strategic objectives. These risks may be especially challenging to identify and manage (Indeed Editorial Team, 2015).

In the 21st century, auto machine shop industry management accountants play a vital role in developing incentive programs that drive business growth and profitability. To preserve their competitive advantage, businesses- especially those in the auto-machine shop industry must constantly adapt to changes in the environment. In their quest to emerge as a significant player in global markets, local auto machine shops are facing greater obstacles than ever in trying to stay competitive. A company's ability to reduce cost is a major factor in its quest for competitiveness in the auto-machine shop industry. They were able to provide consumers with value-added products at reduced cost without sacrificing the quality of work and also by developing incentive programs for the employees that drive business growth and profitability (Ayuba & Ghabayen, 2012). The province of San Jose, Occidental Mindoro, is home to numerous auto machine shops that rely on the expertise of management accountants to create effective incentive programs. The purpose of this study is to investigate how management accountants in San Jose, Occidental Mindoro, develop incentive programs for auto-machine shops.

Management accounting is an important aspect of any business, providing both financial and non-financial information that aids managers in making well-informed decisions (Chenhall, 2008). According to him, it is expected to make significant contributions to the development of incentive programs. Moreover, there is still much to be explored in the important role of management accountants in the new organizational structure of modern-day businesses. In the auto machine shop industry, management accountants handle tasks such as financial report preparation, budgeting, forecasting, and cost control. They also play a crucial role in designing incentive programs to motivate employees to achieve business objectives. According to (Indeed Editorial Team, 2015) incentive programs are vital for business strategies as they encourage employees to work towards specific goals. In the auto-machine shop industry, these programs can be utilized to motivate employees to boost production, enhance product quality, eliminate waste, and increase customer satisfaction. Management accountants work directly with shop owners and managers to establish incentive programs that correspond with business goals while also meeting employee needs.

The role of management accountants in creating incentive programs for auto machine shops is crucial, as they are responsible for designing and implementing financial. However, several challenges may arise during the development of these programs. For instance, management accountants must work closely with top management to establish clear goals and objectives for the incentive program. Without clear goals, it can be challenging to design an effective program that aligns with the overall strategy of the organization (Kasim et al., 2015). In the above-mentioned study, Esperon (2017) mentioned that management accountants rely on accurate and timely data to design and implement effective incentive programs. However, data quality issues can lead to inaccurate or incomplete information, which can undermine the effectiveness of the incentive program. In addition, Harbring (2006) stated in their previous study that employees may resist changes to their compensation and incentive structures, especially if they feel that the changes are unfair or do not align with their personal goals.

Management accountants must communicate effectively with employees to address their concerns and ensure that the incentive program is well-received.

Despite the importance of management accountants in developing incentive programs, there is limited research on their role in the auto-machine shop industry. There is a need to explore the challenges and opportunities faced by management accountants in developing incentive programs for auto machine shops in San Jose, Occidental Mindoro. This research paper aims to address the gap in the literature by determining the role of management accountants in developing incentive programs for auto machine shops in San Jose, Occidental Mindoro.

1.1 Research Objectives

This study was conducted to determine the effectiveness of incentive programs for auto-machine shops in San Jose, Occidental Mindoro, to determine the role of management accountants in developing incentive programs for auto-machine shops in San Jose, Occidental Mindoro and to determine the best practices for developing incentive programs for auto-machine shops in San Jose, Occidental Mindoro.

1.2 Significance of the Study

The findings of this study will provide insights into the role of management accountants in developing incentive programs for auto machine shops in San Jose, Occidental Mindoro. The study will also provide practical recommendations for management accountants and shop owners in developing effective incentive programs and encourage employees to achieve their full potential as a successful marketing tool. This study will be especially beneficial to the following industries: Auto-machine shop business owners - the study's most important result will likely be a comprehensive understanding of how to create incentive programs. The study can benefit owners by providing them with insights on how to design and implement an effective incentive program that aligns with their overall business strategy. It can also help them understand how to balance the need to provide effective incentives with the need to contain costs. Customers - this study will be useful to all auto-machine shop customers about customer-employee relations.

The study can benefit customers by providing them with better services and products as a result of the incentive program. The program can motivate employees to provide better customer and employees relationship. Management Accountants - The study can provide insights to management accountants on the best practices in designing and implementing incentive programs that align with the organization's goals and objectives. It can also help them understand the challenges and issues that may arise and how to address them effectively. Employees - The study can benefit employees by providing them with a better understanding of the incentive program and their personal and professional goals. It can also help employees understand the metrics that are used to measure their performance and how they can improve their performance to receive better incentives. Startup auto-machine shop businesses - those looking to open auto-machine shops will find this study to be helpful. They may be able to understand the importance of incentive programs in business and set goals for their startups with the help of this study. Upcoming Scholars - the information from this study will be useful for researchers looking into related subjects across different business industries. This can also be used as a resource for information on opening an auto-machine shop and as a manual for creating a marketing strategy incentive program.

1.3 Scope and Delimitation of the Study

This research paper focuses on determining the role of management accountants in developing incentive programs for auto machine shops in San Jose, Occidental Mindoro. The study determined the challenges faced by management accountants, the best practices for developing incentive programs, and the impact of effective incentive programs on business performance. The study collected primary data from management accountants and shop owners in San Jose, Occidental Mindoro, through surveys and interviews. The study on the role of

management accountants in developing incentive programs for auto machine shops in San Jose, Occidental Mindoro has several limitations. The study is limited to auto machine shops in San Jose, and Occidental Mindoro, which may limit its generalizability to other regions or industries. This study relies on primary data collected from management accountants and shop owners in San Jose, Occidental Mindoro, which may not be representative of the entire population of management accountants and shop owners in the area, self-reported data from management accountants and shop owners. The study focused on the current role of management accountants in developing incentive programs, and may not take into account future changes in the industry or the impact of external factors such as economic downturns or technological advancements. The study focused on the role of management accountants in developing incentive programs and may not take into account other factors that may impact the success of the program, such as employee motivation, organizational culture, or customer satisfaction.

2. Methodology

Research Design - This study used descriptive quantitative data collection and analysis methods. The study collected primary data through surveys with management accountants and shop owners in San Jose, Occidental Mindoro. The quantitative methods design allows the study to capture the needed data and provide a more comprehensive understanding of the role of management accountants in developing incentive programs for auto machine shops in San Jose, Occidental Mindoro.

Respondents of the Study - The respondents of the study were 10 management accountants, 10 shop owners, and 30 customers in San Jose, Occidental Mindoro with a total of 50 respondents. In this study, management accountants are responsible to prepare financial reports, budgeting, forecasting, and cost control, and play a vital role in developing incentive programs for auto machine shops. Shop owners, on the other hand, are responsible for managing the day-to-day operations of the auto machine shop and are also involved in developing incentive programs for their customers and employees. Customers benefit from the incentive program because they drive revenue for the auto-machine shop. This study used non-probability sampling which purposively selected the respondents. The population of the study consists of management of 50 respondents. The selection of respondents was based on their experience and knowledge in developing incentive programs for auto machine shops.

Research Instrument - The research instrument used in this study was a self-constructed survey questionnaire. The instrument was designed to gather information on the challenges faced by management accountants in developing incentive programs, the best practices for developing incentive programs, and the impact of effective incentive programs on business performance. The questionnaire consists of a 4-point Likert scale to determine the level of agreement. The researchers sought the help of the expert to check and validate the self-constructed survey questionnaire.

Data Gathering Procedure - The data-gathering procedure was started first with the approval of the concerned organization and consent from the selected participants. The questionnaire was distributed through email and personal delivery. The respondents were given a deadline to return the completed questionnaire. The researcher also conducted interviews with some of the respondents to gather additional information in developing incentive programs for auto machine shops in San Jose, Occidental Mindoro.

Statistical Treatment of the Data - The data gathered using a questionnaire was incorporated into a tally sheet so that the total number of respondent's responses in each item is easily analyzed. The data gathered was interpreted and analyzed through a weighted mean. This was used to determine the assessment on developing an incentive program in an auto-machine shop in Occidental Mindoro.

3. Results and Discussions

Based on the data provided, Table 1 shows the role of management accountants in developing incentive

programs for auto-machine shops as assessed by the owners. It appears that the owner of the Auto-Machine Shop has a positive view of incentive programs and their potential to increase productivity, efficiency, and employee morale. The owner also seems willing to invest time and resources into developing and implementing an incentive program. A study by the Society for Human Resource Management (SHRM) supports the idea that incentive programs have a positive effect on employee motivation and performance. The study found that organizations that offer incentive programs experienced a 26% increase in profitability compared to those that did not offer such programs (SHRM, n.d.). Another study published in the Journal of Management found that incentive programs can have a positive impact on employee morale and job satisfaction. Employees who were satisfied with their incentive programs reported higher levels of work satisfaction and were less inclined to leave their businesses, according to the study (Manzoor et al., 2021). It is crucial to remember, however, that not all incentive programs are created equal, and their efficacy might vary depending on factors such as the type of incentive, the target demographic, and the program's aims. A study published by Condly et al. (2003) found that incentive programs that are tailored to an individual's needs and preferences are more effective than generic programs.

Table 1

Mean of role of management accountants in developing incentive programs for auto-machine shops

As an owner of the Auto-Machine Shop...	Mean	Interpretation
1.1 I believe that a management accountant plays a crucial role in developing an incentive program for auto-machine shops.	3.30	Agree
1.2 I believe that incentive programs can help increase productivity and efficiency in our shop	3.10	Agree
1.3 I am willing to invest time and resources in developing and implementing an incentive program.	2.60	Agree
1.4 I believe that incentive programs can help improve employee morale and job satisfaction in our shop.	2.90	Agree
1.5 I believe that offering other incentives to employees who meet a certain performance target can help drive business growth and success.	3.20	Agree
GENERAL ASSESSMENT	3.02	Agree

Table 2

Mean of the effectiveness of incentive programs for auto-machine shops as assessed by management accountants

As a management accountant...	Mean	Interpretation
2.1 I have the necessary skills and knowledge to develop an effective incentive program in our organization	3.40	Agree
2.2 I believe that an incentive program would be beneficial for employees and the shop as a whole	3.30	Agree
2.3 I am confident that I can accurately track and measure the success of an incentive program	3.20	Agree
2.4 I have access to the necessary resources and support to successfully implement an incentive program	3.20	Agree
2.5 I believe that the incentive program will affect employee morale and productivity.	3.30	Agree
GENERAL ASSESSMENT	3.28	Agree

Based on the findings as shown in Table 2, it shows that the management accountant is interested in implementing an incentive program in the organization. The accountant agrees that they have the necessary skills and knowledge to develop an effective incentive program, and they believe that the program would be beneficial for employees and the shop as a whole. They also express confidence in their ability to accurately track and measure the success of the program, and they believe that they have access to the necessary resources and support to implement it successfully. Additionally, the accountant believes that the incentive program affects employee morale and productivity. The findings are similar to Liu & Liu (2022) findings, they found that incentive programs can increase employee motivation and effort, but only when the Incentives are perceived as fair and meaningful. Therefore, it implies that the implementation of an incentive program in the organization has a positive impact on employee morale and productivity.

Table 3*Mean of best practices for developing incentive programs as assessed by the customers of auto-machine shops*

As a customer of an Auto-Machine shop.....	Mean	Interpretation
3.1 I would be more likely to return to an auto-machine shop that offers incentives for us.	3.40	Agree
3.2 I believe that incentive programs can improve the overall quality of service.	3.10	Agree
3.3 I would be willing to pay a slightly higher price for services in the auto-machine shops that offer reward programs.	2.70	Agree
3.4 I believe that incentive programs can help to build our loyalty in the Auto-Machine Shop	3.20	Agree
3.5 I would be more likely to recommend an auto-machine shop to my friends and family if it offers a reward program.	3.60	Agree
GENERAL ASSESSMENT	3.20	Agree

Table 3 shows the best practices for developing incentive programs as assessed by the customers of auto-machine shops, it shows that the majority of customers surveyed have a positive view of incentive programs offered by auto-machine shops. They believe that such programs can improve the quality of service, build loyalty, and make them more likely to return and recommend the shop to others. A study conducted by Curtis et al. (2011) supported these findings and found that customer loyalty programs have a positive impact on customer satisfaction and loyalty. According to the authors, providing prizes and incentives to consumers might motivate them to continue doing business with a company, resulting in increased customer retention and advocacy. Xu et al. (2017) discovered that incentive programs have a positive effect on consumer behavior in their study. The author suggests that offering rewards can influence customer purchasing decisions and encourage repeat business. In conclusion, the data and supporting studies suggest that incentive programs can have a positive impact on customer satisfaction and loyalty in the auto-machine shop industry. By offering rewards and incentives, shops can encourage repeat business, build customer loyalty, and improve the overall quality of service.

4. Conclusions

Based on the findings, it is concluded that the management accountant of the Auto-Machine Shop has a positive view of incentive programs and believes they can improve employee motivation, performance, morale, and job satisfaction. According to supporting studies, incentive programs can improve employee engagement and productivity, and careful evaluation of the type of incentive program and its target audience is critical for maximizing its success. Additionally, incentive programs can have a positive impact on customer satisfaction and loyalty in the auto-machine shop industry by encouraging repeat business and building customer loyalty.

4.1 Recommendations

From the above-mentioned conclusion, this study recommends the management accountant consider implementing an incentive program that is connected to the specific needs and goals of the auto-machine shop. The program could include a combination of financial and non-financial incentives, such as bonuses, recognition, and opportunities for professional development, to motivate employees and improve their job satisfaction. It could also include measures to track and evaluate the effectiveness of the program, such as monitoring employee performance and conducting regular surveys to gather feedback from employees and customers. By carefully designing and implementing an incentive program, the management accountant can help to improve employee motivation, productivity, and job satisfaction, ultimately leading to increased customer satisfaction and loyalty, and driving business growth and success.

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