

The Effect of Incentive Principles Based on Mato System toward Firm Performance through Employee Productivity

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ABSTRACT

This study aims to examine the role of employee work productivity as a mediating variable in the relationship of the incentive principles based on mato system toward firm performance. Data was collected by means of survey method through questionnaire filled out by 77 respondents. Data of the study was collected by means of PLS. There is a positive effect of the incentive principles based on mato system toward firm performance and the finding shows that employee work productivity has a positive role to mediate the effect of incentive principles based on mato system toward firm performance. Incentive principles based on mato system is a new variable in the realm of management accounting. The variable reflects a unique business management in a restaurant firm, and is evidently able to improve employee work productivity to create value added of the restaurant firm.

Keywords: Incentive principles, mato system, employee work productivity, firm performance, value added, Profit sharing