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CONSTITUENTS OF APPLYING THE TARGET COST AND VALUE ANALYSIS AS TOOLS TO REDUCE COSTS IN THE INDUSTRIAL ESTABLISHMENTS OF THE CONDOR COMPLEX

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ABSTRACT

This study aims to examine the extent to which the necessary conditions for implementing target costing and value analysis methodologies are present in institutions operating within the Condor Complex, given the critical role these approaches play in cost reduction and enhancing organizational competitiveness. Additionally, the study seeks to identify potential challenges that may hinder their implementation.
To achieve these objectives, data were collected through a questionnaire and analyzed using SPSS Version 23 to test the hypotheses and derive relevant findings.
The results indicated a general lack of interest among institutions within the Condor Complex in adopting target costing and value analysis methodologies. This reluctance is primarily attributed to unfavorable economic conditions that discourage the use of modern cost management techniques. Nevertheless, the study identified certain enabling factors that could support the adoption of target costing in specific institutions within the complex to help reduce costs.

KEYWORDS

Target costing, Value analysis, Cost reduction

CITATION

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Introduction.

The rapid development in the modern production environment, such as theintensification of domestic and international competition, the acceleration of the market pace, and the diversification of customer needs, along with the shortening of the life cycle of products, have led to the necessity of developing cost calculation methods. Dealing with this issue has become a vital matter that requires objectivity and reliance on scientific foundations to make effective and rational decisions.

The targeted cost and value analysis approaches are among the most prominent strategic management accounting methods that have been developed. Their application has proven remarkable success in industrial institutions, and their use has contributed to achieving competitive advantages that have enabled them to outperform the capabilities of their competitors in the market.

A. Research problem of study:

Algerian industrial institutions face intense competition from foreign institutions in terms of quality and price of the product, such that their use of traditional methods in measuring costs and pricing their products no longer guarantees them the ability to survive and continue to compete, so they had to search for modern

methods of measuring cost, and both cost are considered Target and value analysis are modern methods that can help the organization, and from here the following question can be asked:

Do the industrial institutions active in the Condor complex have the capabilities to apply the targeted cost and value analysis approaches in light of the increasing intensity of competition at the local and global levels?

Study hypotheses

- Components are available to support the application of the target cost approach in the industrial enterprises of the Condor complex.
- The industrial enterprises in the Condor complex rely on the value analysis approach to achieve the target cost.
- The enterprises active in the Condor complex are encountering difficulties which hamper the application of the target cost and value analysis methodologies.

B. The importance of the study:

The importance of the study lies in the importance of the role of the industrial sector in development, and the intense competition facing this sector, and its importance also comes from the importance of the target cost method and the value analysis method as two relatively modern methods of reducing costs.

C. Study method:

The study used the descriptive-analytical approach, collecting primary data from the study population and analyzing them statistically to reach conclusions about the study areas, and the questionnaire is the primary data collection instrument that was designed to measure the facts found in the institutions of the study population.

D. Theoretical framework and previous studies:

A deeper understanding of the importance and role of target costing and value analysis as strategic tools in cost management can be gained through the theoretical framework and previous studies, paving the way for more detailed applied studies on this topic in specific economic contexts.

1. Theoretical framework:

The essence of the theoretical framework lies in the integration between these two concepts. Target cost defines the strategic goal of reducing costs, while value analysis provides the tools and techniques necessary to achieve this goal effectively. By combining them, organizations can achieve a balance between meeting customer requirements and achieving profitability goals, which leads to Enhancing competitiveness and sustainable growth.

1.1. The concept of target costing and value analysis

The concept of target cost appeared at the beginning of the last century, and interest in it increased after the countries that adopted it achieved great successes, the positive effects of which were evident in improving quality and reducing costs in accordance with customer requirements, in light of the prevailing competition in the market.

The application of value analysis, or what is known as engineering value management, began during the Second World War at the hands of General Electric, in response to the severe shortage of skilled labor, raw materials, and spare tools due to wartime conditions. Lawrence Miles and Harry Erlicher) The company's efforts to search for suitable alternatives They noted that these alternatives often lead to either reduced costs or improved product quality, and sometimes achieve both goals together. Given the urgent need to adopt value engineering as a regular process, some companies have adopted this approach within various programs related to management concepts. Total Quality (TQM).

As this concept developed, several different names appeared for it. Some called it Value Analysis, others preferred to call it Value Management, while others chose it under the name Evaluation Engineering. However, the most common name is Engineering Value (Hatem, 2008, p.111).

1.1.1. The concept of target cost:

The Consortium for Advanced Manufacturing-international defines cost-target technology as:

"It is a system for profit planning and cost management that depends on the selling price, focus on the customer, product design, and the presence of an integrated work team committed to implementing the system.Applying the targeted cost system allows the practice of cost management in the early stages of product development, and this practice continues throughout the product life cycle through active dealing with Total value chain". (Ben Barika and Bakroun, 2017, p. 158)

Atkinson & Kaplan defined the target cost as:

"It is one of the administrative cost tools used by planners during the product design stage with the aim of developing the approach while reducing costs, by facilitating communication between members of the team responsible for the design.The approach is based on starting by determining the target price that the customer is willing and able to pay for the service and then determining The profit margin that management wants to achieve, subtracting that margin from the target price To determine the target cost, in other words, this approach goes in the opposite direction to the traditional approach to pricing, that is, it starts from the target price all the way to the target cost. (Abbas., 2018, pp. 289)

It is defined as:

"A system for profit planning and cost management that relies on the selling price as a basic guide, taking into account the customer's requirements and desires, and focuses on designing and redesigning the product. Its preparation requires an integrated work team that includes all specializations that begins with cost management in the initial stages of product development and during its life cycle, and value chain activities represent An important part of the system.". (Khaled and Fatah, 2015, p.223)

There are many definitions of target cost, yet they share a series of important steps:

- Determine the target price in the context of market needs and competition
- Setting a target profit margin;
- Determine the allowable cost to be achieved;
- Calculate the potential cost of current products and processes;
- Comparing the target cost with current costs and trying to narrow the gap between them.(Burak & Mert, 2005, p. 03)
-

1.1.2. The concept of value analysis:

There are several definitions of value analysis technique, including:

Blocher and others believe that: "The philosophy of value analysis is used in designing target costs to reduce the cost of the product by analyzing the various functions of the product, and that the basic step in completing value analysis is conducting analyzes during the design stage of the new or modified product from the point of view of The customer (Consumer) and this analysis diagnoses the customer's basic preferences. (Talib, 2017, pp. 579).

As for the French Association for Standardization (AFNOR) (Association Française des Normes), it defines value analysis as: "a method of organized and creative competition that aims to fully satisfy the customer's needs. It is a functional, economic and collective method at the same time". (Al-Bayati, 2016, p. 274)

It has also been defined as: "a structured and systematic approach directed at analyzing the function of systems, equipment, facilities, services and supplies for the purpose of achieving their functions at the lowest life cycle costs consistent with required performance, reliability, quality and safety". (Jay & Danny, 2006, p. 01)

Through the previous definitions, we can know that value analysis is a systematic process used by a multidisciplinary team to improve the value of a project by analyzing its functions. It is clear to us that the value of project design can be improved in three basic ways:

- Maintaining the functional performance of the design at a lower cost.
- Improving the functional performance of the design at the same cost
- Improving the functional performance of the design upon an acceptable increase in cost.

1.1.3. Methodology for applying the two methods:

For the purpose of pricing the product based on the target cost, the following steps are followed: Determine the product that achieves and meets the needs of potential customers:

This is done through market research, competition information, potential customers, the nature of the product, the expected life span of the product, the expected strength of competition, the strength of demand, and the financial capacity of the organization.

- Determine the target price for the product:

The target price is defined as the estimated price of the product, whether a good or a service, that prospective consumers are willing to pay. This estimate is built on the basis of customers' understanding and awareness of the value of this product and the reaction of competitors, after determining the target price, which is the starting point for target cost activities. There are many factors that affect the target price, including The nature of the product, the desires of the prospective consumer and the target market, the life cycle of the product, political and legal factors.

- **Determination of the desired profit margin:**

The target profit is linked to the company's planned profits, especially in the medium term, taking into account the cost of the funds that generate those profits. In the target cost entry, the target profit is first calculated in light of the medium-term profit plans that cover a period of 3-5 years, then the total profit is divided into target profits for each. Products that are marketed in the market in the future, while the rate of return on sales or return on investment is used to determine profits Targeted.

- Set target cost:

The target unit cost of the product is determined by subtracting the desired profit margin from the specified selling price in the market to reach the achievable (target) cost of this product in light of resources and activities, taking into account all special considerations and specifications of the product. In the event that the cost of the product appears greater than the target cost, special procedures can be initiated to search for Opportunities to reduce costs without affecting the main product characteristics and specifications that customers need through any means Known as value engineering.

- **Value engineering analysis procedures:**

Value engineering is defined as the method or method through which a company can reduce the estimated cost to the target cost, as each element or part of the product is tested to determine how the cost can be reduced while maintaining the function, quality, and performance of the product as a whole. Therefore, value engineering achieves its goals to reach Target cost through:

A - Identify improved product designs that reduce product costs without sacrificing product functionality and quality

B - Delete unnecessary functions or activities that increase product costs (Taha, 2010, p. 06).

2. Previous studies:

2.1. Study by Khaled Muhammad and Fath Al-Rahman (2015): "Integration between target cost and activity cost methods as strategic cost management tools to determine the cost of electricity production". (Khaled and Fath al-Rahman, 2015, p.p., 217 234).

The study aims to measure the cost of producing electrical energy using the integration of the target cost and activity cost methods as tools for strategic cost management The researchers believe in the necessity of using strategic cost management tools in calculating the cost of producing electrical energy because its cost takes into account political, social and economic factors, which requires working to reduce and support it so that the consumer can bear it. The study concluded that achieving integration between the targeted cost and cost methods according to the activity of the Sudanese Thermal Generation Company It leads to accurate measurement of the cost of electricity production The researcher recommended working to remove the targeted cost gap by developing production methods and adopting modern administrative methods such as value engineering, process re-engineering, and continuous improvement, with the aim of reducing costs and reaching the targeted cost.

2.2. «Impact of Target Costing on Competitive Advantage in the Manufacturing Industry: A Study of Selected Manufacturing Firms in Nigeria »

This study aimed to determine the level of adoption and implementation of target cost through manufacturing industries in southwestern Nigeria, by determining the impact of target cost on the overall performance of the manufacturing industry in southwestern Nigeria in terms of return on capital, employment profitability, and cost reduction. The study concluded that There is a certain level of reliance on target cost in industrial companies in southwestern Nigeria This provided it with certainty of prices in a more realistic way, enhancing the competitive advantage between companies and providing quality products at the lowest cost. The researcher recommended the necessity of coordination and involvement of workers in the financial and accounting sector in the process of applying targeted costs and careful monitoring of marketing and quality control in each process, carefully selecting suppliers.

2.3. Hillis and Al-Haddad's study (2012): "The extent of application of the target cost approach in Palestinian industrial companies operating in the Gaza Strip (field study)."

(Hales and Al-Hadad, 2012, p.p., 302 330)

The study aimed to identify the extent of application of the target cost approach in industrial companies operating in the Gaza Strip and the suitability of the Palestinian industrial environment for applying this approach as a modern concept in cost management, and also to identify the obstacles that prevent the application of the target cost approach The study concluded that despite applying the principles of the target cost approach, industrial companies operating in the Gaza Strip do not carry out the proper scientific application of the target cost approach, which is based on the target cost equation (target cost = target selling price– desired profit price margin).The researcher recommended the scientific and practical application of the target cost equation, which is:

(Target cost = expected price – required profit margin)

2.4. What distinguishes the study from previous studies:

This study is distinguished from others by its focus on the availability of the elements for applying the targeted cost and value analysis inputs, as none of the previous studies addressed the integration of these two inputs in achieving cost reduction. This study is also unique in its research environment, as it highlights the availability of the appropriate climate for applying these two inputs. In Algerian industrial institutions

3. Applied study:

Data Analysis This study will give us valuable insights into best practices and key challenges in applying target costing and value analysis. The results will contribute to enriching the practical understanding of these tools and providing applicable recommendations for organizations seeking to improve their financial performance and enhance their competitiveness.

3.1. The method used and study tools

The applied study included a review of the mechanism for selecting the study population and sample, identifying variables and methods for measuring them. The methods of data collection and the tools used in this were also explained, along with an explanation of the method of summarizing the collected data using appropriate statistical tools for its analysis, including hypothesis tests.

1.1 Study method

We presented the method used in the study by identifying the study population and the selected sample, in addition to reviewing the most important sources of data collection.

3.1.1. Study population and sample

The study population consists of employees working in industrial establishments at the Condor complex level. The sample was selected, consisting of 33 employees, related to the interests that the researcher can deal with if the target cost approach is applied. The following table shows the statistics for the questionnaire.

Table 1. Number of questionnaires distributed and retrieved in the study sample

statement	questionnaire	
	number	percentage
Number of forms distributed	33	100%
Number of lost and neglected forms	02	06%
Number of valid forms	31	94%

Source: Prepared by the researchers based on the outputs of SPSS V23

3.1.2. Methods of collecting information

In order to obtain the necessary information for the subject of the study, the following methods were relied upon:

3.1.2.1. Primary sources:

It consisted of distributing a questionnaire to collect the necessary information and data about the study population, process it, analyze it statistically, and obtain results using the spssv23 program.

3.1.2.2. Secondary sources:

The data sources used in the study included documents, bulletins, and statistics related to the research topic, in addition to books, references, and periodicals such as relevant magazines, studies, and previous research, in addition to websites specialized in the topic under study. As for the questionnaire questions, they were formulated based on the study's hypotheses, and for the purposes of statistical analysis and testing. Hypotheses: The sample members' answers were transcribed from the questionnaire, and the researcher used arithmetic means and standard deviation to accurately estimate the opinions of members of the research community.

In order to judge the value of the arithmetic mean within three categories (low, medium, or high); The range between the highest and lowest scores for the form, which is (01-05) = 04, was divided by the number of new arithmetic mean distribution categories (03) (low, medium, and high).

That is (04/03) and equals 01.33

Thus, the arithmetic mean is:

From 01 to 02.33 low;

From 02.34 to 03.67 average;

From 03.68 to 05 high.

3.2. Study tools:

3.2.1. Information collection tools

3.2.1.1. Data collection tools: The questionnaire was relied upon as a tool to collect the data necessary to test hypotheses and was designed in an easy and simple way with clear questions.

2.1.2 **Stability of the questionnaire**: That is, the validity of the questionnaire to measure the extent of the possibility of applying the two inputs of target cost and value analysis as tools for reducing costs in industrial institutions in the Condor complex. In order to measure the stability of the questionnaire and the credibility of the respondents in answering the questionnaire questions, the Cronbach alpha coefficient was used to achieve the desired purpose.

3.2.1.2. The method used: Questions in formulating questionnaire questions: In preparing the questionnaire questions distributed to the study sample, we adopted closed questions, where a specific set of options was presented for each question, and the respondent was asked to choose one of them. This type of question is used when the available options are known and predetermined.

3.2.1.3. Submitting the questionnaire form: The questionnaire was presented to the studied sample after it was formulated in an easy and simple way that attracted the respondent to answer it. It was divided into two parts as follows:

The first part: represents the personal information of the sample members and consists of 3 questions.

The second part: relates to the study's hypotheses and questions, and is divided into 3 axes:

The first axis: There are components that support the application of the targeted cost approach in the industrial institutions affiliated with the Condor complex.

The second axis: Industrial institutions rely on the value analysis approach to achieve the target cost.

The third axis: Institutions active in the Condor complex face difficulties that hinder the application of target cost and value analysis methodologies.

3.3. Statistical methods used

After obtaining the data, the questionnaire was emptied and analyzed through the statistical program (SPSSV23) and we performed the following statistical tests:

- The Alpha-Cronbach test to determine the stability of the questionnaire items
- Extracting the frequencies and percentages of each statement in the questionnaire
- Calculate the arithmetic means and standard deviation for each axis of the questionnaire
- Calculate the correlation coefficient
- T-TEST single-sample test to test study hypotheses.

Third: Analyze and interpret the results

1. Presentation of results related to general information

1.1. **Verifying the validity and reliability of the questionnaire**: Before extracting the results related to the problem of the subject, we studied the reliability of the questionnaire using the Cronbach's α coefficient. This coefficient is a ratio that measures the value of sample members who repeat the same answers if they were interrogated under the same circumstances.

Table 2. The value of the Cronbach's alpha reliability coefficient and the validity coefficient

axes	Phrase Count	Cronbach's alpha coefficient of stability	Validity coefficient
the first axis	06	0.613	0.783
the second axis	05	0.735	0.857
the third axis	05	0.798	0.893
total	16	0.682	0.826

Source: Prepared by the researchers based on the outputs of SPSS V23.

The results show that the reliability coefficient "A Cronbach" for the questionnaire items reached (68.82%), which is higher than the acceptable percentage (60%), which indicates the existence of internal consistency between the questionnaire questions directed to employees and thus the possibility of relying on the questionnaire results, their credibility, stability, and their ability to achieve Study objectives.

1.2. Display of characteristics relating to the specimen:

We have limited the study characteristics to three characteristics as follows: academic qualification, department to which he belongs, and years of work experience.

Table 3. Demographic characteristics of the study sample

Variables and their data		repetition	percentage
academic qualification	**Licenciate degree**	11	35.5
	master	07	22.6
	Magister	02	6.5
	doctorate	02	6,5
	professional certificate	04	13
	other certificate	05	16.1
total		31	100
The department to which he belongs	**Directorate**	02	6.5
	Quartermaster	04	12.9
	Accountancy	08	25.8
	Production	05	16.1
	Marketing	05	16.1
	Other Management	07	22.6
total		31	100
years of experience working	**From one to 10 years**	12	38.7
	From 10 years to 20 years	10	32.3
	From 20 years to 30 years	05	16.1
	30years and over	04	12.9
total		31	100

2. Questionnaire results and their statistical analysis

2.1. Results of the respondents' opinions regarding the paragraphs of the first axis: The following table shows the results reached on the questions of the first axis of the questionnaire, related to the elements that support the application of the target cost approach in the industrial institutions affiliated with the Condor complex.

Table 4. The components that support the application of the target cost approach in industrial institutions in the Condor complex.

the first axis	Strongly disagree	disagree	neutral	approved	strongly agree	arithmetic mean	standard deviation	General trend of the sample	arrangement
The organization calculates the cost of the product by subtracting the expected selling price from the required profit.	01	04	07	13	06	2,39	1,05	average	4
The organization includes a specialized work team to analyze production costs in advance.	00	03	02	19	07	2.03	0,84	low	6
The organization pays great attention to studying and analyzing competitors' products and comparing them with its own product.	00	02	09	17	03	2.32	0,75	low	5
The organization seeks to reduce product costs at an early stage of production.	02	09	08	08	04	2.90	1.17	average	1
There is interest by the organization's management in adopting an approach to managing costs by reducing them while maintaining the required quality.	01	09	01	14	6	2.51	1.21	average	2
The organization has constantly open communication channels between the organization's departments and customers, to know their preferences and reactions to the product and price.	02	04	08	10	7	2.51	1.18	average	2
The general average of the first axis						.244	0,61	average	

Source: Prepared by the researchers based on the outputs of SPSS $_{V23}$.

Table No.(5) shows that the arithmetic average of the total score related to the availability of the elements for applying the target cost input in the industrial institutions affiliated with the Condor complex was average, reaching (2.44) with a standard deviation of (0.611).This indicates that the opinions of most of the sample members were centered around The same answer, due to the standard deviation being less than one.

Note that out of six items showing the degree of availability of the components for the application of the target cost input in the industrial enterprises of the Condor complex, the majority, specifically four items, had a medium degree, in contrast, items No.02 and 03 achieved high scores with an arithmetic mean of (2.03) and (2.32) respectively, and item No.4 also shows that the enterprise seeks to reduce production costs in the early stages of the production process.

2.2. Results of respondents' opinions regarding the paragraphs of the second axis: The following table shows the results reached regarding the questions of the second axis of the questionnaire, related to industrial institutions relying on the value analysis approach to achieve the target cost.

Table 5. Industrial institutions rely on the value analysis approach to achieve the target cost

the second axis	Strongly disagree	disagree	neutral	approved	strongly agree	arithmetic mean	standard deviation	General trend of the sample	arrangement
The organization cancels or merges some production activities that do not affect the quality of the product, with the aim of reducing the cost of production to a possible extent.	03	08	05	08	07	2,74	1,341	average	01
The organization motivates employees to work as a team to reduce waste (time, production factors)	00	08	02	15	06	2.39	1,086	average	05
Using market research to evaluate what the customer's requirements are within the target cost level.	05	04	03	14	05	2,67	1,351	average	02
When designing the product, the organization sets distinctive and important characteristics that satisfy the customer within the target cost level.	02	06	04	10	09	2.41	1.285	average	04
The organization is concerned with the quality of similar parts, which are used in two or more products to reduce costs.	01	07		14	6	2.51	1.121	average	03
The general average of axis 2								**average**	

Source: Prepared by the researchers based on the outputs of SPSS $_{V23}$.

It is clear from Table No.(6) that the value of the arithmetic average of the total score for the institution's use of the value analysis input to reach the target cost was of an average degree, and this is with an arithmetic average of (2.55) and a standard deviation of (0.866).This indicates that the answers were not dispersed and the sample members agreed on one opinion.

It is noted that all five (5) items that show the degree to which the institution used the value analysis approach to reach the target cost were all of an average degree, which proves that there is use of the value analysis approach in these institutions.

2.3. Results of respondents' opinions regarding the paragraphs of the third axis: The following table shows the results reached regarding the questions of the third axis of the questionnaire, related to the difficulties of applying the targeted cost and value analysis inputs in institutions active in the Condor complex.

Table 6. Difficulties in applying the two inputs of target cost and value analysis in the Condor complex

The third axis	Strongly disagree	disagree	neutral	approved	strongly agree	arithmetic mean	standard deviation	General trend of the sample	arrangement
Management ignores the target costing technique and considers it merely an accounting word or phrase that has nothing to do with the industry.	01	15	03	07	05	3,00	1,238	average	04
Cost management suffers from the lack of a database of product costs, which poses difficulty in using the targeted costing technique.	00	12	05	10	04	2.81	1,108	average	05
The lack of intense competition between single-sector institutions prompts institutions to ignore the use of target cost and value analysis.	01	09	04	08	09	2.51	1,287	average	02
Fear of adopting new methods different from the methods currently used in the company.	04	04	04	12	07	2.55	1.338	average	01
The concept of target cost and the concept of value analysis are not clear in practice for many economic units	02	04	04	12	09	2.52	1.288	high	03
The general average of axis 3								average	

Source: Prepared by the researchers based on the outputs of SPSS V23.

Through the previous table No.(7), we note that the opinions of the study sample members regarding the degree of difficulties in applying the two inputs of target cost and value analysis in the institutions active in the Condor complex were of an average degree, and all of this appears in the general average, which falls within the second category, 2.19 – 3.67, and a standard deviation of 0.933 indicates agreement and consistency between the opinions of the sample members and their focus on the fact that there are some difficulties in applying the two techniques.

2.4. Calculation of the correlation coefficient:

There is a correlation at a significance level equal to α=0.00 between applying the target cost and value analysis in an integrated manner and reducing costs.To find this relationship, the Pearson test was used as shown in Table No.(11).

Table 7. Value of the correlation coefficient

	Reduce costs	
Target cost and value analysis	Correlation coefficient	Significance level
	0.736	**0.00**

Source: Prepared by the researchers based on the outputs of SPSS V23.

From Table 11, it is clear that the value of the correlation coefficient between "cost reduction" and "target cost and value analysis" is r=0.736, indicating a r-value close to 1 that there is a strong correlation between the two variables. This means that focusing on target costing and value analysis is positively associated with cost reduction, reflecting a direct relationship between them.

The significance level here is 0.00, indicating that the relationship between the two variables is very strong statistically significant, which means that the probability that this relationship is due to chance is almost non-existent, which reinforces the dependence on the strength of the relationship. (Mahfouz, 2009, p.711)

2.5. Analysis and interpretation of results related to hypotheses

"To test hypotheses (T) for a single sample (one-simple t-test) to judge the significance of the differences between the sample mean and a previously determined fixed value, the spssv23 program calculates the (t) test for a single sample by using the equation in the case of differences between a sample mean and a population mean" (Firdaws & zedira, 2025, p.17).

Testing the first hypothesis: "There are elements for applying the target cost approach in industrial institutions in the Condor complex".

Table 8. Testing the first hypothesis

Results of the null hypothesis	T-value	Statistical significance Sing	arithmetic mean
Rejected	22,245	0,000	2,44

Source: Prepared by the researchers based on the outputs of SPSS V23.

The t-test has been tested and the results in Table No.(8) indicate that the statistical significance sing (0,000) is less than 0.05, and since the calculated T value (22.24) is greater than the tabular T value, we therefore reject the null hypothesis and accept the alternative hypothesis: There are components to applying the target cost approach in industrial institutions in the Condor complex.

Testing the second hypothesis: "Industrial enterprises in the Condor complex use the value analysis approach to reach the target cost".

Table 9. Testing the second hypothesis

Results of the null hypothesis	T-value	Statistical significance Sing	arithmetic mean
Rejected	16,392	0,000	2,54

Source: Prepared by the researchers based on the outputs of SPSS V23

The t-test has been tested, and the results in Table No.(9) indicate that the statistical significance sing (0.00) is less than 0.05, and since the calculated T value (16.39) is greater than the tabular T value, we therefore reject the null hypothesis and accept the alternative hypothesis: Industrial institutions in the Condor complex use the value analysis approach to reach the target cost.

Hypothesis Test III: "There are difficulties that hinder the application of the two approaches of target cost and value analysis in the institutions active in the Condor complex".

Table 10. Testing the third hypothesis

Results of the null hypothesis	T-value	Statistical significance Sing	arithmetic mean
Rejected	15,972	0,000	2,67

Source: Prepared by the researchers based on the outputs of SPSS V23.

The t-test has been carried out and the results in Table No.(10) indicate that the statistical significance sing (0,000) is less than 0.05, and since the calculated T-value (15.97) is greater than the tabular T-value, we therefore reject the null hypothesis and accept the alternative hypothesis: There are difficulties that hinder the application of the target cost and value analysis inputs in institutions active in the Condor complex.

Conclusions

Results:

The study concluded with the following results:

– There is a great lack of interest on the part of the institutions operating in the Condor complex in the methods of targeted cost and value analysis, due to the economic climate that does not encourage the search for modern methods of cost management.

– The industrial enterprises active in the Condor complex rely more on the experience of their employees in determining industrial cost than on modern methods of cost management.

– There are elements that help to apply the target cost in reducing costs in some of the institutions active in the Condor complex.

– Using the targeted value and cost analysis techniques in an integrated manner helps in reaching the lowest cost that the organization aims for.

– Most of the organizations in the Condor complex do not include a specialized cost analysis team, and employees do not feel that their role is important in the decision to reduce costs.

– There is a fear on the part of the institutions active in the Condor complex to adopt new methods different from the methods currently used in the institution.

Suggestions: Based on the previous results reached, the researchers suggest the following:

– The management of the enterprise should encourage the exchange of experience between the different departments through decentralization, and benefit from the experience and opinions of employees on the decision to reduce costs.

– A multi-characteristic and multi-tasking team should be set up whose task is to work on the analysis of production costs in advance.

– It is necessary to hold seminars and training courses for the organization's employees to control more modern methods of cost management.

Action to remove obstacles and overcome difficulties preventing the application of the techniques of target costing and value analysis.

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