

Barriers of Implementing Target-Oriented Costing in Hospital of Tabriz

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ABSTRACT

Purpose-based costing is a modern evaluation technique used to advance organizations and companies. However, Iran has not utilized the technique yet. Thus, the present study aims to investigate factors affecting costing systems based on purpose in Hospitals of Tabriz in northwestern Iran. The statistical population of the study included all staff members working in the financial section of Hospitals in Tabriz from among which 64 subjects responding to the questionnaires were selected as statistical sample. The questionnaires were of two parts. In the first part, effective factors including organizational, human and environmental factors were investigated. In the second part, barriers of operating the costing system including technical, behavioral and cultural barriers were identified. This study is a survey type in which non-parametric T test was used to assess research hypotheses. Results from the study revealed that organizational, human and environmental factors affect successful implementation of purpose-based costing system and technical, behavioral and cultural barriers do not affect its implementation.

1- Introduction

Target costing method is exactly the opposite of the traditional methods and targeted for a product begins with sale prices. Not only considers the current prices, future prices but also consider the life cycle model. This is the key technical and management concepts. Today, advances in technology and changes in the type of goods and services in the market and consequently rising customer expectations has led to the introduction of new accounting methods and systems. One of these new systems of management accounting, costing the target. These savings when traditional values are used as standard or cannot be identified based activities (Sa-

mavati, 2001).

The competitive conditions prevailing in the market, firms are required to manage components survival of the product (price / cost, quality and function), because in today's economy it is impossible to maintain a long-term competitive advantage creating the appropriate fields of technical, behavior and culture (Ali Var, 2004). For effective implementation, target cost should be spread throughout the value chain and all the employees have accepted it. Based Costing special attention to the purpose of the product life cycle and continuous improvement and customer needs has always placed a priority (Hejazi, 2003).



One way to reduce costs, the transition from traditional to modern accounting is accounting system. Intense competition at the international level, most institutions, including manufacturing and service companies, banks, etc., which makes their products and services with excellent quality and lowest cost of the market. Target Costing as an important tool to increase competitiveness, has been created. A competitive product operating needs such as cost, performance, functionality, timely delivery of goods, flexibility and quality audience. Importance of this factor from one crop to another and vary from market to market. producers can not compete with the future in terms of the price the customer is willing to pay, to produce their product based costing goal in Tabriz, was needed. Thus, The present study aims to investigate the barriers of implementing target-oriented costing systems in hospitals of Tabriz.

2- Research Questions

- Do technical factors act as a barrier for purpose-based costing systems in hospitals of Tabriz?
- Do behavioral factors act as a barrier for purpose-based costing systems in hospitals of Tabriz?
- Do cultural factors act as a barrier for purpose-based costing systems in hospitals of Tabriz?

Research Hypotheses

- Technical factors are barriers of implementing target-oriented costing systems in hospitals of Tabriz.
- Behavioral factors are barriers of implementing target-oriented costing systems in hospitals of Tabriz.
- Cultural factors are barriers of implementing target-oriented costing systems in hospitals of Tabriz.

3- Methodology

Several factors affect the successful implementation of target costing. The implementation was successful. management methods and a targeted set of marketing tools is to direct costs, determine the goals of the new product planning and design activities and ensure that these products are designated profitability goals during their lifetime, they will arrive and determine the goals of design and cost reduction, the Snake's help. In fact, the cost is an issue, a powerful strategic tool that is at the same time, organizations are able to find the three dimensions of quality, cost and time and costs before the outbreak of the cultural as well as provides that value to the client, the time coordinate w functions and makes data transparent. In fact, the cost of routing the aim is for the approach to the price of a product or service in situations where the price is determined based on the competition and the expected profits of the preset. According to the type and organizational structure of each of the organizations has different obstacles can be found for them to be expressed in this research follows the research Hemmati et al, (2012) of three factors: the behavioral, cultural, technical is used.

- Technical field: Get the new information through tools such as balancing, value engineering and executive teams
- The field of behavior: In addition to the limitations in terms of the cost functional and specialized features of a product by the designer
- The cultural field: Pay attention to the teamwork and the effectiveness of the role of all the units in the implementation of the program implementation and acceptance of all people of the Organization for the implementation of the program

4- Findings

As it can be seen in table 1, from all 64 individuals participating in the study, 10 people (24.6%)

had less than five years of experience, 12 people (18.8%) had five to nine years of experience, 19 people (29.7%) had 10 to 14 years of experience, 16 people (25.0%) had 15 to 25 years of experience and finally 7 people (10.9%) had more than 25 years of experience.

Table 1: subjects of the study based on their years of experience

experience	number	Percentage
Less than five years	10	24.6
5 to 9 years	12	18.8
10 to 14 years	19	29.7
15- 25 years	16	25.0
More than 25 years	7	10.9
Total	64	100

For research factors, mean, standard deviation, variance, minimum and maximum were calculated and are presented in table 2.

Table 2: results from descriptive analyses on research data

Variable	Number	Mean	Standard deviation	Minimum	Maximum
Technical barriers	64	2.6699	0.54662	1.75	4.38
Behavioral barriers	64	2.6354	0.62211	1.00	4.33
Cultural barriers	64	2.7188	0.65200	1.00	4.50

Here is the results from the Kolmogorov-Smirnov test for normality of the data.

Table 3: Test of normality of the data

Variable	Kolmogorov-Smirnov statistic	Possibility
Technical barriers	0.296	0.000
Behavioral barriers	0.264	0.000
Cultural barriers	0.239	0.000

5- Discussion and conclusion

According to the results, it was determined at the level of confidence of 95%, technical factors of the obstacles on the basis of the cost of acquisition system implementation aimed at hospitals in the city of Tabriz. As the second chapter was stating the presence or absence of r-factor hardware and technical is one of the obstacles to the implementation

of the system is based on the cost of acquisition for the purpose as chapter IV-r was also expressed from the perspective of technical factors, respondents of the obstacles on the basis of the cost of acquisition system implementation aimed at hospitals in the city of Tabriz.

According to the results was given at the 95% confidence level, behavioral factors of the obstacles to the implementation of the system of the cost of the issue on the basis of the target hospitals in the city of Tabriz. The behavioral factors of obstacles was expected to run the system on the basis of the cost of acquisition for the purpose of this research is that in the view of the respondents, the obstacles to the implementation of the target system are not based on the cost of the issue because it would be the lack of understanding and lack of sufficient experience respondents on the cost issue, based on the purpose of the expression.

According to the results, it was determined at the level of confidence of 95%, the cultural factors of the obstacles to the implementation of the system of the cost of the issue on the basis of the target hospitals in the city of Tabriz. In many texts the country of Japan as the cradle of the cost issue is based on the obvious purpose e.g. it was noted that the Japanese people because they are the indicators in the implementation of the cost issue is based on the successful target trend and this cost is an issue, due to the cultural conditions of other countries that fail in this investigation from the perspective of cultural factors, respondents of the obstacles on the basis of the cost of acquisition system implementation aimed at hospitals in the city of Tabriz. According to the results of the research showed that respondents from the perspective of individual factors of the most important factors in the implementation of the cost of acquisition is based on target so it is recommended that policy makers and managers to pay more attention to this element in the implementation of the cost issue is based on the successful goal.

According to the results of the research showed that respondents to any of the obstacles to the implementation of positive votes have not therefore seem to be the managers of the other research done and the experiences of other countries.

According to the results of the research showed that respondents to any of the obstacles to the implementation of positive votes have not therefore seem to be the reason for this is not familiar and tangible cost method is not an issue on the basis of the objective is, therefore, it is recommended that before the implementation of this method proceeded to justify staff.

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