



The Relationship between Cost Reduction Techniques and Profitability

Akintola, S. K. ^{a*}, Omotola, A. A. ^a and Adeeyo, I. T. ^a

^a *Department of Accounting, Federal School of Statistics, Nigeria.*

Authors' contributions

This work was carried out in collaboration among all authors. All authors read and approved the final manuscript.

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ABSTRACT

The main difficulty encountered by organizations recently is the increase in the cost of operation that could lead to inevitable cost control and reduction scheme which makes it difficult for most organizations to operate at the cost-efficient frontier. The main objective of this study is to determine the relationship between Cost reduction technique antecedents and profitability of organizations in a selected manufacturing company, Oyo state, Nigeria.

The study adopted a descriptive research design. The targeted population was employees in the selected manufacturing company. The unit of observation was sales managers, salespersons, and employees. The sample size was 80. SPSS was used to organize code and generate a quantitative report. The data were analyzed using descriptive and inferential statistics.

The study found that fleet management is positively correlated with profitability in selected manufacturing company ($r = 0.564$; $P\text{-value} = 0.000 < 0.05$). The result reviewed that there's a significant relationship between fleet management and profitability in selected manufacturing companies. It was also found that there is a positive relationship between management control and profitability of the selected manufacturing company. The third hypothesis also shows that there is a positive relationship between improved manpower and profitability in a selected manufacturing company.

Moreover, the study concluded that there is a relationship between Cost reduction technique antecedents and profitability of organizations in a selected manufacturing company. The study recommended that Cost control and cost reduction scheme must be properly administered in an organization by setting a realistic standard.

Keywords: Cost reduction techniques; profitability; fleet management; management control; improved manpower.

1. INTRODUCTION

Any company's ability to manage costs has a significant impact on its growth. This is partly due to the fact that in order to maximize profit, costs must be kept to a minimal minimum. Cost-cutting has become a critical technique for businesses to remain ahead of the ever-increasing competition in the marketplace (Alireza & Mahdi, 2012). Even profitable businesses might benefit from cost-cutting measures that result in a significant increase in overall income from their products or services. According to Ogunnaike (2010), effective and efficient cost management is required not only to accomplish the company's profit objectives but also to maintain the entity's going concern status. To set a new high in terms of profit growth.

According to Asaolu and Nassar (2007), cost reduction is a term that refers to a deliberate and positive effort to increase efficiency. It can be seen in a variety of ways, including as a means of enhancing productivity and reducing waste. Cost reduction, according to Lucey (2009), is a notion that aims to reduce costs from a previously recognized norm or standard without compromising the project's or services' efficacy or performance.

Control, according to Dury (2007), is the process of ensuring that an organization's activities follow a standard plan and that its objectives are met. A cost control system, according to Sikka (2003), consists of strategies and procedures for controlling a job's operational costs and ensuring that costs do not rise.

However, while the goal of all production is to satisfy people's wants, certain expenditures must be expended in order to achieve the stated organizational goal, whether that goal is to satisfy people's wants or to maximize profit. In order for a company to meet its goals, it must implement adequate, powerful, and effective cost-cutting methods (both formal and informal). The efficacy of these procedures, on the other hand, may have allowed some of these businesses to continue operating despite adverse conditions such as inflation. Many Nigerian businesses, particularly those in the manufacturing sector, are currently experiencing severe earnings squeezes. A lot of causes contribute to this ward state, including the rising expense of doing

business in Nigeria, as well as the sharp drop in the Nigerian foreign exchange market. The situation is made worse by the fact that our (Nigeria's) economy is experiencing triple-digit inflation. In order to sustain earnings in the face of the conditions, these businesses must decide on a cost-cutting culture, increase productivity to boost profitability and diversify into a whole new market area. In addition, it will improve the company's competitiveness and provide a reasonable profit margin for survival, growth, and expansion.

1.1 Statements of the Problem

The key challenge that organizations have recently faced is an increase in operating costs, which could lead to an unavoidable cost management and reduction scheme, making it difficult for most businesses to function at the cost-effective frontier. Every company that wishes to stay afloat and keep its customers must strive to enhance its product. As a result, in order to stay under budget and avoid going into the red, as well as to maintain the quality of their products, the company must maintain cost management and keep costs to a bare minimum. As a result, the study looks into the extent to which cost management and cost reduction measures are used, as well as their impact on an organization's operational efficiency. The key challenge that organizations have recently faced is an increase in operating costs, which could lead to an unavoidable cost management and reduction scheme, making it difficult for most businesses to function at the cost-effective frontier. Every company that wishes to stay afloat and keep its customers must strive to enhance its product. As a result, in order to stay under budget and avoid going into the red, as well as to maintain the quality of their products, the company must maintain cost management and keep costs to a bare minimum. As a result, the study looks into the extent to which cost management and cost reduction measures are used, as well as their impact on an organization's operational efficiency.

Bans on the importation of certain basic raw materials, as well as the payment of extended excise fees, have forced some businesses to cease indefinitely or produce at a high cost, causing even local items to be expensive and sales volume to below. This has resulted in low-

profit margins, retrenchment, mandatory leave, and retirement with or without benefits, all of which have a negative impact on the company. As a result of the increasing costs, businesses are finding it difficult to maintain a decent pay-off. As a result, the main challenge that companies have recently faced is a rise in operating costs, which may necessitate a cost-cutting strategy. Most businesses find it challenging to function at the cost-effective frontier as a result of this cost-cutting plan.

Another issue is that many cost-cutting efforts are either ineffective or fail to stay. There are some items that, no matter how much you decrease the costs, the returns will still be unviable, either because buyers don't value them or because someone else will always be willing to sell them cheaper. Although various experts have made significant attempts to determine what appears to be the best cost-cutting technique for businesses and its impact on reported profit, there is no universally agreed theory. The survival triplet for every organization today, according to Innes, John, Mitchell, and Sinclair (2000), is how to manage product/service cost, quality, and performance. Customers are constantly seeking higher-quality, higher-performance products/services while yet expecting reasonable pricing. The company's stockholders are also demanding a minimum rate of return on their investment. As a result, the expense has devolved into a residual. The problem is being able to produce items or deliver services within a reasonable budget. Innes, John, Mitchell, and Sinclair (2000) ended their research by recommending that, in order to promote profitability and survival, cost management should be a continual improvement effort within the organization.

1.3 Objective of the Study

The primary goal of this research is to evaluate the association between cost-cutting technique antecedents and organizational profitability in a specific manufacturing company. The following are the precise goals:

- 1 Determined the relationship between fleet management and profitability in selected manufacturing companies.
- 2 Determine the relationship between management control and profitability in a selected manufacturing company.
- 3 Determine the relationship between improved manpower and profitability in a selected manufacturing company.

1.4 Hypothesis of the Study

The following hypothesis will be tested using a 96% confidence level with a 5% significance level.

H₀₁: There is no significant relationship between fleet management and profitability in a selected manufacturing company.

H₀₂: There is no significant relationship between management control and profitability in a selected manufacturing company

H₀₃: There is no significant relationship between improved manpower and profitability in selected manufacturing company

1.5 Significance of the Study

The study's significance is that it will assist the company in devising appropriate cost-cutting initiatives in order to maximize earnings. If the recommendation in the case study is implemented, it might be extremely beneficial to the firm. The suggestion could aid the business in resolving some of its operational and management issues. In two ways, the researcher stands to gain from this study. If the organization adapts the materials and recommendations, it may also catapult the researcher to greater heights. Future researchers may find it useful as a secondary data source.

1.6 Scope of the Study

The study looked at the relationship between the antecedents of cost-cutting techniques and the profitability of organizations in a specific manufacturing company. The coverage region is restricted to a single manufacturing firm in the state of Oyo. However, the survey includes employees at all levels of management, from the lowest to the highest. Employees and top management of the chosen manufacturing company are the target population. The study used a survey research design with all of the participants. The descriptive statistics method was used to evaluate the acquired data.

2. LITERATURE REVIEW

2.1 Cost Reduction and Techniques

Low manufacturing costs have become one of the most important methods for businesses to

compete in a global economy; as a result, cost reduction must always be on the minds of business leaders (McWatters, Morse, & Zimmerman, 2001). A planned method to reduce expense is known as cost reduction. It is a constant process of critically reviewing all cost aspects and every part of the business with the goal of increasing business efficiency. A corrective function is cost reduction. The process of reducing an organization's costs in order to make a profit is known as cost reduction. It begins after cost control is completed and assumes that no cost is at its most optimal level. Cost reduction, according to Adeniyi (2001), begins with the presumption that existing or planned costs are too high, despite the fact that cost control may be effective and organizations may be operating at high-efficiency levels.

2.2 Profitability

Profit, according to Pandey (2010), is the difference between revenues and expenses over time (usually one year). Profit is a company's ultimate product, and if it does not earn enough profit, it will be doomed. As a result, the financial management should analyze the company's profit efficiency on a regular basis. A firm must make a profit in order to exist and grow over time. Profit, according to Ezeamama (2010), is the difference between revenues and expenses over time. As a result, profitability refers to a company's, organization's, firm's, or enterprise's ability to profit from all of its business activities. It demonstrates how effectively management can create a profit by utilizing all available market resources. The term 'profitability,' on the other hand, is an efficiency index that is used as a measure of efficiency and a management guide to improve efficiency. Changes in operational efficiency are just one of the many aspects that influence an organization's profitability. Furthermore, there are numerous additional aspects that influence profitability, ranging from a firm's degree of competition, market competitiveness, the strength of demand, the state of demand, the advertising campaign, substitutes, costing methodologies, and the company's efficiency. After subtracting their manufacturing costs from the revenue generated after-sales, the companies arrive at their gross profit. As a result, the gross profit is calculated as the difference between the cost of products sold and the net revenue earned.

2.3 Theoretical Review

2.3.1 Going concern theory

The going concern concept implies that an entity will be able to continue operating for the foreseeable future and will not be forced to cease operations or liquidate its assets (The going concern principle, 2017). The ability of a corporation to produce enough money to stay afloat without going bankrupt is referred to as the "going concerned" notion. The notion is based on the assumption that an organization will continue to carry out its operations for a long enough length of time to satisfy its obligations and commitments when they become due. In other words, it is assumed that the company will not be compelled to liquidate or cease operations in the near future. Because it is anticipated that a company would not be forced to cease operations, management must establish precautions to prevent anything from defying this premise. Uncontrolled costs can compel a corporation to cease operations, hence rising costs are a crucial element that influences the going concern status of a business. Uncontrolled costs have an impact on a company's ability to generate a profit; as a result, a firm that does not make a profit will be unable to meet its responsibilities and will not be able to grow.

2.3.2 Neoclassical growth theory

Neoclassical growth theory explains how a stable growth rate can be reached by balancing three great forces: labor capital, technology, and government spending. A condition of equilibrium is reached by adjusting the amounts of labor and capital in a production function, according to the theory. It states that three elements influence an economy's growth (Otegunrin, A.O., Nwanji, T.I., Olowookere, J.K., Egbide, Fakile, S.A., Lawal, A.I., Ajayi, S.A., Falaye, A.J., & Eluyela, D.F., 2018). The idea also contends that technical progress has a significant impact on an economy and that economic growth cannot be sustained without technological advancements. Material costs, labor costs, and overhead charges all have an impact on a manufacturing company's ability to expand. These characteristics have a significant impact on the firm's ability to maximize profits, limiting its potential to expand. The idea also contends that technical advancements have a significant impact on an economy and that economic growth cannot be sustained without them. Material costs, labor costs, and overhead charges are three elements that affect a

manufacturing company's ability to grow. These characteristics have a significant impact on the firm's ability to maximize profits, limiting its growth potential.

2.4 Empirical Review

The impact of cost-cutting techniques on organization performance was explored by Joseph and Joyce (2018) using the Kenya Forest Service as a case study. The study addressed 219 Kenya Forest Service employees, with a sample size of 33 persons chosen to represent 219 Kenya Forest Service employees at various managerial levels. Structured closed-ended and open-ended questionnaires were used to collect data from respondents. The study discovered that targeted recruiting and training increased the Kenya Forest Service's performance by improving operations, reducing friction between personnel and members of the public, and defining the job holder's position.

The impact of cost control and cost reduction techniques on organizational performance is investigated by Akeem [1]. The method used was descriptive survey research. A total of 50 questionnaires were distributed and used in the research. Application of relevant statistical tools was used to analyze the data acquired. With the help of SPSS, regression analysis was done to evaluate the hypothesis. According to the findings, cost control has a favorable impact on organizational performance, and management style has a beneficial impact on organizational performance as well.

Cost Reduction Strategies and the Growth of Selected Manufacturing Companies in Nigeria, Egbide et al [2]. The association between cost-cutting tactics and manufacturing company growth in Nigeria is investigated using data from annual reports of 40 manufacturing companies listed on the Nigerian Stock Exchange from 2012 to 2016. For this study, 40 manufacturing companies were chosen at random. Changes in material costs, labor costs, and administrative overhead were used as cost-cutting variables in the study, whereas changes in turnover were used as a growth variable. To assess the relationship between cost-cutting tactics and growth, correlation analysis was utilized, while regression analysis was employed to determine the influence of cost-cutting techniques on manufacturing company growth. The findings revealed a favorable substantial link between

cost-cutting techniques and manufacturing company growth in Nigeria.

In Pokhara, Sharma (2017) investigated the use of cost-cutting tools in manufacturing organizations. The purpose of this study is to assess the use of cost-cutting strategies in Nepalese industrial enterprises, with a focus on the Pokhara valley. Only ten organizations were chosen from the total manufacturing enterprises, with at least two samples from each strata of the target population. Primary data was gathered using standardized questionnaires and distributed to the respective organization's production manager or finance manager. The data was gathered during visits to the various units. An empirical study was undertaken to learn more about various features of cost-cutting techniques. The questionnaire is the most common tool used for this aim. Purchase of raw materials, production planning, and management are three areas where Nepalese manufacturing companies are looking to cut costs. TQM is widely recognized as a cost-cutting method in all organizations. Most businesses use cost-cutting techniques such as product line rationalization, supply chain management, the KAIZEN system, and reengineering [3-11].

The applicability of target costing in the Jordanian hotel industry is investigated by Aladwan, ALSinglawi, and alhawathmeh (2018). The researcher used a descriptive-analytical technique to fulfill the study's aims, which included a structured questionnaire sent to managers in hotel departments such as marketing, accounting, design, research, and development. To assess the paragraphs and hypothesis of the study, a Likert scale and one sample statistical t-test were used. The following are some of the study's main findings: (1) Jordanian hotel employees are well-versed in target costing and its several advantages. (2) Jordanian hotels have all of the necessary components for establishing a target costing strategy.

Effect of Standard Costing on Manufacturing Company Profitability: A Case Study of Edo State, Nigeria, by Iliemena and Adinoyi (2019). Three hypotheses were established and evaluated after reviewing the existing literature. The study's participants were selected manufacturing enterprises in Benin City. In order to obtain the necessary data for this study, the major technique of data collection was chosen and implemented through the delivery of a 5-

point Likert scale questionnaire. The hypotheses were put to the test using Z-Test statistics with a 5% alpha level. The findings of this study demonstrated that standard pricing has a considerable positive effect on cost reduction. It was also discovered that the more a company uses standard costing, the higher its profit. Effect of Standard Costing on Manufacturing Company Profitability: A Case Study of Edo State, Nigeria, by Iliemena and Adinoyi (2019). Three hypotheses were established and evaluated after reviewing the existing literature. The study's participants were selected manufacturing enterprises in Benin City. In order to obtain the necessary data for this study, the major technique of data collection was chosen and implemented through the delivery of a 5-point Likert scale questionnaire. The hypotheses were put to the test using Z-Test statistics with a 5% alpha level. The findings of this study demonstrated that standard pricing has a considerable positive effect on cost reduction. It was also discovered that the more a company uses standard costing, the higher its profit. Effect of Standard Costing on Manufacturing Company Profitability: A Case Study of Edo State, Nigeria, by Iliemena and Adinoyi (2019). Three hypotheses were established and evaluated after reviewing the existing literature. The study's participants were selected manufacturing enterprises in Benin City. In order to obtain the necessary data for this study, the major technique of data collection was chosen and implemented through the delivery of a 5-point Likert scale questionnaire. The hypotheses were put to the test using Z-Test statistics with a 5% alpha level. The findings of this study demonstrated that standard pricing has a considerable positive effect on cost reduction. It was also discovered that the more a company uses standard costing, the higher its profit. Effect of Standard Costing on Manufacturing Company Profitability: A Case Study of Edo State, Nigeria, by Iliemena and Adinoyi (2019). Three hypotheses were established and evaluated after reviewing the existing literature. The study's participants were selected manufacturing enterprises in Benin City. In order to obtain the necessary data for this study, the major technique of data collection was chosen and implemented through the delivery of a 5-point Likert scale questionnaire. The hypotheses were put to the test using Z-Test statistics with a 5% alpha level. The findings of this study demonstrated that standard pricing has a considerable positive effect on cost reduction. It was also discovered that the more a company uses standard costing, the higher its profit. Effect of Standard Costing on Manufacturing Company Profitability: A Case Study of Edo State, Nigeria, by Iliemena and Adinoyi (2019). Three hypotheses were established and evaluated after reviewing the existing literature. The study's participants were selected manufacturing enterprises in Benin City. In order to obtain the necessary data for this study, the major technique of data collection was chosen and implemented through the delivery of a 5-point Likert scale questionnaire. The hypotheses were put to the test using Z-Test statistics with a 5% alpha level. The findings of this study demonstrated that standard pricing has a considerable positive effect on cost reduction. It was also discovered that the more a company uses standard costing, the higher its profit.

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Rashmi and Yathish (2017) conducted research at Karnataka Soaps and Detergent Limited (KS & DL), Sandal Wood Oil Division, Mysuru, on the Analysis of Cost Control Mechanism. The research is purely descriptive. During the investigation, it was discovered that the split in the cost of production is causing variances between projected and actual costs while assessing the cost sheet investment on material and labor impact in the breakup of the overall cost of production. Further studies are carried out using a t test to determine the influence on overall business performance of the difference between budgeted and actual costs. The test demonstrates a large difference between the budgeted and actual costs, indicating that KS & DL have successfully implemented a cost control mechanism.

Cost control has a good impact on organizational performance, according to Lawal (2017). He looked at the impact of cost control and cost reduction techniques on organizational performance, with a particular focus on budgetary management as a cost-cutting and cost-control instrument. He believes that the need of a cost-cutting strategy cannot be emphasized, and that organizations should examine costs on a regular basis in order to restrain excesses and eliminate expenditures. In his research, he found that in order for a company to have higher profit growth by creating high-quality goods and services, it is necessary to regulate and cut costs to an acceptable level. Cost control has a good impact on organizational performance, according to Lawal (2017). He looked at the impact of cost control and cost reduction techniques on organizational

performance, with a particular focus on budgetary management as a cost-cutting and cost-control instrument. He believes that the need of a cost-cutting strategy cannot be emphasized and that organizations should examine costs on a regular basis in order to restrain excesses and eliminate expenditures. In his research, he found that in order for a company to have higher profit growth by creating high-quality goods and services, it is necessary to regulate and cut costs to an acceptable level.

3. METHODOLOGY AND MODEL

3.1 Research Design

A descriptive survey was used because it largely focuses on vital facts, beliefs, opinions demographic information, attitudes, motives, and behaviors of correspondent giving responses to the research instrument, its uniqueness and relevance as it concentrates on descriptiveness of the event. (Lim 2013; Mithas, 2011).

3.2 Population of the Study

The population for the employees is both top management and lower management of the selected manufacturing company. The selected manufacturing company was chosen because it is of the largest population in Oyo State. The target population of this study consisted of employees of SUMA manufacturing company.

3.3 Sampling Method

Convenience sampling is a type of non-probability sampling where members of the target population that meet certain practical criteria, such as easy accessibility, geographical proximity, availability at a given time, or the willingness to participate are included for the purpose of the study. Convenience sampling was used because it is affordable, easy and subjects is readily available.

3.4 Sample Size

A sample size of eighty (80) respondents was selected from the population using Taro Yamane. The desired sample size was selected by use convenience sampling techniques.

3.5 Method of Data Analysis

The collected data were coded and recoded to accommodate the entire variables that the research measures. It was analysed with the aid

of the Statistical Packages for Social Science (SPSS version 23.0). The analysis adopted descriptive statistical methods such as frequency counts and illustrated with tables. Correlations analyses were used to test the relationship between cost reduction techniques antecedents and profitability. The following hypothesis will be carried out using correlation analysis:

- H₀₁:** There is no significant relationship between fleet management and profitability in selected manufacturing company.
- H₀₂:** There is no significant the relationship between management control and profitability in selected manufacturing company.
- H₀₃:** There is no significant relationship improved manpowered and profitability in selected manufacturing company.

3.6 Operationalization of Variables

$$Y=F(X)$$

Y= Dependent Variable
X=Independent Variable

From this research, the dependent variable = profitability, while independent variable = Cost Reduction Technique

$$Y=F(X)$$

Y= Profitability
X= Cost Reduction Technique
X= FM, MC, IM
P= f (CRT)
Y₁= P
X₁= Fleet Management (FM)
X₂=Management Control (MC)
X₃=Improved Manpower (IM)
Y₁=F(X₁, X₂, X₃)..... (i)
P= F (FM, MC, IM).....(iii)
Where P= F (FM, MC, IM).

4. FINDINGS

4.1 Descriptive Analysis of Demographic Profile of the Respondents

The study found it fundamental to find out the broad information of the respondents since it structures the information under which the study can fairly obtain the pertinent information. The background information of the respondents were investigated in the first section of the questionnaire.

Table 1. Analysis of demographic characteristics of respondents

Variables	Characteristics	Frequency	Percentages (%)
Age Distribution	18-25years	22	27.5%
	26-35years	35	43.8%
	36-45years	20	25%
	46-55years	3	3.7%
Gender	Male	48	60%
	Female	32	40%
Marital Status	Single	40	50%
	Married	30	37.5%
	Divorced	4	5%
	Separated	6	7.5%
Educational Qualification	SSCE	10	12.5%
	NCE/OND	24	30%
	BSC/HND/B.E	25	31.3%
	MSC/M. ED/MBA	12	15%
	PhD	5	6.3%
	Others	4	5%

Data Source: Field Survey 2022

Results presented in Table 1 depict that most of the respondents 22(27.5%) fall in age bracket of 18-25 years, 35(43.8%) fall in the age bracket of 26-35years, 20(25%) fall in the age bracket of 36-45years while 3(3.7%) fall in the age bracket of 46-55. The table also displayed that majority of the respondents 48(60%) were male while 32(40%) were female respondents. In addition, 40(50%) of the majority were single, 30(37.5%) of the majority were married, 4(5%) of the majority were divorced while 6(7.5%) were separated. With reference to educational qualification 10(12.5%) of the respondent are SSCE holder, 24(30%) of the respondent are NCE/OND holder, 25(31.3%) of the respondent are BSC/HND/B.E holder, 12(15%) of the respondent are MSC/M. ED/MBA holder, 5(6.3%)

of the respondent are PhD holder while 4(5%) of the respondents are other educational qualifications.

4.2 Testing and Hypothesis

4.2.1 Restatement of hypothesis

Restatement of Hypothesis One (H₀₁): There is no significant relationship between fleet management and profitability in selected manufacturing company. The above hypothesis was tested using correlation analysis.

The results of the correlation analysis are presented in Table 2

Correlations		Fleet Management	Profitability
Fleet Management	Pearson Correlation	1	.564**
	Sig. (2-tailed)		.000
	N	80	80
Profitability	Pearson Correlation	.564**	1
	Sig. (2-tailed)	.000	
	N	80	80

** Correlation is significant at the 0.01 level (2-tailed)

The result of a bivariate Pearson correlation shows fleet management is positively correlated with profitability in selected manufacturing company ($r = 0.564$; $P\text{-value} = 0.000 < 0.05$). Based on the result, hypothesis one was supported and conclude that significant relationship between fleet management and profitability in selected manufacturing company.

Restatement of Hypothesis Two (H₀₂): There is no significant relationship between management control and profitability in selected manufacturing company.

The above hypothesis was tested using correlation analysis. The results of the correlation analysis are presented in the Table 3 below.

Correlations		Management Control	Profitability
Management Control	Pearson Correlation	1	.111**
	Sig. (2-tailed)		.000
	N	80	80
Profitability	Pearson Correlation	.111**	1
	Sig. (2-tailed)	.000	
	N	80	80

** Correlation is significant at the 0.01 level (2-tailed)

The result of a bivariate Pearson correlation shows that management control is positively correlated with profitability in selected manufacturing company ($r = 0.111$; $P\text{-value} = 0.000 < 0.05$). Based on the result, hypothesis two was supported and conclude that there is significant relationship between management control and profitability in selected manufacturing company. This implies that there is positive relationship between management control and profitability of the selected manufacturing company.

Restatement of Hypothesis Three (H_{03}): There is no significant relationship between improved manpower and profitability in selected manufacturing company.

The above hypothesis was tested using correlation analysis. The results of the correlation analysis are presented in the Table 4 below.

Correlations		Improved manpower	Profitability
Improved manpower	Pearson Correlation	1	.777**
	Sig. (2-tailed)		.000
	N	80	80
Profitability	Pearson Correlation	.777**	1
	Sig. (2-tailed)	.000	
	N	80	80

** Correlation is insignificant at the 0.05 level (2-tailed).

The result of a bivariate Pearson correlation shows that improved manpower is positively correlated with profitability in a selected manufacturing company ($r = 0.777$; $P\text{-value} = 0.000 < 0.05$). Based on the result, hypothesis three was supported and conclude that there is a significant relationship between improved manpower and profitability in the selected manufacturing company. This implies that there is a positive relationship between improved manpower and profitability in a selected manufacturing company.

5. DISCUSSIONS

According to the conclusions of the study, there is a considerable association between cost reduction and methodologies and profitability in a particular manufacturing firm. This finding is

consistent with Egbide, Ruth, Adegbola, Bamidele, Sunday, Olufemi's [2] study on Cost Reduction Strategies and the Growth of Selected Manufacturing Companies in Nigeria. The findings reveal a positive association between cost-cutting techniques and manufacturing company growth in Nigeria. Their findings are also consistent with the findings of this study, which demonstrated that there is a significant link between increased manpower and increased profitability in a certain manufacturing firm. This means that there is a link between increased labor and the profitability of the chosen manufacturing firm.

6. IMPLICATION TO THE FINDINGS

The findings of this research work have implications for the management of selected

manufacturing companies on the importance and benefit of cost reduction techniques and how best to manager can apply the cost reduction techniques in other to make a profit.

7. CONCLUSIONS AND RECOMMENDATIONS

The main objectives of the study are to determine the relationship between Cost reduction technique antecedents and profitability of organizations in a selected manufacturing company. Since there is positive relationship between Cost Reduction Techniques and profitability, it can be concluded that there is a significant relationship between cost reduction and techniques and profitability in a selected manufacturing company. Based on the research finding Cost control and cost reduction scheme must be properly administered in an organization by setting the realistic standard. Cost control should be operated in every department in an organization especially the production department in other to make sure that the numbers of finished goods are properly accounted for. Target and standard should not be vague set as this will be unrealistic in the course of comprising planned cost in an organization. For effective cost control to be achieved there should be proper data collection, data analysis, and control administration. The target fixed cost in an undertaken should not be treated as a permanent form. They should be reviewed whenever necessary and should be revised when conditions change. An organization should have routine recruitment and training programs. This will ensure continuity of the services; improve the skills and knowledge of the staff members which will make them adapt to changing environment of the service points. Organizations should embrace automation since it saves turnaround time of service delivery, increases revenue, some services can be offered online saving resources as well as the availability of information. Service outsourcing should only be done where the goods and services cannot be adequately provided by the members of the staff or the organization. Otherwise, more capacity building should be conducted to equip them with skills and knowledge.

8. SUGGESTION FOR FURTHER STUDY

From the above conclusion, it should be recommended that the researchers can apply more tests on this study. They can use more sample size and add more companies rather

than this local company selected as a case study. Other variables of cost and reduction techniques should be considered on profitability.

ETHICAL APPROVAL

As per international standard or university standard written ethical approval has been collected and preserved by the author(s).

CONSENT

As per international standard or university standard, respondents' written consent has been collected and preserved by the author(s).

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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