


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).

