

UTILIZING AND ASSESSING THE TARGETED COST APPROACH IN COMMERCIAL BANKS IN JORDAN: A CASE STUDY OF KARAK GOVERNORATE

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Abstract:

The dynamic landscape of banking services has evolved to encompass an array of diverse offerings, shaping the fabric of modern societies. This transformation has been catalyzed by the emergence of novel banking services distinct from traditional offerings, coupled with the widespread adoption of advanced information systems. In response, banks are engaged in a fervent race to implement cost-effective strategies that streamline their operations and enhance customer satisfaction. This study unfolds against the backdrop of a burgeoning banking sector in Jordan, characterized by intensified competition among its players. This competition fuels the drive to enhance and expand services for customers, safeguard existing market shares, and capture new market segments to optimize profitability while minimizing costs. The crux of the matter lies in managing costs effectively to uphold competitive advantage and ensure customer satisfaction. The focus of this research is on the Targeted Cost Method, a pivotal tool for cost control, grounded in customers' ability to pay. This study investigates whether public banks in Jordan have adopted the Targeted Cost Method and examines its awareness and application in the context of public banks in the region.

Keywords: Banking services, cost management, Jordan, Targeted Cost Method, public banks.

The general framework of the study

Introduction:

Banking services are distinguished by their diversity and expansion to affect all daily life facilities for contemporary societies, especially after the emergence of new banking services that differ from traditional services that were prevalent in addition to the emergence of advanced information systems that are widely used, which in turn has led to these banks racing in adopting the most important methods to manage its costs in order to facilitate its banking activities and customer satisfaction.

In light of the development and increase in the number of commercial banks operating in Jordan and the intensification of competition between them, which in turn leads to improving and developing services provided to their customers to ensure that they maintain their current market share and strive to gain a new market share to maximize their profitability and the lowest possible costs, hence the importance of managing costs in order to maintain low levels of costs while banks achieve complete satisfaction of their customers.

The targeted cost method is an important tool in controlling costs and making them to the required level, as they are based on the ability of customers to pay. In view of the importance of this topic, this study came to examine whether public banks in Jordan have started to manage their costs, specifically by using the

targeted cost method or not, and to shed light on the importance of this study to know the extent of awareness and application of this method to public banks in Jordan.

The Study Problem:

The banking sector in Jordan has witnessed a large expansion and an increase in the number of banks operating in recent times, and every bank has sought to provide the best services for it at the lowest costs and at the same time improving the level of profitability, and as the banks strategy is based on building goodwill and good bonds between them and customers where it does not lose its partner from your customers and try to increase them as much as possible.

Since the methods of managing costs have become mostly known and traditional, the need for new methods to manage costs and access to the same service came with a lower cost, and from these modern methods that I will address in my study, this is the targeted cost method.

Study hypotheses:

The research is based on the following hypotheses:

01 The management in Jordanian commercial banks does not have sufficient knowledge and knowledge of the concept of targeted cost.

02 Jordanian banks do not possess the necessary and appropriate ingredients to achieve the targeted cost if specified.

03 Jordanian banks face difficulties that prevent the application of the targeted cost method.

Importance of the study:

The importance of the banking sector, which is one of the most prominent sectors of the national economy, comes as the targeted cost method is one of the newest ways to manage costs, as this method will be presented to the banking sector in order to conclude to them opportunities to better identify the details and how to use them, which in turn can manage commercial banks From reducing its costs while maintaining the quality and quantity of services provided to customers, thereby maintaining the required profit margin and seeking to provide the best of its services to customers.

The importance of the study also stems from the fact that it is a study that Jordanian working banks know the importance of using the targeted cost method in managing service costs by shedding light on the elements of this method and how to apply it during the service of delivery life cycle.

Study Objectives: This study aims to:

1- Explain the importance of using and applying the targeted cost method in Jordanian commercial banks.
2- Explain the importance of using and applying the targeted cost method in developing services at the lowest costs and with the same quality as well as improve profitability.

3- Explain the extent of awareness of the difficulties facing Jordanian commercial banks that may prevent the application of the targeted cost method.

4-come up with some recommendations that would motivate Jordanian public banks to use the targeted cost.

This study came to answer the following main question:

What is the extent of applying the targeted cost method to Jordanian commercial banks?

This question can be answered through the following questions:

01 Do Jordanian commercial banks have sufficient knowledge of the concept of targeted cost?

02 Do Jordanian commercial banks apply the targeted cost to manage their costs?

03 Are Jordanian commercial banks facing difficulties that prevent the application of the targeted cost method in managing their costs?

Previous studies:

1- Al-Nabulsi study (1982) entitled "The possibility of applying the targeted cost entrance in Jordanian industrial companies."

The study aimed to introduce what the targeted cost is and the importance of applying the targeted cost entrance in addition to studying the possibility of applying the targeted cost entrance as a tool for cost management in Jordanian industrial companies. Knowing the elements of implementing the targeted cost entrance and the difficulties that companies face in implementing the targeted cost.

The hypothesis stipulated that the costing systems applied in Jordanian industrial establishments are based on the extent of the administration's need to provide accounting data and information quickly, accurately and conveniently to help it differentiate between decisions regarding planning and implementation, and to control the costs of aspects of activity in the facility.

2-(Abu Awwad Study, 1980) entitled "The importance of using the targeted cost approach in improving pricing efficiency"

This study aimed to explore whether commercial banks operating in Jordan realize the benefits of adopting a targeted cost approach in pricing banking services. The importance of this approach in improving the efficiency of banking service pricing.

The study conducted by the researcher aims to formulate three sub-hypotheses and three hypotheses, and then a questionnaire was designed with the aim of collecting preliminary information, distributed to a representative sample of the study community represented in the directors of departments related to the pricing of banking services in Jordanian commercial banks or their representatives, and the researcher used the statistical packages system to analyze the results of the study. Where the mean, standard deviation and sample test were used. The study concluded the following main results:

- 1- Pricing of banking services under the targeted cost approach provides more flexibility in applying the pricing policy for these services by generating incentives to reduce their cost.
- 2- Most commercial banks recognize the benefits of applying the targeted cost approach.
- 3- Pricing of banking services under the targeted cost is more fair from the customer's point of view.

3-Study of age buildings (1982) entitled "Factors affecting the determination of the targeted cost in industrial companies"

It aimed to study the factors affecting the process of determining the targeted cost in industrial companies and indicate the extent of their impact, and these factors are (intensity of competition, customer nature, product strategy, product characteristics). The study population consisted of (89) companies listed in Amman Stock Exchange at the date of the study, a random sample of (40) companies was selected, this study relied on the descriptive approach to analysis and to achieve the goals of this study the researcher has two types of data, namely:

01 Initial data: based on a questionnaire.

02 Secondary Data: Through online reference, periodicals.

03 Using statistical methods:

A. **Descriptive statistical scale:** to describe the characteristics of the study sample in percentages.

B. **Test analysis:** To test the effect of the independent variable on the dependent variable.

Among the most important results of the study that was reached, the researcher recommended a set of recommendations, the most important of which are: the necessity of providing appropriate data on the performance of competition in the areas of productive operations, maintaining the relationship with suppliers so that they are good because they have a positive impact on determining the targeted cost in

industrial companies. **4- Dirk and Smith (9882) study titled "Adoption and Use of Targeted Costs in Dutch Companies"**

This study aimed to show the differences in the practices used to implement the targeted cost strategy among Dutch companies. The Japanese, which combines multiple functions, knowledge and common capabilities in the process of developing economic products, and the targeted cost is intended to determine the cost goal and its value that must be achieved in the product of the economic development process, and that achieves a high profit margin that is achieved when the product competes in the markets.

The sample of the study consisted of (522) industrial companies from different sectors in the Netherlands, and some strategies that contribute to the development of this strategy were modified and kept away from the methods followed in Japanese companies, which needed to create experimental strategies that need to be applied and tested. The results of the study showed that a total of (43) companies out of (522) applied this strategy and these strategies achieved a success rate of (90.2%), and the results also showed that these new strategies for the targeted cost achieved a high percentage of profits in the long run, which made progress in the strategies followed in Japanese companies, the results showed that the reason for the low percentage of companies' success is the presence of administrative and economic differences in these companies.

Chapter II

Theoretical framework of the study Cost definition:

The cost is defined as any optional material or moral sacrifice which must be of economic value made in order to obtain the benefit.

Cost Accounting in Commercial Banks:

The technological revolution in the provision of different banking services requires the need for a system and information base on the costs of different operations, enabling banks to prepare their strategy and plans for the purposes of diversity in providing banking services and reaching an appropriate pricing formula. Banks aim to use cost accounting to achieve many goals and functions that can be grouped into the following points:

- 1 Determine the cost of services, by determining the cost of the various departments and determining the cost of activities, operations and services that the bank performs.
- 2 Control and control of cost elements by comparing the actual results of the service cost with the planned numbers.
- 3 Rationalizing administrative decisions by providing the necessary data and information that the bank administration needs.

Commercial bank characteristics:

There are a set of characteristics that distinguish commercial transactions that leave their effects on the services costs of these banks. The most important of these characteristics are:

- 1- Most of the bank's costs are fixed costs: the value of fixed costs in the bank is relatively high, such as salaries, wages, equipment, furniture, and buildings.
- 2- Change in the volume of bank transactions: There is a fluctuation in the volume of operations and the volume of activity, whether throughout the day or throughout the days of the month.
- 3- The ability to predict costs is relatively easy, as the bank can predict in the future the periods of high activity level, as some services are usually related to seasons, certain periods, and specific reasons, such as the beginning or end of the month or summer holidays.

Targeted cost method:

The first appearance of this method of cost management was in the sixties of the last century, as it was found that 08% of major industries were actually following this method, in addition to developing some American methods by Japanese industries and providing them with new characteristics that are appropriate to the business variables facing industries. They developed a simple American idea called value engineering and it was transformed into a dynamic system to reduce cost and plan profitability, and the value engineering method first appeared in the American General Electric Company during World War II, as an organized engineering approach that seeks to produce the product in the presence of a lack of production elements from Raw materials and intermediate products. Practical experiments resulted in the possibility of producing a product with a high efficiency, and it consists of the lowest possible number of internal parts in a composition, then the method has evolved until it leads to the production of a product with the highest degree of efficiency and effectiveness while reducing the cost of production to the lowest level.

Therefore, the Japanese have used the cost entrance used for nearly thirty years as a strategic approach to cost management, and despite this, the managers did not have sufficient knowledge to show them the great importance of this approach, it was their prevailing belief that any article or book contains the sentence. The cost system, "it discusses a special topic for the work of accountants, and therefore it is outside the interest of managers, so they were not aware that the targeted cost is a comprehensive method of managing costs and profits.

The concept of targeted cost:

It is a process of controlling and determining the total costs of the proposed and specific product whose production will generate the required profitability at the price at which it is expected to sell in the future. It is also known as a cost planning method that focuses on products with distinct or special operations and relatively short life roles and that it is the cost method that is used in the first stage of the product life cycle i.e. the stage of research and development and product engineering

It is also known as a method of cost management during the planning, development and detailed design stages of the product, whose primary goal is to help managers find ways to reduce product costs over its life cycle to increase profitability. The main pillar is product design that satisfies customers and can be manufactured at its targeted cost.

Whereas, the targeted cost entrance appeared first in Japan, it is appropriate to present the definition of the Japanese Accountants Association to the targeted cost, as it was defined as "a process for managing profits in general" by setting the levels of product quality, price, distribution terms and other objectives related to the product, which enables the organization to achieve its profit strategy, provided that the mentioned levels are achieved in the stages of product planning as well as its development to the level that corresponds to the aspirations and needs of customers.

There are many modern professional experiences that have been made to apply the targeted cost method on a wide range and product formation, processes and procedures in a large-sized manufacturing company, and through that we have found that there are advantages provided by the targeted cost method, whether for the organization or customers and suppliers, so the targeted cost method is based on However: The targeted cost equals the expected selling price minus the desired profit. Targeted costs are the control process that uses data and information in a logical series of steps to define and achieve the targeted cost of a product.

In addition, the price and cost of the product with its unique and specialized functions that are distinguished by it, no other competing products is determined by understanding and identifying the needs and desires of customers and their ability to pay for these advantages.

The researcher's opinion:

It is clear from the above that the targeted cost is concerned with reducing costs during the product life cycle stages, starting from the stage of research and development, then design activities, production, then marketing, distribution, sale, and finally after-sales service such as maintenance and ultimately disposal of the product.

Objectives of the targeted cost method:

The targeted cost is one of the long-term planning methods. It determines production plans based on information from the market from clients. Therefore, it has goals that it seeks to achieve, including:

First: Reducing the cost of new existing products while ensuring that a specified level of profits is achieved without reducing quality and ensuring the development of the appropriate timing and price appropriate for what is on the market.

Second: Work to motivate employees in the establishments and reach profit by circulating the work in the targeted cost method in the enterprise's adequacy.

Third: Exploiting and using the experience and genius of employees from all departments to draw alternative plans to reduce the biggest costs.

The targeted cost process is a customer-oriented process, as it focuses on the beginning of the life of the product before its production, and within the design and development stage while taking into account the entire value chain during the life of the product. Research has shown that more than 85% of the costs associated with production are considered binding in the event of commencement of work and the necessary adjustments can only be made if the facility is loaded more.

The process of determining the targeted cost begins with the customer first, the customer's desires, and the required quality. The price that can be paid is guiding the analysis process. There must be a complete and clear understanding of the customer's needs, as there may be services or functional requirements that wish to have less.

Characteristics of the targeted cost entrance application:

The targeted cost method is distinguished from other costs by the following:

- A. The targeted cost system contributes to the strategic management of future profits.
 - B. The targeted cost approach is a tool to manage cost and profitability simultaneously.
 - C. The targeted cost method leads to the provision of products or services desired by the customer at a price that can be afforded and at the same time those products and services are achieving the objectives of profitability.
 - D. The targeted cost entrance enables the transfer of interest in cost and performance factors to be a common factor between design engineers and other external parties such as suppliers and even customers.
 - E. Determining the targeted cost at the component level helps to stimulate the ability of suppliers to innovate, in order to benefit both the organization and the suppliers, thereby transferring the pressure of special competition to suppliers.
- And. The targeted cost entrance reduces costs before they occur, that is, during the design phase, because it is difficult to influence the costs after they occur, which increases the importance of special in light of the short life cycle of the products.

H. The targeted cost method helps achieve a lot of cost savings by managing the variety of value chain activities of the facility and its relationship to the activities of suppliers and customers so that the product is produced in the best possible combination of activities. **Targeted cost principles:**

- 1- **Price Lead Cost:** When determining the targeted cost, you must first determine the price at which the product is sold in the market, and by subtracting the targeted profit from this price you get the targeted cost in which the product must be manufactured within its limits.
- 2- **Focus on product design:** Design engineering is the main component of the targeted cost, as the engineer must design the product in a manner that can be produced within the limits of the targeted cost.
- 3- **Focus on process design:** All aspects of the production process must be checked and checked that it will manufacture the product with the highest possible efficiency, and all these processes must be designed according to the targeted cost.
- 4- **Cost of Product Life:** When determining the targeted cost, analysts should pay attention to including all costs related to product life. The traditional system focuses on costs during the results phase only.
- 5- **Team:** The production of the product within or without the targeted cost needs a multidisciplinary work from various establishment departments such as specialists in marketing research, sales, and design engineering.

The objectives of cost systems in banks:

1- Measuring product cost: The product here means every service that the bank provides to its customers, as well as measuring the cost of the various departments and divisions that the bank includes. In view of the nature of the banking activity based on the evaluation of the service, which is characterized by intangible, which makes measuring the cost more difficult than the tangible products, measuring the cost of the banking service requires special attention due to the sensitivity of the banking business and its association with difficult factors such as the quality of the service provided and the level of its completion more than its association with quantifiable factors easily. When measuring costs, it is necessary to determine the elements of costs used to provide banking services, which include:

A. The cost of supplies: The cost of the library tools and stationery used in providing banking services includes the cost of human elements: This type of cost, which is represented in the nature of services that the customer gets from employees working in the bank at different levels of the most important cost elements.

B. Help in rationalizing decisions: When the administration makes various administrative decisions depends on a large part of the information provided by cost accounting, for example, when the bank's administration studies the opening of a new branch, it needs many information provided by management accounting, such as the capital expenditures required for the branch, operational expenses and the amount of revenue and expenses Expected.

C. Control of cost elements: It is a process by which to ensure that the pedestrian activities match the planned and the goals set, there is no oversight without the presence of established goals and plans

The components of the cost system in commercial banks:

The components of costs in commercial banks are as follows:

First: In the first step in designing the system, costs determine the type of the final product that the bank provides to customers, which is considered to be the primary goal of its establishment and is called the final product, whether it is a good or service in cost units and can be defined as: the quantity or amount that is chosen as a standard to measure the cost of a particular product . While defining the cost position

as any activity the establishment wants to measure a cost, in other words, if the user of accounting information wants to measure the cost of something, this thing is called the cost issue.

Second: Determining the responsibility center in commercial banks. At this stage, the bank is divided into different responsibility centers, according to which periodic reports are compiled on information related to the costs and revenues of each responsibility center located in the facility with the aim of enabling senior management to perform the function of monitoring the performance of these centers. The responsibility center is that it is a department or administrative unit within the facility that owns a set of available resources (two inputs) and engages in a set of activities within a specific format (processing) in order to accomplish a task or exit with a product (output).

Third: Designing the cost guide: It is an important thing that is concerned with the practice of costs in the field of banking work documenting and recording all the information and instructions necessary for the work of bank costs in a specific place referred to as the bank cost guide, which provides stability in the work procedures of the department and facilitates the performance of work.

It is worth noting that in the cases of the new practice, it is permissible to postpone the preparation of the guide and only issue circulars and instructions until the practice is confirmed and finally approved, and that the bank cost guide is an advanced document that must be updated periodically to suit the evolving costs business that is constantly changing according to the bank's own circumstances And the general.

Whereas, the targeted cost entrance appeared first in Japan, it is appropriate to offer all Japanese accountants a definition of the targeted cost, if it is defined as a process for managing profits in general, by setting the levels of product quality, price, conditions for distribution, and other goals related to the product, which The organization enables the organization to achieve its profit strategy, provided that the mentioned levels are achieved in the planning stages of the product as well as its development to the level that corresponds to the aspirations and needs of customers. The researcher relied on two types of data, namely:

- 1- Initial data: based on a questionnaire.
- 2- Secondary Data: Through online reference, periodicals.

Chapter III

Statistical analysis, findings and recommendations

This chapter includes a description of the study methodology, the study population and sample, the study tool and the statistical methods used: The following is an explanation of each. **Study methodology:**

1- Study type:

This study is descriptive because it describes the characteristics of the study sample because there are hypotheses in the study that need to be chosen, but in terms of its nature it is field and analytical.

2- Society and Study Sample:

The study population consists of all Jordanian commercial banks operating in the Karak governorate. The study sample consists of (50) employees and employees from the commercial banks operating in Karak Governorate, and they were randomly chosen from the study community.

3- Study Tool:

This study relied on two sources for data collection:

- 1 **Secondary sources:** Books, references, periodicals, magazines, and specialized websites that discuss the subject of the study were referred to in order to prepare the theoretical side in them, as well as studies related to the hypotheses and variables of the study.

2 Primary Sources: To achieve the objectives of the study, a questionnaire consisting of two sections was developed, a section that included demographic variables for the individuals in the study sample, and a section that included closed paragraphs for the answers of the members of the study sample.

Credibility of the study tool:

To verify the credibility of the tool, it was presented to a group of specialized and experienced arbitrators.

The validity of the study tool:

In order to verify the consistency of the study tool, the equation (Cronbach Alpha) was applied to all paragraphs of the study tool, where the value of the stability factor (87%), which is a high and acceptable value for the purposes of applying the study.

Statistical methods:

After collecting the questionnaires, the researcher used the Social Sciences Statistical Packages Program (Spss) to process the data after tabulating it and entering it into the computer. The arithmetic mean and standard deviations were extracted, and the t-test application for the independent samples was used. The Cronbach alpha equation was used to extract the validity.

This chapter includes a presentation of the results of the study, which aims to the extent of applying the targeted cost method in commercial banks, and the following is a presentation of the results:

First: the characteristics of the study sample:

The sample of the study consisted of (50) employees and employees in the commercial banks in Jordan /Karak region who were randomly selected from the study community, and Table No. (1) shows the distribution of the individual sample of the study according to personal variables.

Table No. (1)

Distribution of study sample individuals according to personal variables

| variable | The level | Repetition | percentage |
|---------------------|-------------------------|------------|------------|
| Qualification | diploma | 3 | 6.0 |
| | BA | 34 | 68.0 |
| | M.A. | 13 | 26.0 |
| | Ph.D. | --- | --- |
| | Total | 50 | 100.0 |
| Years of Experience | Less than 5 years | 15 | 30.0 |
| | 6-10 years | 20 | 40.0 |
| | From 11 to 15 years old | 15 | 30.0 |
| | 20 years and over | --- | --- |
| | Total | 50 | 100.0 |

Table (1) shows the following:

1- The highest percentage of the distribution of the study sample individuals according to the variable of the academic qualification (68.0%) for the educational qualification (Bachelor), while the lowest percentage (6.0%) for the educational qualification (diploma).

The highest percentage of distribution of study sample individuals according to variable years of experience (40.0%) for years of experience (from 6-10 years), while the lowest percentage (30.0%) for years of experience (less than 5 years, from 11-15 years).

Second: test the study hypotheses:

The first hypothesis:

There is a statistically significant effect at ($\alpha \leq 0.05$) to understand the cost concept method used by workers in Jordanian commercial banks.

Below is a presentation of the arithmetic averages and the standard deviations of the responses of the study sample members on the scope of understanding the targeted cost concept method, and the results of applying the One Sample T - test, and the following tables show that.

Table No. (2)

Mathematical averages and standard deviations and the sum total of them for all the paragraphs of the field "The extent of understanding the method of the targeted cost"

| No. | Items | arithmetic mean | standard deviation |
|-----|--|-----------------|--------------------|
| 1 | Your administration has already known the targeted cost | 4.18 | 1.06 |
| 2 | Your management tries to match the prevailing price in the majority of customers | 3.96 | 0.88 |
| 3 | Your administration will delete the sections that customers do not want | 3.80 | 1.21 |
| 4 | The scope of understanding the concept of targeted cost as a whole | 3.98 | 0.87 |

It appears from Table (2) that the arithmetic mean of the field of "the extent of understanding the targeted cost concept" as a whole amounted to 4.20, where the arithmetic mean for the field items ranged between (4.18 - 3.80) above for poverty (1) and below for item 3 - your administration deletes the sections that are not desired by customers.

Table No. (3)

The results of applying the One Sample T- test to the extent of understanding the targeted costing concept as a whole.

| Fields | mean | Standard deviation | T | statistical significance |
|---|------|--------------------|------|--------------------------|
| Extent of understanding the concept of targeted cost | 4.11 | 0.91 | 8.25 | 0.00 |

It appears from Table (4) that the value of (T) of the field "the extent of understanding the targeted cost concept" was (8.25), which is a statistically significant value at the level of significance ($\alpha \leq 0.05$) and the standard relationship of the test (3) where the arithmetic mean of the field (4.11), and this indicates that there is a statistically significant effect at ($\alpha \leq 0.05$) to understand the cost concept method used by workers in Jordanian commercial banks, and thus accept the first hypothesis of the study. **The second hypothesis:**

There is a statistically significant effect at ($\alpha \leq 0.05$) for commercial banks to possess the necessary ingredients to achieve the targeted cost.

Table No. (4)

Arithmetic averages, standard deviations, and the sum total of all items in the field of cost achievement elements

| No. | Items | Arithmetic averages | standard deviations |
|---|---|---------------------|---------------------|
| 1 | The bank determines the form of the service and its technical characteristics from the beginning and on specific grounds | 4.66 | 0.72 |
| 2 | The bank uses the largest number of employees to extract the service in the most appropriate form and within a pre-targeted cost | 4.42 | 0.76 |
| 3 | The bank is concerned with the high quality of the service provided, but within certain cost limits | 4.25 | 0.88 |
| 4 | The bank is concerned with the general form with an emphasis on quality | 4.18 | 0.99 |
| 5 | The management of the bank is interested in determining the causes of the appropriate cost | 4.14 | 0.88 |
| 6 | Management tries to reduce unnecessary costs that do not add value to the service to reach the targeted cost. | 3.76 | 0.95 |
| 7 | Management applies standard costing system | 4.16 | 0.94 |
| 8 | The bank management is interested in developing good relations between workers in the various departments to facilitate team work | 4.34 | 0.84 |
| 9 | Working with one team spirit among the various departments in the bank contributes to achieving the targeted cost of the service provided | 4.20 | 0.91 |
| 10 | The management benefits from the bank from the experiences and opinions of workers by working in a team spirit. | 4.30 | 0.92 |
| 11 | Management motivates workers and makes them feel important in making decisions | 3.99 | 0.96 |
| 12 | The bank management provides appropriate incentives when achieving the targeted cost | 4.20 | 0.97 |
| 13 | There is an appropriate awareness for workers by holding courses on the targeted cost method. | 3.98 | 0.90 |
| 14 | The management of the bank is based on decentralization, in order to benefit from the expertise in other departments | 3.56 | 1.15 |
| Domain of "the elements of achieving the target cost" as a whole | | 4.22 | 0.54 |

It appears from Table (4) that the arithmetic mean for the "targeted cost achievement elements" as a whole amounted to (4.22) where the arithmetic mean for the field items ranged between (3.56 - 4.66) above for

item (1) the bank defines the form of the service and its technical characteristics from the beginning and on specific grounds and below for the paragraph (14) Management in the bank is based on decentralization, to enable us to benefit from the expertise in other departments.

Table No. (5)

The results of the application of One Sample T-test on the field of the elements of achieving the targeted cost as a whole

| Field | Arithmetic averages | standard deviations | T | Statistical significance |
|------------------------------------|---------------------|---------------------|-------|--------------------------|
| Bases of achieving the target cost | 4.32 | 0.57 | 15.24 | 0.00 |

From Table (5), it became apparent that the value of T of "targeted cost achievement elements" field reached 15.24, which is a significant value

Statistically at the level of significance $\alpha \leq 0.05$ and the standard at the test (3) where the arithmetic mean of the field was 4.32 and this indicates a statistically significant effect at ($\alpha \leq 0.05$ because commercial banks have the necessary ingredients to achieve the targeted cost, thus accepting the second hypothesis of the study.

The third hypothesis:

There is a statistically significant effect at $\alpha \leq 0.05$ of the difficulties banks face in implementing the targeted cost. Below is an overview of the mean and standard deviations of the responses of the study sample individuals for a field

Application difficulties, One Sample T - test application results and the following tables illustrate this.

Table No. (6)

Mathematical Averages, Standard Deviations, and Sum of All Paragraphs in the "Application Difficulties"

| No. | Items | Mathematical Averages | Standard Deviations |
|---|--|-----------------------|---------------------|
| 1 | The bank's internal accounting system is inappropriate for cost management | 3.46 | 1.41 |
| 2 | Bank management does not have the ability to adapt to new ways of managing | 3.14 | 1.05 |
| 3 | The bank's management believes that it is necessary to try to reduce costs | 2.97 | 1.66 |
| 4 | Management is passionate about chores and opposes any new method | 3.00 | 1.41 |
| Total area of "application difficulties" | | 3.15 | 1.08 |

It appears from Table (6) that the mean for the field of "application difficulties" as a whole was (3.15), as it ranged The arithmetic mean of the field paragraphs between (2.97 - 3.46) above for paragraph (1) The bank's internal accounting system is not suitable for cost management and below for paragraph (4) Management is a love for routine work and opposes any new method.

Table No. (7)

Total results of One Sample T - test application on field of application difficulties

| Items | Mathematical Averages | Standard Deviations | T | Statistical significance |
|-------|-----------------------|---------------------|---|--------------------------|
|-------|-----------------------|---------------------|---|--------------------------|

| | | | | |
|---------------------------------|-------------|-------------|-------------|-------------|
| application difficulties | 3.35 | 1.28 | 0.97 | 0.44 |
|---------------------------------|-------------|-------------|-------------|-------------|

From Table 7, it appears that the value of (T) of the field of "application difficulties" was 0.97, which is not statistically significant at the level of significance $\alpha \leq 0.05$ and the standard mark of the test (3) where the arithmetic mean of field 3.35 and this indicates that there is no statistically significant effect at $\alpha \leq 0.05$ due to difficulties facing the banks when applying the targeted cost, thus rejecting the third hypothesis of the study.

Findings and recommendations

First: The results:

- 1- There is an effect to understand the cost concept method used by workers in Jordanian commercial banks. / Karak region.
- 2- There is an effect that commercial banks in the Karak region will possess the necessary ingredients to achieve the targeted cost.
- 3- There are no significant difficulties facing commercial banks in Karak Governorate when applying the targeted cost.

Second: Recommendations:

- 1- Working to improve the bank's internal system to make it more convenient to manage costs.
- 2- Encourage the bank's management to hold special workshops to familiarize employees with the importance of the targeted cost.
- 3- The bank must determine the form of the service and its technical characteristics from the beginning, on specific and clear grounds.
- 4- We must work to solve all problems and difficulties facing Jordanian banks that prevent the application of the targeted cost.

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