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Factors Affecting Modern Costing Methods in Jordanian Industrial Companies

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Abstract. The study in Jordanian industrial companies will identify factors affecting modern costing methods using SPSS and a multiple regression model to test hypotheses. The study includes 577 Jordanian industrial companies with a total of 2,714 employees. The sample size consists of 271 questionnaires, representing 10% of the total number of employees in these companies. The study found that factors such as company size, governance, and the quality of internal audits have an impact on modern costing methods like target costs, environmental costs, and activity-based costs. The study recommended further research to better understand how manufacturing environment variables influence the adoption of modern costing in Jordanian companies, as it is a strategic management accounting tool for companies in developing economies like Jordan.

Keywords. Jordanian Industrial Companies, Target costs, Company Size, Governance, and Quality of Internal Audit

1. Introduction

Competition among establishments has increased due to the emergence of innovative and high-quality alternatives for consumers. Manufacturing performance focuses on customer satisfaction by providing high-quality products quickly and at a low cost. This shift has led organizations to reconsider manufacturing systems and move towards advanced systems to reduce operational costs and improve product quality. Hence, the need to develop cost systems has increased due to the mutual relationship with changes. Technology, the unity of global competition, the high cost of information, and the need for customers to significantly diversify productivity have led to criticism of traditional systems for failing to efficiently and accurately report the cost of production (Hamilton et al, 2020). Also, companies are facing rapid changes in industrial and administrative environments, with advancements in manufacturing systems and automation. These changes have also impacted management systems and policies, emphasizing quality management and on-time production. Moreover, traditional cost methods are no longer sufficient in the face of intense competition and modern business strategies, and accurate cost information is crucial for decision-making in competitive environments. The study explores the need for enterprises to adapt their cost information methods to the modern

competitive environment, which may require qualitative methods different from traditional approaches. Traditional costing methods may not be sufficient for modern variables, competitive requirements, and management strategies. The study aims to address this issue by developing cost management systems that align with modern environmental variables and management strategies.

Further, modern costing methods have emerged in response to the shortcomings of traditional cost accounting systems, which struggled to allocate all costs fairly, achieve cost reductions, and eliminate non-value-adding expenses. Due to these criticisms, researchers have developed innovative systems to address and rectify these deficiencies (Rybalko et al., 2021). These new methods include target costing, environmental costing, and activity-based costing.

Thus, a target costing method is a strategic approach used for new products that emphasize cost planning and pricing. This method seeks to lower manufacturing or service provision costs over the product's entire life cycle. Unlike traditional methods, which focus on cost reduction after production begins (Woods et al., 2012), target costing involves a planned and studied cost reduction process during the design, product content definition, and technical stages (Clifton et al., 2019). Moreover, incorporating a target costing approach with an activity-based costing system and a quality control system can enhance the efficiency and effectiveness of strategic decisions related to customer pricing (Cooper & Slagmulder, 2017).

Therefore, the target cost of a service is defined as "the amount that the service producer aims to achieve to secure the target profit by selling the service to the customer at the target price. And, this is the price the customer is both willing and able to pay." So, the Japanese company Toyota pioneered the target cost approach to pricing in the 1960s, which was later adopted by the United States and other advanced industrial countries (Menziez et al., 2016). However, this pricing method is increasingly replacing the traditional cost-based pricing approach, which has been the standard method (Woods et al., 2012). Hence, companies that benefit the most from the target cost approach are those facing intense competition, such as banks, pharmaceutical companies, automobile manufacturers, and electronics factories. According to Pearce (2002), about 80% of companies specializing in assembly and 100% of those in automobile manufacturing use this method. Historically, Curial-Ramirez et al. (2024) confirm that industrial companies were among the first to apply the target cost approach in pricing their products, alongside methods such as the activity-based costing system, value engineering, and the activity-based management system. Consequently, in industrial companies, the process of determining a product's cost typically precedes its pricing.

In addition, the environmental costs approach has a direct financial impact on the economic unit (internal costs), as well as costs that affect society and the environment (external costs). Jackson defines environmental costs as "the costs of producing, marketing, and delivering products and services, including any post-purchase costs arising from using and disposing of the products (Nozharov, 2023). As defined by Songqing and Jing, it is the sacrifices of the economic unit to fulfill its obligations to protect the environment and implement local instructions, laws, policies, and requirements to protect the environment to prevent negative impacts on the natural environment and take appropriate measures to achieve environmental goals (Al- Adailat and Qasibati, 2018). Similarly, environmental costs have also been defined as "a comparison between external and internal costs, as one of the elements of the economic unit cost system, which arises from their relationships with environmental protection activities and environmental damages (Nozharov, 2023). Thus, environment-related costs are considered "the costs of actions that are or will be implemented for the responsible management of the

environmental impacts resulting from the activity of the economic unit, as well as other costs that are obtained as a result of the environmental objectives of the economic unit” (McGinn et al., 2017). Indeed, activity-Based Costing-ABC is a method of allocating overhead costs accurately by allocating them directly to the activities that give rise to those costs. Once costs are allocated to activities, those costs can also be allocated to products, machinery, or any other entity that uses those activities (Wang, 2020). Activity-based costing can be used to reduce overhead costs. It is one of the most effective methods in complex work environments involving many interconnected products, machines, and processes. Conversely, they are less valuable in a simple business environment with simple and explicit processes (Wang, 2020). It is also commonly used when determining costs for manufacturing industries because it enhances the reliability of cost data related to those industries, thus enabling accountants to arrive at the actual costs that a company will incur during the production process. Consequently, the activity helps develop a more accurate and appropriate pricing strategy for the products and services produced by the company (Wang, 2020). **The study questions were formulated as follows:**

What is the impact of factors (company size, governance, quality of internal audit) on the target cost system?

What is the impact of factors (company size, governance, Tax evasion, internal audit quality) on the environmental cost system?

What is the impact of factors (company size, governance, quality of internal audit) on the activity-based costing (ABC) system?

The study aims to analyze recent changes in the business environment and their impact on cost methods in Jordanian industrial facilities. It also examines how factors such as company size, governance, and internal audit quality influence target cost, environmental cost, and activity-based costing systems. Moreover, the study focuses on the importance of modern cost methods in administrative and accounting thought. It addresses the need for accuracy and objectivity in measurement, quality information disclosure, and enhancing competitiveness through factors like company size, governance, and internal auditing. The study emphasizes the importance of moving towards modern methods to keep pace with changes and developments in the field.

2. Literature review

Over the past decades, modern costing methods have gained significant traction as a research topic in market-economy countries. Our comprehensive study encompasses various surveys on factors influencing modern cost estimation methods, conducted in numerous countries, with their findings published across a range of reputable publications (Pohlen et al., 1992; Argyris & Kaplan, 1994; Shields, 1995; Foster & Swenson, 1997).

By analyzing modern cost methods research conducted in several transitional countries based on publications, a review of factors influencing it, and presentations at annual conferences, we discovered that modern cost methods in these countries are still in the early stages of development and are in the process of developing into a field of research in its own right.

Over the past years, specialized research has appeared on the factors affecting modern cost methods combined with management accounting research. The researcher (Al-Hamami et al., 2019) published a research paper that aims to study the level of Saudi industrial companies' adoption of the Target Costing (TC) system and its relationship to the intensity of competition, the intended strategy, and its size. The study found that large industrial companies tend to adopt

information technology more than small companies. (Hammami et al., 2020) It is aimed to analyze the emergency factors that affect the implementation of target costing systems. These factors were divided into external emergency factors: competition and environmental uncertainty. In contrast, internal emergency factors included the size of the company, manufacturing technology, and the quality of the internal audit, and it showed that emergency factors have a significant impact on applying the target costing method. In addition, Taghrart (2022) believes that modern methods in management accounting (such as the target cost system) play an essential role in corporate governance, as traditional methods have become the subject of criticism by management accountants due to their inaccuracy, which is the most crucial characteristic of accounting information. (Carrillo et al., 2017) also argue that companies deliberately adjust costs according to revenue adjustments (through a target costing system), and at least some of the increase in reported costs is likely to reflect fictitious costs for tax evasion motives.

In 2000, the researcher (Wang) and others explained that the environmental cost is significantly and positively related to the value of the company, and the environmental cost system is considered an essential means of achieving the unification of environmental and economic benefits for organizations. Zhang et al. (2021) point out that developing Asian economies are increasing their cost efficiency through socially responsible activities and improving governance by adopting environmental governance. On the other hand, it increases the fundamental level of waste emitted by the company. Letmathe and Doost (2018) showed that environmental cost accounting contributes to the quality of internal auditing through an internal pricing system that evaluates inputs, processes, and products at their actual costs.

On the other hand, Nair & Tan (2018) emphasized that external environmental factors, cost-saving mechanisms, user attitude, and company size directly impact the implementation of activity-based costing (ABC) among SMEs in Malaysia. Process modeling is also a valuable tool to assist departmental decision-makers and policymakers in structuring their activities and obtaining relevant information by linking to methods such as activity-based costing, which can support top management with a reasonable database of Becker et al. (2009)

As Luengo et al. (2020) articulates, the strategic use of cost audits (through internal audits) and agile accounting tools (activity-based costing systems) is instrumental in curbing production waste. This emphasis on these tools serves to enlighten our audience, comprising academic researchers, policymakers, and business professionals, about the efficacy of these strategies in reducing loss and waste in the production of materials. The adoption of modern methods in waste reduction further underscores the proactive approach of these companies.

The bottom line is that management accounting studies in many countries mainly indicate that there is an impact of factors (company size, governance, quality of internal audit) on the target cost system, the environmental cost system, and the activity-based costing system (ABC). in industrial companies.

3. Research method

In this study, the researcher relied on the descriptive analytical approach in dealing with the subject of the study in order to reach the results related to it and provide the most important recommendations to decision-makers in the relevant sectors. This research is considered an experimental study, and data will be collected by interviewing a sample of accountants and managers in Jordanian industrial companies and distributing a questionnaire to them. The study sample consists of all Jordanian industrial companies. The number of these

companies is about 577, and the number of employees in these companies is about 2714, and the size of the study sample is 271 questionnaires, at a rate of 10%. Of the number of employees in all these companies, in this study, SPSS version 27 will be used to conduct multiple regression analysis to test the effect of the following main independent variables (company size, governance, and internal audit quality) and their impact on the cost accounting methods represented (target costing, environmental costing, and activity-based costing, ABC).

4. Results

This section reviews all the results of the methods and statistical tests of the study data because it contains a comprehensive description of the relevant characteristics of the study sample. It also explains the tools used in the study, such as the reliability test and the suitability tests of the study model, as well as testing the hypotheses related to the study model and comments on these results related to the study. Below are the most critical tests:

1. Reliability testing

The Cronbach alpha coefficient test was conducted to test the stability of the study. According to this test, theoretically, whenever the Cronbach Alpha coefficient exceeds 0.700, the scale is stable (Sekaran, 2006). Table No. 1 shows the results of the stability test.

Table No. (1): Reliability test results

Variables	Number of paragraphs	Cronbach's alpha
Target cost (TC)	10	0.82
Environmental cost (EC)	10	0.793
Activity-Based Costing (ABC)	10	0.811
Company Size (CS)	6	0.824
Governance (GO)	6	0.832
Internal Audit Quality (IAQ)	6	0.807

Source: These results were extracted using the statistical program (SPSS.27).

The results showed that Cronbach's alpha coefficient values for all study variables ranged between 0.793 and 0.881, and these values exceeded the theoretically acceptable questionnaire reliability percentage (0.700). These values are considered acceptable and reflect the reliability of the questionnaire.

2. Tests of suitability of the study model:

A test of the suitability of the data used in this study was conducted for the purposes of conducting linear regression analysis and tests of the coefficients of this study's model. Multiple linear correlation and autocorrelation tests are performed for this purpose, and the two tests were conducted as follows:

- **Multi-linear**

This test is used to ensure that there is no near-perfect linear correlation between two or more independent variables such that such a correlation would increase the value of the explained coefficient (R²) to a level more significant than the actual value of the coefficient. Moreover, conducted that this test. By measuring the Pearson correlation coefficient, the value

of the variance inflation factor for each variable was calculated based on the research hypotheses. Below is a representation of the results of these two tests:

Table No. (2): Pearson correlation matrix for independent variables

Variables	Company Size (CS)	Governance (GO)	Internal Audit Quality (IAQ)
Company Size (CS)	1		
Governance (GO)	0.678*	1	
Internal Audit Quality (IAQ)	0.691*	0.386*	1

Source: These results were extracted using the statistical program (SPSS.27).

(*) There is a correlation at a significance level of 0.05

The results showed that all independent variables exceeded the value (1) and were less than the value (10). In contrast, the values of the tolerance test ranged between the values (0.1) and less than the value (1). This result indicates that all independent variables used in the study are accessible from the problem of multiple linear correlations.

The results showed that Pearson correlation coefficients for all independent variables ranged between 0.386 and 0.776. Since these values are less than 0.80), this indicates no multicollinearity between all independent variables.

Furthermore, the study's entire sample was rigorously tested for the problem of multiple correlation using the variance inflation factor (VIF) measure. The comprehensive results of this VIF test are presented in Table No. 3.

Table No. (3): multiple correlation test between the independent variables

Variables	Tolerance	Variance inflation factor (VIF)
Company Size (CS)	0.52	1.869
Governance (GO)	0.395	2.447
Internal Audit Quality (IAQ)	0.47	2.05

Source: These results were extracted using the statistical program (SPSS.27).

- **Autocorrelation**

We are working to ensure that all the study data and hypotheses from the problem of autocorrelation are accessible by using the Durbin-Watson Test. The values of this test range between the value (0) and less than the value (4), and according to the theory of this test, the existence of the problem of autocorrelation of the study data and its hypotheses is rejected if the values of this test are equal to (2) or close to this value. Table No. 4 shows the results of the Durbin-Watson Test for all hypotheses in the study.

Table No. (4): Results of testing the autocorrelation

Hypotheses	Durbin-Watson test	a result
H01	1.929	There is no autocorrelation
H02	1.907	There is no autocorrelation
H03	1.899	There is no autocorrelation
H04	2.005	There is no autocorrelation

Source: These results were extracted using the statistical program (SPSS.27).

The results of the Darbin-Watson test indicate that all the values of the variables for all the study hypotheses were close to (2), and this indicates that all the study data are accessible from the problem of autocorrelation. There is no correlation between the random error terms in all regression models for this study.

- **Normality**

The normal distribution test is performed by extracting the skewness and kurtosis coefficients for all study variables, and Table No. (5) shows the results of the standard distribution test.

Table (5): Results of the normal

Variables	Kurtosis	Deviation
Target cost (TC)	-0.689	-0.086
Environmental cost (EC)	420.0-	-0.323
Activity-Based Costing (ABC)	0.108	-0.378
Company Size (CS)	-0.921	-0.128
Governance (GO)	-0.795	-0.086
Internal Audit Quality (IAQ)	-0.357	0.283

Source: These results were extracted using the statistical program (SPSS.27).

The results of the normal distribution test showed that all values of the skewness and kurtosis test coefficients for all study variables are less than (2) and close to zero, which indicates that all study data follow a normal distribution. Also, based on the central limit theorem, which states that if the sample size is more significant than 30 and has an arithmetic mean (μ) and variance (σ^2), the sampling distribution of the arithmetic mean approaches the normal distribution.

3. Demographic characteristics of the study sample

In this section, a description of the demographic information for all members of the research sample was presented: gender, age, educational qualification, job experience, and monthly income. The following is a summary of the descriptive statistical results of the demographic characteristics of the study sample:

1. The gender distribution in Jordanian industrial companies, a key focus of our study, revealed that the percentage of males among accountants and managers in the study

sample is notably high, reaching about 65.1%. In contrast, the percentage of females accounted for about 34.9% of the total sample, underscoring the gender disparity in this sector.

2. The results showed that 28.8% of the total study sample were aged between 30 and 39 years, 19.2% were aged between 40 and 49 years, and 9.1% were aged between 40 and 49 years. At the age of 50 years. It is worth noting that the most significant percentage of the study sample was in the age group (20–29 years), representing 42.9% of the total study sample.

3. The results showed that 59.2% of the total study sample held a bachelor's degree, 35.2% held a diploma degree, and 5.6% held a postgraduate certificate. This indicates that Jordanian industrial companies focus their recruitment on jobs. This is confirmed by administrative statistics for holders of university degrees (bachelor's degrees) and by the official statistics issued by the Amman Chamber of Industry in its annual report for the year 2020. The percentage of diploma and bachelor's degree holders is about 75% of the total workers in Jordanian industrial companies.

4. The results showed that 27.7% of the total study sample had years of experience ranging from 11 to 15 years, while 20.8% of the total study sample had years of experience ranging from 16 to 20 years, and 9.9% of the total study sample. The sample has years of experience. More than 20 years, and it is clear that the largest percentage of the study sample had years of experience ranging from 5 to 10 years, representing 41.6% of the total study sample.

5. The results showed that 30.4% of the total study sample received a monthly income ranging between (450 and 500) dinars, 15.5% of the total study sample received a monthly income ranging between (350 and 400) dinars, and 6.4% of the total The study sample receives a monthly income ranging between 450 and 500) dinars. Total: The study sample receives a monthly income ranging between 250 and 300) dinars, and it is clear that the largest percentage of the study sample receives a monthly income ranging between more than 500 dinars, i.e., 47.7% of the total study sample.

a. Results of the study hypotheses

In this part of the chapter, the results of testing the hypotheses related to the study model will be reviewed, and the results can be interpreted as follows:

b. The first hypothesis (Ho1):

Ho1: "There is no statistically significant effect at a significant level ($\alpha \geq 0.05$) for the factors (company size, governance, internal audit quality) on the target cost system in Jordanian industrial companies."

To test the first hypothesis, multiple regression analysis was used, and the results were as follows:

Table No. (6): Results of testing the first hypothesis

Dep. var	Model Summary		ANOVA			Coefficients				
	R	R ²	F	df	Sig.	Mod	B	Std. Error	T	Sig.
TC	0.656	0.43	50.36	4		α	1.519	0.238	6.378	0.00*
				266	0.000	CS	0.474	0.08	5.915	0.00*
				270	*	GO	0.187	0.066	2.828	0.01*
						TE	-0.28	0.059	-4.79	0.00*
		IAQ	0.294	0.068	4.315	0.00*				

Source: These results were extracted using the statistical program (SPSS.27).

The effect was statistically significant at this level ($\alpha \geq 0.05$).

The results showed that the correlation coefficient ($R = 0.656$) indicates that the relationship between the independent variables and the dependent variable is vital, while the value of F was about (50.356), which is statistically significant at a significance level of 0.05, while the value of the coefficient of determination ($R^2 = 0.431$) showed This indicates that 43.1% of the variance in the target cost system can be explained by variance in factors such as company size, governance, tax evasion, and internal audit quality. The transaction table shows the following:

1. The variable company size (CS) reached a value of $B = 0.474$, with a standard error of 0.080, and a value of $(t) = 5.915$, which is statistically significant and significant at the level of 0.05.
2. The judgment variable (GO) reached a value of $B = 0.187$, with a standard error of 0.066, and a value of $(t) = 2.828$, which is statistically significant and significant at the level of 0.05.
3. The internal audit quality (IAQ) variable reached a value of $B = 0.294$, with a standard error of 0.068, and a value of $(t) = 4.315$, which is statistically significant and significant at the level of 0.05.

Based on the above, we reject the first null hypothesis and accept the alternative hypothesis, which states: "There is a statistically significant effect at a significant level ($\alpha \geq 0.05$) for the factors (company size, governance, and internal governance) and audit quality) on the target cost system in Jordanian industrial companies." We can write the typical equation as follows:

c. The second hypothesis (h_2):

ho₂ "There is no statistically significant effect at the level of significance ($\alpha \geq 0.05$) for the factors (company size, governance, internal audit quality) on the environmental cost system in Jordanian industrial companies."

To test the second hypothesis, multiple regression analysis was used, and the results were as follows:

Table No. (7): Results of testing the second hypothesis

Dep. Var	Mod. Sumr		ANOVA			Coefficients				
	R	R ²	F	df	Sig.	Mod	B	Std. Error	t	Sig.
EC	0.567	0.32	31.43	4	0.00	α	1.93	0.256	7.54	0.00*
				266		CS	0.452	0.079	5.7	0.00*
				270		GO	0.179	0.063	2.836	0.01*
						TE	-0.2	0.073	-2.66	0.01*
						IAQ	0.148	0.049	3.009	0.00*

Source: These results were extracted using the statistical program (SPSS.27).

The effect was statistically significant at this level ($\alpha \geq 0.05$).

The results showed that the correlation coefficient ($R = 0.567$) indicates that the relationship between the independent and dependent variables is vital, while the F value was about 31.429, which is statistically significant at the significance level (0.05). In contrast, the value of the coefficient of determination ($R^2 = 0.321$) indicates that variations in factors such as company size, governance, tax evasion, and internal audit quality can explain 32.1 percent of the variation in the environmental cost system. The transaction table shows the following:

1. The company size variable (CS) reached a value of $B = 0.452$, with a standard error of 0.079, and a value of $(t) = 5.700$, which is statistically significant and significant at the level of 0.05.

2. The judgment variable (GO) reached a value of $B = 0.179$, with a standard error of 0.063, and a value of $(t) = 2.836$, which is statistically significant and significant at the level of 0.05.

3. The internal audit quality (IAQ) variable reached a value of $B = 0.148$, with a standard error of 0.049, and a value $(t) = 3.009$, which is statistically significant and significant at the level of 0.05.

Based on the above, we reject the first null hypothesis and accept the alternative hypothesis, which states: "There is a statistically significant effect at a significant level ($\alpha \geq 0.05$) for the factors (company size, governance, tax evasion, internal governance, and audit quality) on the environmental cost system in Jordanian industrial companies. We can write the typical equation as follows:

d. The third Hypothesis (e3):

ho₃ "There is no statistically significant effect at the level of significance ($\alpha \geq 0.05$) for the factors (company size, governance, internal audit quality) on the activity-based costing system in Jordanian industrial companies."

For the third test Multiple regression analysis was used and the results were as follows:

Table No. (8): Results of the third test hypothesis

Dep.var	Model Summary		ANOVA			Coefficients				
	R	R2	F	Df	Sig.	Mod	B	Std. Error	t	Sig.
ABC	0.706	0.5	19.43	4	0.00	α	1.305	0.228	5.726	0.00*
				266		CS	0.417	0.067	6.224	0.00*
				270		GO	0.126	0.052	2.425	0.02*
						TE	-0.28	0.063	-4.45	0.00*
						IAQ	0.457	0.044	10.34	0.00*

Source: These results were extracted using the statistical program (SPSS.27).

The effect was statistically significant at this level ($\alpha \geq 0.05$).

The results showed that the correlation coefficient ($R = 0.706$) indicates that the relationship between the independent variables and the dependent variable is vital, while the value of F was about 19.433, which is statistically significant at the significance level (0.05), and the value of the coefficient of determination ($R^2 = 0.499$). This indicates that (49.9%) of the variation in the activity-based costing system can be explained by variations in factors (company size, governance, tax evasion, and internal audit quality). The transaction table shows the following:

1. The variable company size (CS) reached a value of $B = 0.417$, with a standard error of 0.067, and a value of $(t) = 6.224$, which is statistically significant and significant at the level of 0.05.

2. The judgment variable (GO) reached a value of $B = 0.126$, with a standard error of 0.052, and a value of $(t) = 2.425$, which is statistically significant and significant at the level of 0.05.

3. The internal audit quality (IAQ) variable reached a value of $B = 0.457$, with a standard error of 0.044, and a value of $(t) = 10.340$, which is statistically significant and significant at the level of 0.05.

Based on the above, we reject the first null hypothesis and accept the alternative hypothesis, which states: "There is a statistically significant effect at a significant level ($\alpha \geq 0.05$) for the factors (company size, governance, and internal governance) and audit quality) on the activity-based costing system in companies." Jordanian Industrial. We can write the typical equation as follows:

5. Conclusion

Recently, there has been a significant increase in the volume of data and information that needs to be interpreted, processed, measured, and analyzed. This has increased interest in using modern cost accounting methods (target, environmental, and activity costs). (Based Costing) is one of the accounting developments used by many major global companies and affects their performance (Davies, 2014). To achieve this, it is necessary to use productive and administrative methods to achieve customer satisfaction, reduce waste, control costs, and thus provide the product or service at a lower cost and higher quality (Abdulkadir, 2023). Recent studies have overlooked the factors influencing modern cost accounting methods and their utilization in industrial institutions. Existing research has primarily used single-answer questions instead of Likert-scale questions. This study aims to examine the level of use of modern cost methods and the factors impacting them, particularly in developing countries where research in this area is limited. Previous studies suggest that the application of modern costing methods in less developed countries needs to be improved, and literature on this topic is scarce. (McLeod et al., 2011).

This study aims to investigate the factors influencing modern cost methods, administrative practices, and cost accounting techniques in developing countries, specifically Jordanian industrial companies. It seeks to fill a gap in research that has primarily focused on Western countries. The study will provide empirical evidence on using modern costing methods in Jordan's emerging market.

Table No. (10): Results of examining the study hypothesis

HO.NOM	Hypothesis	a result
1	There is no statistically significant effect at the level of significance ($\alpha < 0.05$) for the factors (company size, governance, tax evasion, internal audit quality) on the target cost system in Jordanian industrial companies.	Prominent
2	There is no statistically significant effect at a significant level ($\alpha < 0.05$) for the factors (company size, governance, tax evasion, internal audit quality) on the environmental cost system in Jordanian industrial companies.	Prominent
3	There is no statistically significant effect at a significant level ($\alpha < 0.05$) for the factors (company size, governance, tax evasion, internal audit quality) on the activity-based costing system in Jordanian industrial companies.	prominent

The tests' results showed that factors (company size, governance, quality of internal audit) impact modern cost calculation methods (target costs, environmental costs, activity-based costs in Jordanian industrial institutions). We concluded that all our hypotheses have been confirmed Through the abovementioned results. Based on the above and the role of factors

(company size, governance, quality of internal audit) in modern cost methods and the subsequent improvement in operations and company performance, the study derives its importance because it sheds light on the factors that help Jordanian companies in knowing and identifying the factors for the success of applying modern costing methods, which are target costs, environmental costs, and activity-based costs. The clarity of the reasons for the success of modern costing methods gives companies an incentive to develop traditional costing systems based on them, taking into account these reasons in an attempt to improve the performance of their companies.

It is necessary to devote more research efforts to monitor the reality of practice in Jordanian companies and provide a better understanding of how manufacturing environment variables affect the adoption and application of modern cost methods because of their comparative advantage as one of the elements of strategic management—accounting tools for companies operating in developing economies, such as the Jordanian economy. The researcher also suggests that some research efforts focus on the impact of modern cost methods on the company's operational and financial performance so that there is empirical evidence for companies that are hesitant to apply modern cost methods to help them analyze the costs and benefits of these methods.

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