



**THE INFLUENCING FACTORS OF TARGET COST
MANAGEMENT IN ELECTRONIC MANUFACTURING
INDUSTRY-A CASE STUDY OF POWER SOURCE COMPANY**

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ABSTRACT

The Power Source Company competes fiercely with larger foreign companies. For higher competitiveness, the organization must define a goal cost model, address low management awareness, and improve staff professionalism, consequently improving its development prospects. This paper aimed to study the influencing factors of target cost management in the Power Source Company.

The objectives of the study were: 1) To explore the influencing factors that affect target cost management in the Power Source Company; 2) To determine whether management awareness, management system, employee qualification, cost accounting affect target cost management in the Power Source Company.

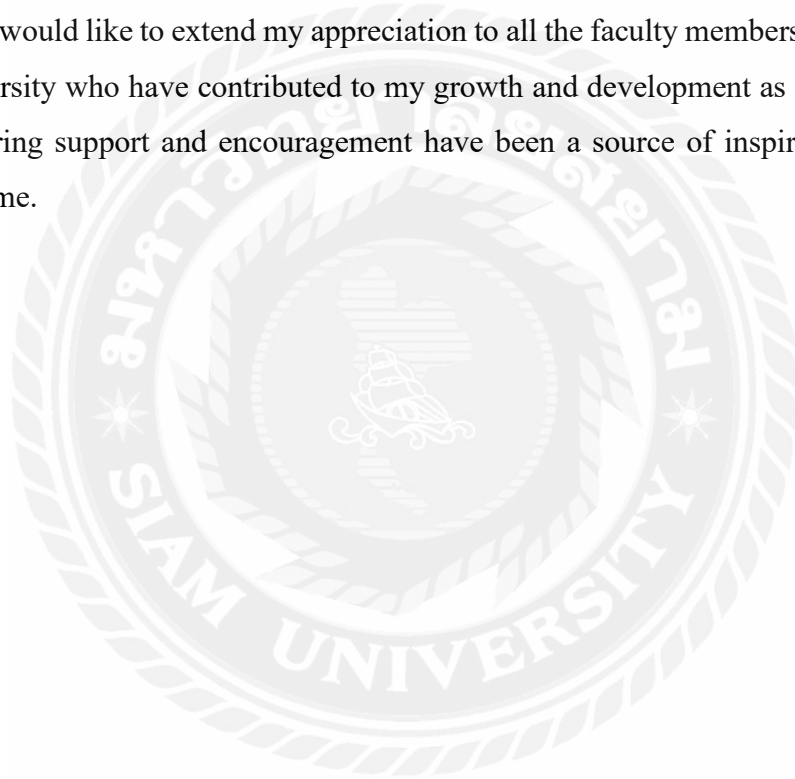
This study adopted the quantitative research method. In this study, 450 questionnaires were distributed, with 388 valid questionnaires, and the validity rate was 86.22%. The population of this study were the employees and managers of different departments in different positions in the Power Source Company. Based on the target cost management theory, this paper found that: 1) The influencing factors of target cost management in the Power Source Company included management awareness, management system, employee qualification, cost accounting; 2) Management awareness, management system, employee qualification, cost accounting have a positive effect on target cost management. For recommendations, the target cost management should focus on the following aspects: 1) Enhancement of management awareness; 2) Optimisation of management system; 3) Improvement of employee qualification; 4) Accurate cost accounting.

Keywords: target cost management, electronic manufacturing industry, power source company

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DECLARATION

I, Wang Lina, hereby certify that the work embodied in this independent study entitled “Study on the Influencing Factors of Target Cost Management in Electronic Manufacturing Industry-Taking Power Source Company as an Example” is the result of original research and has not been submitted for a higher degree to any other university or institution.



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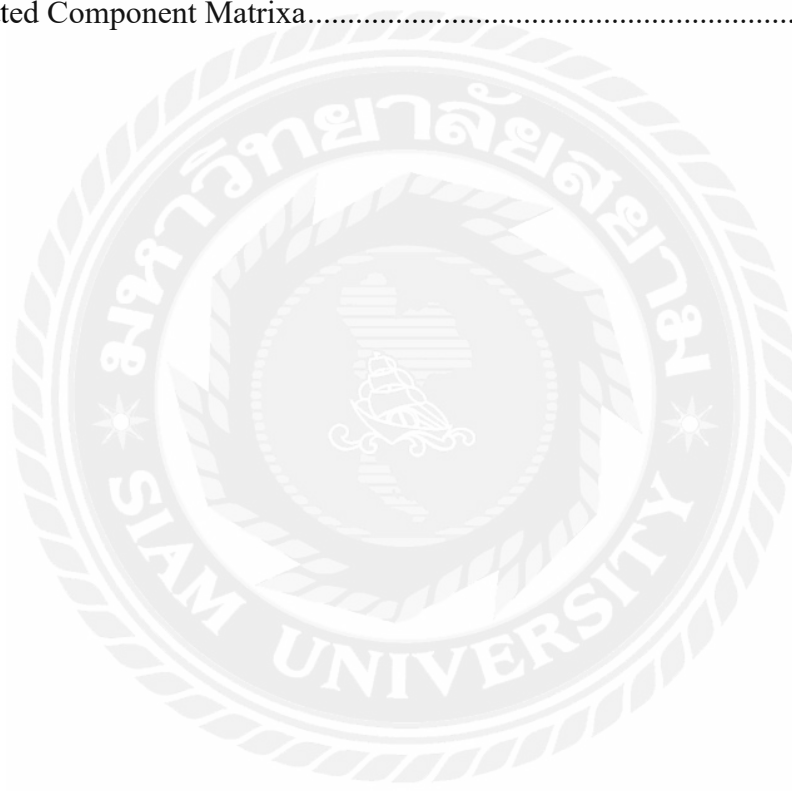


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Chapter 1 Introduction

1.1 Background of the Study

In recent years, the electronic industry supporting the non-stop improvement, brought China's electronic manufacturing enterprises huge development opportunities and space. The development of the economic situation for the electronics manufacturing industry provides a good space for development. In the electronics manufacturing industry, the target cost generally accounts for more than 40% of the weight share, whether to effectively manage the target cost, will directly affect the competitiveness of the electronics manufacturing enterprises, so the effective governance of the target cost of the electronics manufacturing enterprises of far-reaching significance (Lv et al., 2021). Chinese electronics manufacturing companies have great development prospects, but also face increasingly fierce competition with large electronics companies in other countries, so the study of how to set up the target cost model in the electronics manufacturing industry has great practical application value for improving the overall competitiveness of Chinese electronics manufacturing companies (Jiang et al., 2023).

Since entering the 21st century, the global economy has been integrated, customer demand for products is increasing, and the trend of personalization is becoming more and more significant. Customers can choose suppliers to provide products all over the world, resulting in companies enjoying an unprecedented focus on their target costs. Chinese companies are discussing a new approach to target cost management that maximizes customer satisfaction and minimizes costs (Evans, 2021). The implementation of target cost strategy to optimize efficiency has become one of the most important measures to improve the competitiveness of Chinese enterprises. Enterprises in order to survive and develop must continue to develop more price advantage and higher performance can be used to meet consumer demand for new products. However, it is inevitable for every mature industry to offer products to the society that the price decline is unavoidable. Enterprises in order to be able to reap enough profits at the same time as the price drop, but also in order to compete for survival and market, not only to strive to make the production of product costs can be reduced, but also to make the production of products in the market to have sufficient share. Enterprises in the various business management activities pay full attention to the target cost management, put the focus on the cost. In such a market economic environment, target cost management is bound to become the theme of business activities (Hu & Gao, 2019).

Electronics manufacturing industry due to the different industries, in the target cost management and other industries compared to have a common point, but also has its particularity. China's electronics manufacturing industry is highly competitive. Faced with challenges from the international companies, international companies in technology and management has many advantages, so the target cost management to

absorb international technology and advanced management, combined with their own characteristics to find China's electronics manufacturing industry's own competitive advantage. In order to adapt to the increasingly complex competitive environment, electronic manufacturing enterprises need to increase their competitive advantages. Therefore, in order to adapt to the development needs of electronic manufacturing enterprises, the traditional target cost management theory and knowledge related to innovation and development (Luo & Tung, 2017).

Power Source is a leading company in China's electronics manufacturing industry. Power Source has participated in many major projects in China. Power Source was founded in 2010, with a registered capital of 210 million yuan, total assets of 915 million yuan, covering an area of 216,000 square meters and a building area of 110,000 square meters (Liu et al., 2019). The company's main products are focused on three aspects: data communication, intelligent power supply and new energy vehicle products, which are widely used in communication, big data, petroleum, steel refining, chemical industry, transportation and other industries and large public infrastructure power distribution construction. At present, the target cost management process of the Power Source Company is characterized by weak management awareness, imperfect management system and low professionalism of employees. The development of the power source company urgently needs to solve the problem of target cost management.

1.2 Questions of the Study

Due to the continuous development of economic globalization and the continuous improvement of enterprise management system, the current actual target cost method has gradually failed to fully adapt to the target cost management of modern enterprises. The target cost management method adopted by the Power Source Company is still the traditional actual target cost method, but the actual target cost method is out of touch with the advanced management concept of the Power Source Company (Krueger et al., 2020). According to the power source company's management system requirements, in all aspects of the enterprise target cost management should be run in accordance with the relevant provisions, to formulate target plans in advance, a reasonable control process and timely summarize the process, while in order to improve the overall efficiency of the management work, the enterprise's various departments need to pass information in a timely manner to maintain the stable operation of the enterprise. But now the power source company due to the rapid development, the workload is huge, most of the staff cannot guarantee that strictly in accordance with the requirements of the system, and the lack of enthusiasm, so cannot be through the requirements of the actual target cost method to complete the allocation of the target cost. Therefore, the following issues are raised in this study:

1. What factors influence target cost management in the Power Source Company?
2. Do management awareness, management system, employee qualification, cost accounting affect target cost management in the Power Source Company?

1.3 Objectives of the Study

In recent years, the rapid development of China's economy, especially in the manufacturing industry, large production capacity, low labor costs, with the flexibility to respond to market changes, in the world has a certain degree of competitiveness, resulting in a large trade surplus, for the accumulation of social wealth of the country has contributed. But with this does not match is the enterprise cost management level is relatively backward, in the comprehensive cost of a larger part of the formation of backward management, resulting in a large number of human and material resources and other resources waste, directly affecting the economic efficiency of enterprises. Resources in the global scope greatly strengthen the flow and configuration, enterprises have to face more intense market competition, how to strengthen the target cost management, improve enterprise competitiveness, has become China's electronics manufacturing industry to solve the problem. Based on this, this thesis points out the key elements in the cost management of electronic manufacturing industry through the research of target cost management influencing factors of power source company, explores and proposes the method of modern target cost management of electronic manufacturing industry, and carries out scientific and reasonable management of enterprise's cost, so as to improve the economic efficiency of the enterprise, and to achieve the purpose of enhancing the comprehensive market competitiveness of the enterprise. Therefore, in conjunction with the above analysis, the purpose of this study is:

1. To explore the influencing factors that affect the target cost management in Power Source Company.
2. To determine whether management awareness, management system, employee qualification, cost accounting affect the target cost management in Power Source Company.

1.4 Scope of the Study

The research process of target cost management influencing factors in Power Source Company includes sample selection, research duration, research process arrangement, and research method selection. The research sample ensures that the samples selected are representative of the different departments, positions or projects of Power Source Company in order to fully reflect the diversity and complexity within the company. Therefore, the research samples are employees and managers of different departments in different positions in Power Source Company, who have worked in

Power Source Company for at least one year, have sufficient understanding of the development of Power Source Company, and are able to give a reasonable evaluation of Power Source Company's target cost management. On the other hand, to ensure that the selected sample data can be obtained and effectively analyzed. Prior consultation with the internal personnel department of the company was conducted to ensure that the required data could be obtained. The duration of the study was four months, from October 2023 to January 2024 to conclude. The research process assembled the research objectives to determine the study population and selected the study sample to collect data for analysis. A questionnaire was used for data collection, the first part of the questionnaire was demographic variables, mainly related to gender, age, and position of the study sample. The second part is related to the research variables.

1.5 Significance of the Study

In this study, the system influencing factors of target cost management were studied in the electronics manufacturing industry. Focusing on the importance of target cost, using the market as a guide, and combining the business and production objectives of the company through some assessment tools of the company, it identifies the importance of management awareness, management system, employee qualification, and cost accounting on target cost management. It further broadens the idea of target cost management in electronic manufacturing industry and helps the theory of target cost management in electronic manufacturing industry to be more systematized (Krueger et al., 2020).

Through the study of target cost management in electronic manufacturing industry, the effective methods of target cost management of enterprises are elaborated effectively from the perspective of enterprises, combining with their management consciousness, management system as well as factors such as employee qualification and cost budget (Mouritsen et al., 2001). It further broadens the thinking of cost management, carries out extensive study and exchange among each other, constantly creates and puts forward the improvement opinions, and improves the management level of the whole staff, so as to make the core competitiveness of the enterprise to be greatly improved. At the same time through the case study, but also based on the industry's target cost scale for the enterprise product cost level of measurement as a reference, so that the comparison not only allows companies to find their own gap with others, but also actively analyze the causes of the problem and take methods to control costs to reduce the different enterprises can actually do to learn from each other to make continuous progress (Baharudin & Jusoh, 2015).

Through the research to realize the high efficiency and high level of collaboration within the power source company, it helps the overall coordination and development within the power source company, which in turn lays the foundation for the power source company to improve its competitiveness. In addition, the target cost management, pay attention to the power source company's management awareness and

management system, is conducive to the power source company to understand the target cost management process of the existing problems, to strengthen their own ability to face the risk. The analysis of budget cost factors is conducive to power source companies to further understand the risks they face in the process of target cost management.

1.6 Conceptual and Operational Definition

Management Awareness: The extent to which the company's management and employees recognize and value target cost management. Ensure that management and employees understand the concept, principles and importance of target cost management, and raise management awareness through internal training and external training.

Management System: A series of systems, norms and procedures established for the implementation of target cost management. Formulate relevant systems, including target setting system, budgeting system, cost accounting system, etc., to clarify the workflow and division of responsibilities for target cost management.

Employee Qualification: Knowledge, skills, attitudes and behaviors possessed by employees in target cost management. Improve employees' cost awareness and management ability through training and education to ensure that employees can actively participate in the implementation of target cost management.

Cost accounting: Accurately and comprehensively account for and analyze the costs of the enterprise. Establish a perfect cost accounting system, including cost classification, cost measurement, cost analysis and other links to ensure the accuracy and timeliness of cost accounting data.

Target Cost Management: Determine the target cost of a product or service, i.e., the level of cost that the enterprise needs to control in order to realize the expected profit under the given conditions. Determining the target cost needs to take into account factors such as market pricing, expected profitability, and the quality requirements of the product or service to ensure that the target cost can achieve the enterprise's profitability goals.

Chapter 2 Literature Review

2.1 Introduction

This chapter focuses on the research process of related research theories and related research variables. Previous research results of scholars are reviewed and sorted out, the literature on target cost management, target cost management process and target cost theory is sorted out and summarized, and the research model is proposed with the research variables.

2.2 Literature Review

2.2.1 Target Cost Management

Target cost management is a management method designed to achieve the profitability objectives of an enterprise by setting reasonable target costs and by controlling actual costs to approach or reach the target cost level. Target cost is the highest cost level that an enterprise can accept in order to be competitive in the market based on expected profitability. Target setting is the starting point of target cost management, which directly affects the pricing and profit level of the enterprise's products or services (Baharudin & Jusoh, 2019). Target setting needs to take into account market demand, competitors' prices, product quality requirements and other factors to ensure that the target cost to ensure product quality and market competitiveness under the premise of achieving the expected profit. Budgeting is based on the target cost, the development of specific plans and measures to implement target cost management. The budget includes the expected amount and allocation ratio of each cost, as well as the timetable for the implementation of target cost management and the responsible person. Budgeting needs to fully consider factors such as production capacity, cost structure, market demand, etc., to ensure the rationality and feasibility of the budget plan, and provide guidance and basis for subsequent cost control (Zhu et al., 2015).

Cost control is the core link of target cost management, through the monitoring and adjustment of the actual cost to make it close to or reach the target cost level. Cost control includes the following aspects: production process optimization is to optimize the production process, improve production efficiency and reduce production costs. Resource allocation adjustment is to rationally allocate human, material and financial resources to maximize the efficiency of resource utilization (Komnatska, 2015). Supply chain management is to optimize the supply chain management, reduce raw material procurement costs and logistics costs. Cost control requires continuous adjustment and optimization of the cost structure through effective management system and control means to ensure that the actual cost is close to the target cost. Performance evaluation is the process of assessing and giving feedback on the implementation and effect of

target cost management (Yasukata et al., 2013). Performance evaluation requires quantitative or qualitative evaluation based on the set objectives and budgets, combined with the actual situation, to determine whether the expected objectives are met and to provide a basis for improvement. Performance evaluation indicators include cost deviation rate, cost control efficiency, profitability, etc. Through regular evaluation and analysis, problems and room for improvement are identified, and the effect and performance of target cost management are continuously improved (Park et al., 2016).

Continuous improvement is one of the basic principles of target cost management, which adapts to the changes in the market environment and the needs of enterprise development through continuous optimization and improvement of the management system, processes and methods (Xu, 2009). Continuous improvement needs to be combined with performance evaluation results and market feedback to adjust and improve the measures and strategies of target cost management in a timely manner, and continuously improve the management level and cost control effect. The content of target cost management covers target setting, budgeting, cost control, performance evaluation and continuous improvement, which together constitute the core content and implementation path of target cost management.

2.2.2 Target Cost Management Process

In determining the target cost, many aspects of the elements need to determine, such as price, profit, cost and so on, so in determining the cost, there must be a detailed understanding of the various objectives of the enterprise, in order to develop the most reasonable and perfect enterprise target cost. The determination of the target sales price, which must be fully taken into account, is the core link in the determination of sales price, at the same time, from the price of the product can also reflect this stage for the quality of the product, consumer demand and other aspects of the situation. In the electronics manufacturing industry, at the level of pricing, the most important element to consider is the combination of some of the characteristics of the new generation of products. In reality, there are many methods used by enterprises to pricing, the use of these methods need to take into account the existing market, the development of enterprises, the advantages of the product and other elements, through the determination of the target price, the use of sellers to achieve, therefore, in order to improve the competitiveness of the enterprise target price determination in order to improve the competitiveness of the price must be a combination of several elements to consider (Chlingaryan et al., 2018).

In determining the target profit of these issues need to pay attention to, first of all, the target profit from the point of view of the enterprise managers and determine the plan, and the projected profit is from the level of enterprise research and development of the plan, which is there is a certain difference between the two. And both are to the

development of the product in the market as the object of consideration and planning, therefore, with the continuous changes in the research and development process and the continuous development of the market environment, the corresponding target profit of the product will also change in time (Mouritsen et al., 2001).

Decomposition of the objectives of the entire enterprise, the objectives assigned to each department, each employee and the corresponding products is the process of enterprise goal decomposition, the purpose of enterprise goal decomposition is to determine a reasonable target cost value. According to the enterprise management structure decomposition, from the different levels of the enterprise to determine the target, from the management, departments, basic employees and other levels of distribution, each person has a different corresponding objectives (Baharudin & Jusoh, 2019). The essence of decomposition of target cost is to transform the enterprise's goals into responsibilities assigned to each employee, so that each employee clearly understands his or her own responsibilities and perfects and improves his or her own work through his or her own goals and responsibilities. This kind of distribution method is very good to assign the goal to each person, make the enterprise development goal get better realization and implementation, and improve the management efficiency and monitoring method of the enterprise. The establishment of a good performance inspection system makes the staff's enthusiasm for production greatly improved, the enterprise's productivity and corporate culture has been well realized.

2.2.3 Target Cost Management Theory

(1) Definition of Target Cost Management Theory

Target cost management is a management accounting theory and method designed to achieve the profitability objectives of an enterprise by setting reasonable target costs and by controlling actual costs to approach or reach the target cost level. Target cost management is a management methodology that seeks to achieve expected profitability on the premise of meeting market demand and customer expectations by determining the target cost of a product or service on the basis of market-oriented and expected market pricing. Target cost management emphasizes that costs should be considered at the product or service design stage to meet market pricing and profitability goals (Tani, 1995).

Target cost management first appeared and developed in Japanese companies in the early 1970s, mainly in response to the fierce competition and globalization trend in the Japanese market at that time (Stenzel & Stenzel, 2003). Japanese companies such as Toyota and Honda began to try to apply target cost management to the product design and development stage to ensure that product costs were competitive in the marketplace. In the 1980s, the theory and methodology of target cost management began to receive academic attention and research. At this stage, Japanese scholars and management experts gradually put forward and systematized the theoretical framework and operational methods of target

cost management, and applied them to actual enterprises (Tani, 1995). Target cost management gradually expanded to other countries and regions, and was recognized and applied by more enterprises. Many enterprises began to realize the importance of target cost management for improving competitiveness and profitability, and started to try to introduce and apply target cost management. With the development of the global economy and the intensification of competition, the theory and methods of target cost management are constantly improved and developed. Under the background of globalization, more and more enterprises realize the importance of target cost management in product or service design, production and marketing, and begin to increase the research and practice of target cost management (Rains, 2010).

The main features of target cost management include: target cost management is oriented to market demand and customer expectations, and target costs are determined on the basis of expected market pricing. Target cost management requires the participation of all staff, including design, production, procurement, sales and other aspects of participation and collaboration. Target cost management emphasizes continuous improvement, through continuous optimization of product design, production process and cost structure, to achieve continuous cost reduction and profitability enhancement. The definition and development of target cost management theory has gone through the stages of origin, proposal, promotion and perfection. It is a management method to realize expected profitability by setting reasonable target cost and through full participation and continuous improvement (Cooper & Slagmulder, 1997).

(2) Management Awareness

In the theory of management by objectives, management consciousness refers to the degree of managers' knowledge, understanding and attention to objectives, which is an important prerequisite and foundation for the implementation of management by objectives. Management consciousness is firstly reflected in the manager's understanding and cognitive degree of the goal (Sae-Lim & Lim, 2001). Managers need to clearly realize the importance of the goal, realize that the goal is the direction and basis of enterprise development, is to promote the sustainable development of the key factors. Managers need to realize that only clear goals can guide the work of the enterprise and improve the performance and competitiveness of the enterprise. Management awareness is also manifested in the active participation of managers in the process of goal setting and implementation. Managers need to invest enough time and energy to participate in the formulation and implementation of goals, providing the necessary support and guidance. Only the deep involvement of managers can ensure the scientific and effectiveness of the objectives.

Management awareness is also reflected in managers' decisions and actions. Goal management emphasizes goal-oriented decision-making and action, that is, all decisions and actions should serve to achieve the company's goals. Managers need to always keep in mind the company's goals in their daily work to guide their decisions and actions to ensure that the company's development direction and goals are not deviated (S. Khursheed et al., 2008).

Management awareness also needs to be reflected in the motivation of employees to actively participate in goal management. Managers need to realize the enthusiasm and initiative of employees to achieve the importance of the company's goals, through incentives, training and guidance and other ways to stimulate the enthusiasm of employees to participate in the joint promotion of the realization of the goal. Finally, management awareness is also embodied in the continuous improvement and learning of managers on the theory and method of goal management. Managers need to keep an open mind, constantly learn and master the latest management theories and methods, and constantly improve the implementation and effect of goal management to adapt to the changes in the external environment and the needs of the company's development. Management awareness is of great significance in the theory of goal management, which needs to be reflected in managers' awareness, participation and action on goals, and is one of the key factors to promote the implementation and execution of goal management (Palmieri et al., 2007).

(3) Management System

The role and significance of management system in management by objectives theory for target cost management is remarkable. The management system in the management by objectives theory clarifies the overall development objectives of the enterprise, departmental performance objectives and individual performance objectives through the objective setting system. This helps the implementation of target cost management because target cost management requires clear target costs of products or services, and these targets are set based on the overall strategic objectives of the enterprise and departmental performance objectives. The budgeting system is part of the management system that provides the basis for the realization of target cost management. Through the budgeting system, the enterprise can formulate a reasonable budget plan and clarify the expected amount and allocation ratio of each cost (Platkus, 2019). The establishment and implementation of the budgeting system helps the setting and control of target cost, so that the enterprise can better grasp the cost situation in actual operation, and discover and solve the cost deviation in time. The performance evaluation system is a key component of the management system, providing a basis for the incentive mechanism through the evaluation of the implementation and effect of target management. The establishment of the performance evaluation system helps managers and employees to understand the implementation of target cost management, and rewards, punishes and incentivizes according to the results of performance evaluation, which promotes the active participation of all staff in target cost management and improves the implementation effect (Platkus, 2019; Sej-Kolasa, 2020).

The information feedback system provides timely and accurate information for target management, including costing information and market feedback information. Through information feedback, managers can better understand the implementation of target cost management, adjust and optimize the management strategy in a timely manner, provide scientific basis for decision-making, and ensure that enterprises can flexibly respond in the dynamic market environment. The role and significance of management system in target management theory for target cost management is reflected in clear objectives and directions,

effective budget and cost control, performance evaluation and incentive mechanism, information feedback and decision-making support, full participation and collaboration. These systems provide an organizational and operational framework for the implementation of target cost management, ensuring that enterprises can achieve their goals while maintaining effective cost control (Sej-Kolasa, 2020).

(4) Employee Qualification

Employee quality plays an important role in enterprise target cost management. Excellent employee quality is usually accompanied by a strong sense of cost consciousness and saving consciousness. This awareness makes employees pay more attention to cost control in their work and actively look for ways and means to reduce costs, thus helping to realize the setting and control of target costs. Employees with high quality usually have strong professional ability and work efficiency, can better accomplish the work task, and in the process of continuously improving the work efficiency to reduce the cost of production and management. Employees with good quality usually have strong innovation ability and improvement consciousness, can actively put forward proposals and programs to improve cost-effectiveness, through innovation to reduce production costs and improve corporate efficiency. High-quality employees usually have good teamwork and collaboration, and can work with team members to complete tasks together (Fanina, 2021).

Teamwork helps to improve efficiency and reduce production and management costs. High-quality employees often have a strong sense of quality and continuous improvement consciousness (Shitikova & Borysenko, 2020), can continuously improve work processes and methods, improve the quality level of products or services, reduce production and quality management costs. High-quality employees usually have good adaptability and resilience, can adapt to the rapidly changing market environment, timely adjustment of work plans and strategies to reduce the cost of enterprises to deal with market changes (Görke et al., 2017). Employees with good quality usually have strong self-management ability and sense of responsibility, can consciously fulfill their work responsibilities, effectively manage work time and resources, and reduce the waste of ineffective costs. The role of staff quality on enterprise target cost management is multi-faceted, including improving cost consciousness and saving consciousness, improving professional ability and efficiency, promoting innovation and improvement, strengthening teamwork and collaboration, strengthening quality consciousness and continuous improvement, improving adaptability and resilience, strengthening self-management and responsibility consciousness, and so on. Excellent staff quality can effectively support and promote the implementation of enterprise target cost management, thus improving the competitiveness and profitability of enterprises (Fanina, 2021).

(5) Cost accounting

Cost budgets play a vital role in target cost management. Cost budget provides an important basis for target cost management. In target cost management, enterprises need to set reasonable target costs as a benchmark to guide the cost control and management in the production process. Cost budgeting process, through the cost structure, cost elements, expected profitability and other aspects of the analysis, can provide an important reference for the target cost setting, to ensure that the target cost is reasonable and feasible. The cost budget provides enterprises with reasonable expectations for various costs, which helps enterprises control and manage costs in the production process. Based on the cost budget, the enterprise can formulate corresponding cost control strategies and measures, through optimizing the production process, reducing costs and other ways, to ensure that the actual costs and target costs are close to the degree of target cost, so as to achieve the goal of target cost management (Yoshikawa, 2019).

The cost budget provides an important basis for the performance evaluation of the enterprise. In target cost management, enterprises need to evaluate and analyze the effect and performance of cost control by comparing the actual cost with the target cost. The cost budget provides a standard for the enterprise to measure and evaluate the effect of cost control and provide the enterprise with the direction and measures for improvement (Minahan, 2020). Cost budget provides a scientific basis for the enterprise's resource allocation and decision-making. Through the cost budget, the enterprise can carry out reasonable planning and arrangement for the use of resources, optimize the allocation of resources, so as to improve the efficiency of resource utilization. In addition, the cost budget can also provide important reference for the enterprise's decision-making, help the enterprise to make reasonable decisions, maximize the benefits of the enterprise (Lee Wonki & Hyo Seog Hong, 2014). Cost budget plays an important role in target cost management, which provides important support and basis for the setting of target cost, cost control and management, performance evaluation, and resource allocation and decision-making, and helps the enterprise to realize the effective implementation of target cost management and improve the competitiveness and profitability of the enterprise (Cristea, 2017; Minahan, 2020; Shitikova & Borysenko, 2020).

2.3 Conceptual Framework

On the basis of target cost management theory, it is proposed that the influencing factors affecting the of target cost management in Power Source Company include management awareness, management system, employee qualification, cost accounting. In order to enhance the target cost management theory of the company and realize the sustainable development of the company, it is of great significance to accurately adjust the target cost management to match the current development of the company. Management awareness, management system, employee qualification, cost accounting are taken as the factors affecting target cost management, and a model is constructed. Among them, management awareness, management system, employee qualification, cost accounting is the dependent variable. The above analysis summarizes the Conceptual framework of this study. As shown in Fig2.1.

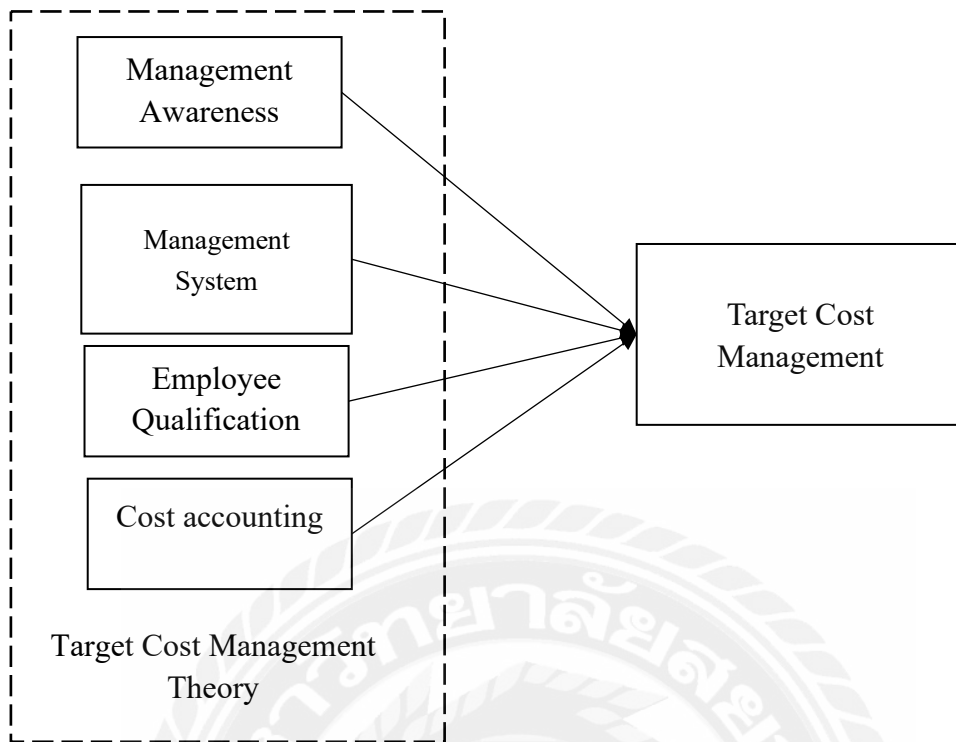


Figure 2.1 Conceptual Framework

Chapter 3 Research Methodology

3.1 Introduction

The research method used in this study is quantitative research. The research process analyzes and identifies the influencing factors of target cost management in Power Source Company. Based on the theory of target cost management, the independent variables are identified as management awareness, management system, employee quality, and cost accounting. The dependent variable is target cost management. Construct a model based on the interrelationship between the variables and determine the research hypotheses. Design the questionnaire in the research process, determine the questionnaire has good validity and reliability. Lay the foundation for data collection.

3.2 Research Design

This study adopted the quantitative research method. The questionnaire was designed according to the target cost management theory and related classical scales, and a total of 28 questions were designed to measure the questionnaire variables, with no dimensional division for each variable. There are 6 measurement questions on Management Awareness, which are mainly related to the recognition of target cost, the degree of attention and support, as well as the management mode and importance. A total of 6 questions were asked to measure Management System, including hierarchical objectives, cost monitoring, assessment mechanism, and information feedback mechanism (Minahan, 2020). Employee Qualification: 6 measurement questions, including knowledge and skills, cooperation and communication, innovation, responsibility and self-management, adaptability and service consciousness. Cost Accounting: 6 measurement questions, including comprehensive accounting system, timeliness, accounting method, reporting mechanism, etc. Target Cost Management: 4 measurement questions, including business activities, market competition, budgeting, and costing deviation (Shitikova & Borysenko, 2020).

Each item was measured using a five-point Likert scale. A five-point Likert scale was used, with scores ranging from 1-5, representing strongly disagree, disagree, generally agree, agree, and strongly agree, with higher scores representing more excellent agreement with the item. The corresponding question items were designed for each variable, and the items were coded as shown in Table 3.1.

Table 3.1 The Measurement Item

Measurement Item	NO.
Management Awareness	
1. there exists an understanding and acceptance of the theory of target cost management among the employees of Power Source?	Q1
2. in the power source company's management, there is the target cost management of the importance of and support?	Q2
3. in the daily operation and management of the power source company, there is a cost control-oriented management mode?	Q3
4. in the decision-making process of the power source company, consider the importance of target cost management for enterprise development?	Q4
5. in the power source company's staff training and incentives, including target cost management related content?	Q5
6. emphasize cost management awareness and target cost management values in Power Source's organizational culture?	Q6
Management System	
1. a clear goal-setting system has been established within Power Gen to determine the goals and performance indicators at each level?	Q7
2. Power Source has a well-established budgeting system to support the implementation and monitoring of target cost management?	Q8
3. in the performance evaluation system of Power Source, the performance indicators and assessment mechanisms related to target cost management are clearly defined?	Q9
4. has Power Sources established an effective information feedback system for timely collection and transmission of information related to target cost management?	Q10
5. in the organizational structure of the power source company, set up a special target cost management department or person in charge, in order to be responsible for the planning and implementation of target cost management?	Q11
6. the importance of target cost management is emphasized in Power Source's corporate culture, and employees are encouraged to actively participate in and support the implementation of target cost management?	Q12
Employee Qualification	
1. Power Sources 's employees have good professional knowledge and skills to support the execution and implementation of target cost management?	Q13
2. employees demonstrate high communication skills and a sense of teamwork to facilitate coordination and cooperation in target cost management?	Q14
3. Power Source employees possess a high level of innovation and improvement awareness to promote continuous improvement and optimization of target cost management?	Q15

Measurement Item	NO.
4. the employees show strong sense of responsibility and self-management ability in their work to ensure effective control and management of target cost?	Q16
5. employees have strong adaptability and resilience to cope with changes and challenges in the market environment to ensure the smooth implementation of target cost management?	Q17
6. Power Source employees have good service consciousness and moral character to ensure fairness, justice and transparency in the target cost management process?	Q18
Cost accounting	
1. Power Source has established a comprehensive cost accounting system to accurately calculate all costs, including direct and indirect costs?	Q19
2. in the costing process, Power Gen considers the timeliness and accuracy of each cost in order to improve the precision and reliability of costing?	Q20
3. Power Source has adopted advanced costing methods and tools, such as standard costing and job costing, to improve the efficiency and accuracy of costing?	Q21
4. in the costing system, Power Source is able to distinguish and track the sources and changes of each cost to help realize the setting and control of target costs?	Q22
5. Power Source has established a comprehensive cost analysis and reporting mechanism to provide timely feedback of costing results to relevant departments and management to support the implementation and monitoring of target cost management?	Q23
6. In the process of cost accounting, Power Gen emphasizes the transparency and compliance of cost accounting to ensure the authenticity and credibility of cost accounting results?	Q24
Target Cost Management	
1. Has Power Sources clearly set specific target costs to guide production and operation activities?	Q25
2. the target cost is formulated in Power Source Company, taking into account factors such as market demand, competitive pressure and company strategy?	Q26
3. Power Source has established an effective target cost management system, including budgeting, performance evaluation and information feedback?	Q27
4. in the implementation process of target cost management, Power Source is able to identify and solve problems related to deviations from target cost in a timely manner?	Q28

Each variable was analyzed and organized according to the literature and variable operational definitions. The measurement question items for each variable will be used as indicators and content for the specific collection of variable data. The data collection process will be screened according to the time response status of the questionnaire. Invalid questionnaires will be eliminated, and valid questionnaires will be organized to lay the foundation for the later data analysis.

3.3 Hypothesis

Modeling and hypothesis formulation are based on the theory of target cost management and the interrelationships between the variables. Therefore, the following hypotheses are proposed based on the analysis:

H1: Management Awareness significantly affects the target cost management in Power Source Company.

H2: Management System significantly affects the target cost management in Power Source Company.

H3: Employee Qualification significantly affects the target cost management in Power Source Company.

H4: Cost Accounting significantly affects the target cost management in Power Source Company.

Combined with the above analysis, the hypothesized model of target cost management in Power Source Company is constructed, and the interrelationships among the variables are confirmed. See figure3.1.

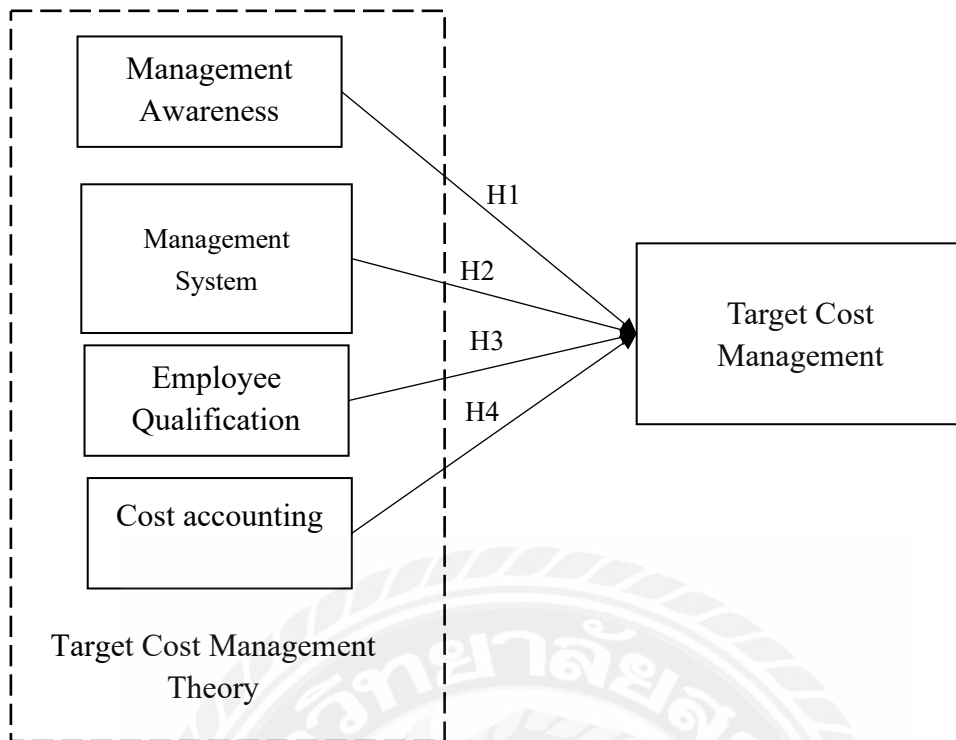


Figure 3.1 Hypotheses

3.4 Population and Sampling

The population of this study is employees and managers of Power Source company. The sample selected needs to fulfill the following standards:

- 1) Work at least one year in the Power Source Company.
- 2) Have sufficient understanding of the development of Power Source Company and be able to give a reasonable evaluation of Power Source Company's target cost management.
- 3) Participated in the operation projects of the Power Source Company.

Determination of study sample size. Yamane (1973) adjusted the calculation formula to be more precise; by $N= 54333$, the variable variance is equal to 0.50, and $z =$ significance level is z -score of π (where $z = 2.56$ when $\pi = 0.01$). The sample size is 449.12, and Yamane's reliability is 95% ($f = \pm 5\%$) with various errors; the sample size is 450. Therefore, this study requires a random sample of 450 responsible for ensuring that the difference between the sample mean and the overall mean at the 95% confidence level is not more than 0.5.

3.5 Data Collection

The data collection for this study was mainly through the online operation department of Power Source Company. The study distributed the questionnaire to the heads of merchants via e-mail. Participants were informed of the specific requirements for completing the questionnaire and the confidentiality of the questionnaire. It was emphasized whether participants were provided with a detailed informed consent form explaining the purpose of the study, the methodology and the rights of the participants. The duration of the study was four months, from October 2023 to January 2024, when it was completed. The research process assembled the research objectives to determine the study population and selected the study sample to collect data for analysis. A questionnaire was used for data collection, the first part of the questionnaire was demographic variables, mainly related to gender, age, and position of the study sample. The second part is related to the research variables. Collected 388 valid questionnaires, the effective recovery rate of questionnaires was 86.22%.

3.6 Data Analysis

3.6.1 Reliability

The reliability test of the sample data of each variable is carried out to verify whether the data reliability is good and can be used for further analysis. In general, the higher the reliability, the more reliable the stability and consistency of the data results. The reliability of the scale was tested. In contrast, coefficients between 0.6 and 0.8 suggest that reliability is generally acceptable. Coefficients less than 0.6 imply that the questionnaire's reliability fails to meet the desired standard, as shown in the table. To reach the expected standard.

The data collected in the study were analyzed. Cronbach's Alpha of management awareness is 0.891. Cronbach's Alpha of management system is 0.901. Cronbach's Alpha of employee qualification is 0.900. Cronbach's Alpha of cost accounting is 0.886. Cronbach's Alpha of target cost management is 0.839. As shown in Table 3.2, which suggests that the measurement reliability of each question item is good and cannot be deleted. This also indicates that the reliability of the data collected is good.

Table 3.2 Variate Reliability Test

Variate	Measuring Item	Cronbach's Alpha
Management Awareness	Q1	0.891
	Q2	
	Q3	
	Q4	
	Q5	
	Q6	
Management System	Q7	0.901
	Q8	
	Q9	
	Q10	
	Q11	
	Q12	
Employee Qualification	Q13	0.900
	Q14	
	Q15	
	Q16	
	Q17	
	Q18	
Cost accounting	Q19	0.886
	Q20	
	Q21	
	Q22	
	Q23	
	Q24	
Target Management Cost	Q25	0.839
	Q26	
	Q27	
	Q28	

3.6.2 Validity

Validity analysis determines whether a research question effectively conveys conceptual information about a research variable or dimension. Whether the study questions are well designed or whether the questions represent a variable appropriately. Usually, validity analysis can only analyze scale questions. Before exploratory factor analysis, the KMO test and Bartlett sphericity test are needed to measure whether the questionnaire data can be used for factor analysis. This section tests the validity and factor analysis of user experience, user perceived value, and user loyalty. The principal component analysis aims to reduce the dimensionality of a set of observations with many items, retain as much information as possible through variance, and concentrate this information on the minor factor.

The value of KMO coefficient ranges from 0 to 1; the closer to 1, the better the structural validity of the questionnaire. The significance of Bartlett's test of sphericity is that if it is less than 0.05, the questionnaire can have good structural validity. If the overall questionnaire is valid, there is still a need to assess the question's reasonableness further, which is evaluated with the help of the component matrix. In the factor analysis results, cumulative contribution rate, joint degree, and factor loading are the leading indicators to determine structural validity. The reliability and validity analysis of the questionnaire is an essential part of the research process. According to the results of the research data analysis, the variables were analyzed for validity, where the KMO value was 0.923, the KMO value was more significant than 0.8, $KMO=0.923>0.5$, the sample size was sufficient, and the test of sphericity, $P=0.000<0.05$, conformed to the test of sphericity. Combined with two indicators, this indicates that the research data of the questionnaire is very suitable.

Table 3.3 KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.923
Bartlett's Test of Sphericity	Approx. Chi-Square	6111.734
	df	378
	Sig.	0.000

The explanatory power of a public factor to the total variance of all original variables, the higher the value, the higher the importance of the factor, is a measure of the importance of the public factor. In factor analysis, each factor extracted has a variance contribution rate (i.e., variance explained rate), and the variance contribution rate indicates the extent to which the factor extracts information about all the original variables, i.e., its explanatory power.

The total variance contribution rate, on the other hand, is the amount of information extracted by all the extracted factors in total for the original variables. Table 3.4 shows the number of factors extracted through the analysis and the total variance contribution rate (i.e., cumulative variance contribution rate) of the extracted factors for all the original variables. In general, a real variance contribution more significant than 60% indicates that the factors can explain the actual variables and greater than 80% suggests that the factors explain the variables well. The result of factor analysis for each variable was that the cumulative explanatory rate of management awareness, management system, employee qualification, cost accounting was 66.280%, greater than 0.5. It indicates that the overall validity of the questionnaire is good.

Table 3.4 Total Variance Explained

Total Variance Explained

	Initial Eigenvalues		Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	32.554	32.554	7.813	32.554	32.554	4.103	17.094	17.094
2	13.352	45.906	3.205	13.352	45.906	4.082	17.008	34.102
3	12.674	58.580	3.042	12.674	58.580	3.937	16.405	50.507
4	7.700	66.280	1.848	7.700	66.280	3.785	15.773	66.280
5	2.557	68.837						
6	2.343	71.180						
7	2.253	73.433						
8	2.182	75.615						
9	2.132	77.747						
10	2.068	79.815						
11	1.923	81.738						
12	1.886	83.625						
13	1.815	85.439						
14	1.683	87.123						
15	1.612	88.735						
16	1.570	90.305						
17	1.513	91.818						
18	1.459	93.277						
19	1.392	94.670						
20	1.285	95.955						
21	1.163	97.117						
22	1.078	98.195						
23	1.004	99.200						
24	0.800	100.00						

The results of Table 3.5 show that a total of 4 factors were extracted, and each variable has an extensive loading on only one common factor and a smaller loading on the other common factors, indicating a better yet differentiated validity for each variable.

Table 3.5 Rotated Component Matrixa

	Component			
	1	2	3	4

Q1			0.755	
Q2			0.814	
Q3			0.782	
Q4			0.785	
Q5			0.820	
Q6			0.774	
Q7		0.851		
Q8		0.812		
Q9		0.787		
Q10		0.796		
Q11		0.771		
Q12		0.772		
Q13	0.863			
Q14	0.783			
Q15	0.755			
Q16	0.790			
Q17	0.788			
Q18	0.785			
Q19				0.718
Q20				0.757
Q21				0.733
Q22				0.753
Q23				0.753
Q24				0.768

Chapter 4 Findings

4.1 Introduction

The collected data were analyzed by descriptive statistics using SPSS software to illustrate the basic situation of the survey sample, including gender distribution, age distribution and income status. There are recovered 388 valid questionnaires. The reliability and validity of the questionnaire test showed that the reliability and validity of the data collection was good. After collecting and analyzing the data through correlation analysis, it is necessary to regress the data to determine whether the hypotheses between the respective variables and the dependent variable are valid or not and to test the hypotheses and finally to draw conclusions.

4.2 Description of Statistical Variables

Based on the demographic characterization of the collected samples, the distribution of demographic characteristics is basically in line with the current situation of the enterprises. The essential characteristics of the sample collection align with the actual problem so that the data can continue to be analyzed and researched. Shown in Table 4.1. In the survey on gender, the proportion of males is 52.8% and the proportion of females 47.2%, which basically meets the requirements of sample distribution. In the age survey, the proportion of samples in the three age stages basically meets the requirement of balance. In the survey on education level, it can be seen that the overall education level of the survey sample is not high. The number of employees and managers in the survey sample is basically balanced. Generally speaking, the survey sample meets the requirements of population distribution characteristics.

Table 4.1 Distribution of Essential Characteristics of Samples (N = 388)

ITEM	Alternative	Frequency	Percent
GEN	Male	205	52.8
	Female	183	47.2
AGE	Under 30	124	32.0
	30-50	133	34.3
	over50	131	33.8
EDU	High school and below	105	27.1
	Bachelor degree	97	25.0
	Master degree	85	21.9
	Others	101	26.0
EXP	Employee	123	31.7
	Manager	125	32.2
	Others	140	36.1
Total		388	100.0

Table 4.2 Descriptive Statistics

Descriptive Statistics							
Item	N Statistic	Minimum Statistic	Maximum Statistic	Mean Statistic	Std. Deviation Statistic	Skewness Statistic	Kurtosis Statistic
Q1	388	1	5	3.70	1.108	-0.842	0.317
Q2	388	1	5	3.53	1.131	-0.730	-0.037
Q3	388	1	5	3.70	1.260	-0.666	-0.566
Q4	388	1	5	3.55	1.168	-0.904	0.112
Q5	388	1	5	3.32	1.072	-0.436	-0.212
Q6	388	1	5	3.46	1.052	-0.667	0.285
Q7	388	1	5	3.60	1.092	-0.521	-0.435
Q8	388	1	5	3.60	1.189	-0.530	-0.540
Q9	388	1	5	3.48	1.079	-0.467	-0.426
Q10	388	1	5	3.68	1.265	-0.526	-0.862
Q11	388	1	5	3.39	1.149	-0.474	-0.410
Q12	388	1	5	3.48	1.167	-0.599	-0.350
Q13	388	1	5	3.52	1.112	-0.380	-0.746
Q14	388	1	5	3.58	0.992	-0.287	-0.184
Q15	388	1	5	3.65	1.061	-0.266	-1.095
Q16	388	1	5	3.80	1.320	-0.676	-0.754
Q17	388	1	5	3.65	0.913	-0.070	-0.655
Q18	388	1	5	3.86	1.203	-0.586	-0.839
Q19	388	1	5	3.89	0.893	-0.491	-0.369
Q20	388	1	5	3.63	1.064	-0.833	0.315
Q21	388	1	5	3.88	1.007	-0.813	0.489
Q22	388	1	5	3.92	1.021	-0.620	-0.445
Q23	388	1	5	3.78	1.006	-0.565	-0.169
Q24	388	1	5	3.51	1.219	-0.455	-0.682
Q25	388	1	5	3.64	1.099	-0.434	-0.595
Q26	388	1	5	3.62	1.213	-0.641	-0.479
Q27	388	1	5	3.66	1.094	-0.437	-0.513
Q28	388	1	5	3.82	1.065	-0.673	-0.375

Descriptive statistical analysis is performed by analyzing survey data. Descriptive statistical analysis aims to summarize, organize, and visualize the data to understand its characteristics and distribution better. The primary task is to capture the overall nature of the data set, including the number of observations, variables, and the context and purpose of data collection. This analysis helps to gain a deeper understanding of the data, detect outliers, explore data features, and prepare for further statistical inference and modeling. As the first step in data analysis, descriptive statistical analysis is usually conducted quickly after data collection to ensure the quality and reliability of the data. Its fundamental nature sets the stage for subsequent inferential statistical analyses.

These analyses allow for a better understanding of the data and the selection of appropriate statistical methods to address the research questions. According to the analysis and descriptive statistics results, the Mean Statistic meets the requirements, see Table 4.2. The research data meets the normal distribution.

4.3 Results of the Study

4.3.1 Correlation Analysis

Correlation analysis is an analytical method that examines the interrelationship of different variables to measure the degree of association between two variables. It is worth emphasizing that this analysis method does not make a primary or secondary distinction between variables and emphasizes equality between variables. However, it is essential to note that correlation analysis is more applicable to variables that conform to a binary normal distribution. It usually involves two variables, both considered ending variables, that co-vary and depend on each other. The correlation coefficient measures this dependence and takes values between -1 and 1. A correlation coefficient of 1 indicates that the two variables are positively correlated, i.e., an increase in the other accompanies an increase in one variable. Based on the results of data analysis we can find that the correlation between target cost management and management awareness, management system, employee qualification, cost accounting has a confidence level of more than 99.99%. It shows that there is a correlation between each variable, but the strength of the correlation between the variables is different. Indicating that each of the two variables is significantly correlated, and at the same time $p < 0.01$, indicating that the correlation terms are positively correlated see Table 4.3.

Table 4.3 Correlation between Variables (Pearson Correlation Matrix)

	Management Awareness	Management System	Employee Qualification	Cost accounting	Target Cost Management
Management Awareness	1	.235**	.213**	.352**	.187**
Management System		1	.237**	.398**	.226**
Employee Qualification			1	.475**	.497**
Cost accounting				1	.516**
Target Cost Management					1

NOTE: *. Correlation is significant at the 0.05 level (2-tailed). **. Correlation is significant at the 0.01 level (2-tailed).

The Pearson correlation coefficient between target cost management and management awareness is 0.187, with a p-value of less than 0.01, which indicates a statistically significant correlation. Specifically, the correlation coefficient of 0.187 indicates that they exhibit a general degree of association, i.e., to the extent that as one aspect changes, the other changes accordingly. The significance of this relationship further strengthens the confidence of the correlation.

The Pearson correlation coefficient between target cost management and management system is 0.226, with a p-value of less than 0.01, which indicates a statistically significant correlation. Specifically, the correlation coefficient of 0.187 indicates that they exhibit a general degree of association, i.e., to the extent that as one aspect changes, the other changes accordingly. The significance of this relationship further strengthens the confidence of the correlation.

The Pearson correlation coefficient between target cost management and employee qualification is 0.497, with a p-value of less than 0.01, which indicates a statistically significant correlation. Specifically, the correlation coefficient of 0.187 indicates that they exhibit a general degree of association, i.e., to the extent that as one aspect changes, the other changes accordingly. The significance of this relationship further strengthens the confidence of the correlation.

The Pearson correlation coefficient between target cost management and cost accounting is 0.516, with a p-value of less than 0.01, which indicates a statistically significant correlation. Specifically, the correlation coefficient of 0.187 indicates that they exhibit a general degree of association, i.e., to the extent that as one aspect changes, the other changes accordingly. The significance of this relationship further strengthens the confidence of the correlation.

4.3.2 Multiple Regression Analysis

The results of the multiple regression analysis were used and are shown in Table 4. The regression equation was significant, $F=51.178$, $p<0.001$. the Durbin-Watson test value was 2.164, between 1.8 and 2.2. the data were independent and compounded the linear regression requirement. In the covariance diagnosis results, VIF is close to 1, which meets the requirements, indicating that there is no covariance in the data. There is correlation between the management awareness and target cost management. Management Awareness ($\beta=0.248$, $P<0.05$), management system ($\beta=0.445$, $P<0.05$), employee qualification ($\beta=0.330$, $P<0.05$), cost accounting ($\beta=0.402$, $P<0.05$) positively affect the target cost management in Power Source Company. The variables together explain 86.4% of the proportion of target cost management in Power Source Company, which is in line with the requirement.

Therefore, according to the results of data analysis, Management Awareness significantly affects target cost management in Power Source Company. H1 holds. Management System significantly affects target cost management in Power Source Company. H2 holds. Employee Qualification significantly affects target cost management in Power Source Company. H3 holds. Cost accounting significantly affects target cost management in Power Source Company. H4 holds.

Table 4.4 Model Summary

Item	B	Beta	t	Sig.	VIF	F	Durbin-Watson
C	3.529	-	4.357	0.000		51.178***	2.164
Management Awareness	0.248	0.239	3.249	0.000	1.022		
Management System	0.445	0.412	5.151	0.000	1.103		
Employee Qualification	0.330	0.301	6.916	0.000	1.022		
Cost accounting	0.402	0.396	7.071	0.000	1.007		
R Square						0.864	
Adjusted R Square						0.853	

NOTE: *P<0.05, **P<0.01, ***P<0.001

Chapter 5 Conclusion and Recommendation

5.1 Conclusion

This paper analyzes and hypothesizes the influencing factors of target cost management in Power Source Company, based on Target Cost Management Theory. A total of 450 questionnaires were distributed, 388 valid questionnaires were returned, and the validity rate of the questionnaires was 86.22%. The factors of target cost management in Power Source Company were found through SPSS analysis.

5.1.1 Factors Influencing Target Cost Management

Regression analysis and correlation analysis conclude that the influencing factors of target cost management in Power Source Company included management awareness, management system, employee qualification, cost accounting. The Pearson correlation coefficient between target cost management and management awareness is 0.187, with a p-value of less than 0.01, which indicates a statistically significant correlation. The Pearson correlation coefficient between target cost management and management system is 0.226, with a p-value of less than 0.01, which indicates a statistically significant correlation. The Pearson correlation coefficient between target cost management and employee qualification is 0.497, with a p-value of less than 0.01, which indicates a statistically significant correlation. The Pearson correlation coefficient between target cost management and cost accounting is 0.516, with a p-value of less than 0.01, which indicates a statistically significant correlation.

The results of this study indicate a statistically significant correlation between target cost management and management awareness, management systems, employee qualification, and cost accounting. Target Cost Management and Management Awareness: as the correlation coefficient is 0.187, which is low but the p-value is less than 0.01, it indicates that there is still a statistically significant correlation despite the weak correlation. This may indicate that management awareness may play a role in facilitating the implementation of target cost management, but it is not the only or main influencing factor. Target Cost Management and Management System: the correlation coefficient is 0.226, which is slightly higher than the correlation with Management Awareness, and again the p-value is less than 0.01, indicating a statistically significant correlation between the two. This suggests that management systems may play a more significant role in supporting target cost management, which may include aspects such as institutional regulations, process design, and reward and punishment mechanisms for target cost management. Target Cost

Management and Employee Qualification: has the highest correlation coefficient of 0.497 with a p-value of less than 0.01 indicating a statistically significant correlation between the two. This may indicate that employee quality has a more important impact on the implementation of target cost management, and that factors such as employee skill level, training, and recognition of target cost management may play a crucial role in the effectiveness of target cost management. Target Cost Management and Cost Accounting: the correlation coefficient is 0.516 with a p-value of less than 0.01, indicating a statistically significant correlation between the two. This indicates that there is a strong correlation between cost accounting and target cost management, which may include the data support provided by cost accounting, information on cost control, etc. to positively influence the implementation of target cost management. In summary, these results indicate that there is a degree of correlation between target cost management and management awareness, management system, staff quality and cost accounting, and the combined effect of these factors may play an important role in the successful implementation of target cost management.

5.1.2 Management Awareness, Management System, Employee Qualification, Cost Accounting Have a Positive Effect on Target Cost Management

According to the correlation analysis, Management Awareness ($\beta=0.248$, $P<0.05$), management system ($\beta=0.445$, $P<0.05$), employee qualification ($\beta=0.330$, $P<0.05$), cost accounting ($\beta=0.402$, $P<0.05$) positively affect the target cost management in Power Source Company. The variables together explain 86.4% of the proportion of target cost management in Power Source Company, which is in line with the requirement. This indicates that management awareness, management system, employee qualification, cost accounting has a positive effect on target cost management.

Table 5.1 Hypothesis Testing

NO.	Hypothesis	Result
H1	Management Awareness significantly affects the target cost management in Power Source Company.	Established
H2	Management System significantly affects the target cost management in Power Source Company.	Established
H3	Employee Qualification significantly affects the target cost management in Power Source Company.	Established
H4	Cost accounting significantly affects the target cost management in Power Source Company.	Established

5.2 Recommendation

(1) Enhancement of management awareness

Emphasizing and raising management awareness is crucial to the implementation of target cost management in Power Gen. Implement target cost management awareness training program for management and staff. The content of the training includes the concept of target cost management, its significance, implementation methods, and how to integrate target cost management into daily work. Strengthen employees' knowledge and understanding of target cost management through case studies and discussion meetings. Power Source should set up incentives to reward managers and employees who actively support and practice target cost management. These incentives can be in the form of bonuses, promotion opportunities, honorary recognition, etc. to stimulate employee motivation and participation. Power Source Company should establish an open and transparent communication mechanism to encourage employees to offer opinions and suggestions on target cost management. At the same time, a regular feedback mechanism should be established to keep abreast of employees' feedback and opinions on the implementation of target cost management so as to adjust the management strategy in time.

The management of the power source company should play a modeling and leading role to actively support and participate in target cost management. They should become advocates and practitioners of target cost management, and convey the importance and value of target cost management to employees through their own actions and words. Power Source should regularly assess the improvement of target cost management awareness, collect feedback information through employee satisfaction survey and performance evaluation, and timely adjust and improve the target cost management strategy to ensure its continuous and effective implementation. Through the implementation of the above strategies, the power source company can enhance the management awareness, promote the target cost management concept in the organization in-depth landing, so as to effectively achieve the cost management objectives and improve corporate performance.

(2) Optimigation of management system

The power source company should establish a management system adapted to the target cost management. Revisit and adjust the company's management system to ensure that it is consistent with the requirements of target cost management. This may include updating management policies, processes, rules and regulations to ensure that the management systems can support the implementation and execution of target cost management.

Power Source Company should clarify responsibilities and authorities. Clarify the responsibilities and authorities of all levels of management in the management system to ensure that they can effectively lead and drive the implementation of target cost management. Management needs to clarify the objectives and targets of target cost management and incorporate them into the performance evaluation system to motivate management to pay attention to and implement target cost management. Power Source should establish a performance evaluation system for target cost management. Develop a performance assessment system suitable for target cost management, including assessment indicators, assessment methods and assessment cycles. Through performance evaluation, motivate employees to actively participate in target cost management and promote the effective implementation of target cost management. The power source company should establish an information sharing mechanism.

Establish an effective information sharing mechanism to ensure that information and data related to target cost management can be shared between various departments in a timely and accurate manner. This can be achieved through the establishment of an information platform, regular cross-departmental meetings, etc. to facilitate the coordination and communication of the implementation of target cost management. Power Source Company should continuously improve and optimize. Establish a mechanism for continuous improvement and optimization to regularly assess and review the implementation of target cost management, identify problems and deficiencies in a timely manner, and take measures for improvement. This includes organizing regular management system audits, carrying out process optimization and other activities to ensure that the management system can continue to support and promote the implementation of target cost management. Through the implementation of the above management strategies, the power supply company can optimize its management system to ensure that it matches the requirements of the target cost management, so as to more effectively promote the implementation of the target cost management and improve the level of enterprise cost management and performance.

(3) Improvement of employee qualification

Power Source should strengthen employee training and education. Carry out employee training and education programs for target cost management, including providing training in the basic concepts, methods and skills of target cost management, as well as training in the use of related tools and software. The training should cover cost concepts, cost control techniques, and cost analysis methods in order to improve employees' cost awareness and capabilities. Power Source should develop a career development plan for its employees. Develop a personalized career development plan for employees to encourage them to continuously improve their professional skills and management capabilities. The company can provide a variety of training and learning opportunities, such as attending industry conferences, study courses, leadership training, etc., in order to improve the overall quality and ability level of employees.

The power source company should establish a knowledge sharing mechanism. Establish an employee knowledge sharing platform or internal community to promote knowledge exchange and experience sharing among employees. The company can encourage employees to actively participate in discussing and sharing their experiences and views on target cost management, so as to improve the learning efficiency and ability level of the whole team. The powerhouse company should set up incentives. Set up an incentive mechanism to reward those employees who perform well in target cost management. Rewards can be material or non-material, such as honorary recognition, promotion opportunities, etc., in order to stimulate the enthusiasm and participation of employees.

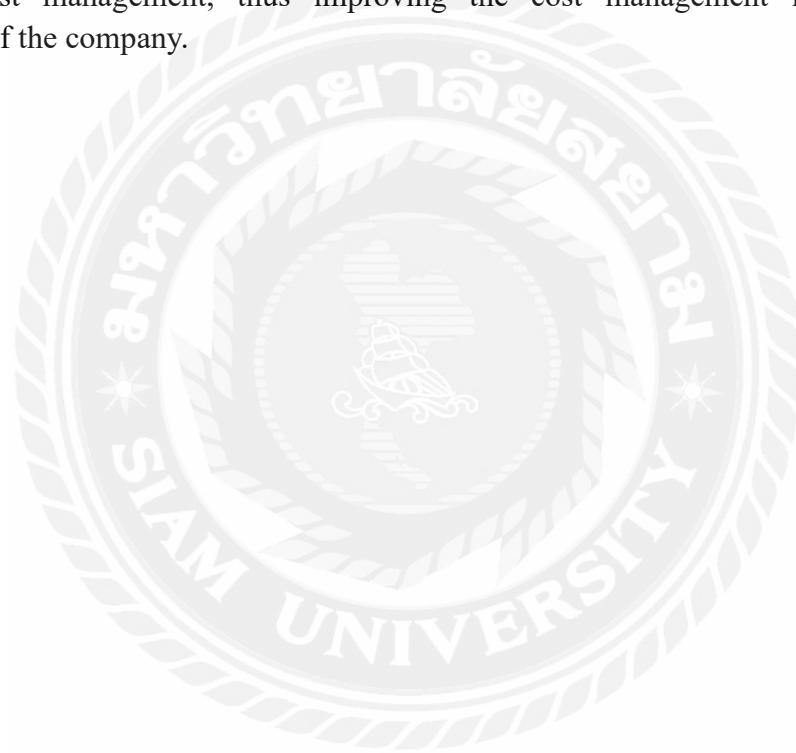
Power Source should establish a teamwork atmosphere. Establishing a teamwork working atmosphere encourages employees to support and collaborate with each other. The company can carry out team building activities, organize team projects, etc., to cultivate employees' sense of teamwork and communication skills, so as to improve the performance of the whole team in target cost management. Through the implementation of the above strategies, the power supply company can improve the quality level of employees, enhance their professional ability and comprehensive quality in target cost management, and then promote the effective implementation of target cost management, and improve the cost management level and performance of the enterprise.

(4) Accurate cost accounting

The important impact of cost accounting on the target cost management of power companies. Power source companies should be accurate cost accounting system construction. The power source company should establish an accurate cost accounting system to ensure the accuracy and reliability of cost data. This includes clearly defining cost items and cost classification, establishing a perfect cost data collection and recording mechanism, and standardizing cost calculation and apportionment methods. Only accurate cost data can provide reliable support and basis for target cost management.

Power Source Company should review and improve cost accounting related processes and operations to ensure that the cost accounting process is efficient and standardized. This may include optimizing the data collection and processing processes, ensuring the timeliness and completeness of data, and strengthening internal controls to reduce errors and deviations in the cost accounting process. The power source company should establish a cost analysis and monitoring mechanism to regularly analyze and compare cost data, identify cost anomalies and fluctuations, and take timely measures to control them. This can be achieved by formulating cost analysis indicators, establishing cost monitoring reports, and carrying out cost-benefit analyses to ensure the timeliness and effectiveness of cost management.

The power source company should adopt advanced cost management techniques and tools, such as activity-based costing, standard cost method and variance analysis, to manage and control costs in a more refined and comprehensive manner. These techniques and tools can help the power source company better understand the cost structure and cost drivers so as to formulate targeted cost management strategies. The Power Supply Company should continuously optimize and improve its cost accounting system and cost management methods to adapt to changes in the market and business environment. This may include regular assessment and review of the cost accounting system, carrying out continuous improvement programs for cost management, etc., in order to continuously improve the accuracy and efficiency of cost accounting and support the smooth implementation of target cost management. Through the implementation of the above countermeasures, Power Source Company can enhance the level and quality of cost accounting and provide more reliable and effective support for target cost management, thus improving the cost management level and performance of the company.



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Appendix Questionnaire

Dear Ms./Mr.

Hello, this questionnaire data for our research is critical; please fill it in according to their situation. Thank you again for your support!

Part 1 Demographic information

Remark: Please choose by using ✓.

1. Gender Male Female
2. Age under 30 30-50 over50
3. Education High school and below Master degree
 Bachelor degree Others
4. Position Employee Manager Others

Part II. Network Marketing Strategy

Please indicate your agreement with the following descriptions based on your actual. Please put a tick on the corresponding number representing your level of agreement, with "1" indicating total disagreement, "5" indicating entire agreement, and the specific meaning of each number indicating your level of agreement.

The specific meaning of each number is shown in the table below:

Totally Disagree	Disagree	General	Agree	Agree completely
1	2	3	4	5

Measuring item	1	2	3	4	5
Management Awareness					
1. there exists an understanding and acceptance of the theory of target cost management among the employees of Power Source?					
2. in the power source company's management, there is the target cost management of the importance of and support?					
3. in the daily operation and management of the power source company, there is a cost control-oriented management					

mode?					
4. in the decision-making process of the power source company, consider the importance of target cost management for enterprise development?					
5. in the power source company's staff training and incentives, including target cost management related content?					
6. emphasize cost management awareness and target cost management values in Power Source's organizational culture?					
Management System					
1. a clear goal-setting system has been established within Power Gen to determine the goals and performance indicators at each level?					
2. Power Source has a well-established budgeting system to support the implementation and monitoring of target cost management?					
3. in the performance evaluation system of Power Source, the performance indicators and assessment mechanisms related to target cost management are clearly defined?					
4. has Power Sources established an effective information feedback system for timely collection and transmission of information related to target cost management?					
5. in the organizational structure of the power source company, set up a special target cost management department or person in charge, in order to be responsible for the planning and implementation of target cost management?					
6. the importance of target cost management is emphasized in Power Source's corporate culture, and employees are encouraged to actively participate in and support the implementation of target cost management?					
Employee Qualification					
1. Power Sources 's employees have good professional knowledge and skills to support the execution and implementation of target cost management?					
2. employees demonstrate high communication skills and a sense of teamwork to facilitate coordination and cooperation in target cost management?					
3. Power Source employees possess a high level of innovation and improvement awareness to promote continuous improvement and optimization of target cost management?					
4. the employees show strong sense of responsibility and self-management ability in their work to ensure effective control and management of target cost?					
5. employees have strong adaptability and resilience to cope with changes and challenges in the market environment to ensure the smooth implementation of target cost management?					

6. Power Source employees have good service consciousness and moral character to ensure fairness, justice and transparency in the target cost management process?					
Cost accounting					
1. Power Source has established a comprehensive cost accounting system to accurately calculate all costs, including direct and indirect costs?					
2. in the costing process, Power Gen considers the timeliness and accuracy of each cost in order to improve the precision and reliability of costing?					
3. Power Source has adopted advanced costing methods and tools, such as standard costing and job costing, to improve the efficiency and accuracy of costing?					
4. in the costing system, Power Source is able to distinguish and track the sources and changes of each cost to help realize the setting and control of target costs?					
5. Power Source has established a comprehensive cost analysis and reporting mechanism to provide timely feedback of costing results to relevant departments and management to support the implementation and monitoring of target cost management?					
6. In the process of cost accounting, Power Gen emphasizes the transparency and compliance of cost accounting to ensure the authenticity and credibility of cost accounting results?					
Target Cost Management					
1. Has Power Sources clearly set specific target costs to guide production and operation activities?					
2. the target cost is formulated in Power Source Company, taking into account factors such as market demand, competitive pressure and company strategy?					
3. Power Source has established an effective target cost management system, including budgeting, performance evaluation and information feedback?					
4. in the implementation process of target cost management, Power Source is able to identify and solve problems related to deviations from target cost in a timely manner?					