

COST CONTROL MEASURES ON THE PERFORMANCE OF INDUSTRIES

IN KAMPALA DISTRICT, NAKAWA DIVISION:

A CASE STUDY OF STEEL AND TUBE

BY

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DECLARATION

I Mukonyezi Lucy declare that this research report is my original work and that it has not been submitted for the award of a degree or another academic award or published to any university or higher institution of learning. Where work of people has been referred to acknowledgement has been made.

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APPROVAL

This research report by MUKONYEZI LUCY titled cost control measures on the organizational performance has been prepared under my supervision and guidance and it's now ready for submission to the examination board of Kampala International University with my approval.

Signed 

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DEDICATION

This work is dedicated to my lovely father Mr. Abigaba Venance for your endless endeavor to see the through school and the love you have always shown to me. You mean a lot to me and I do not know how my life would be without you.

I also dedicate to my beloved one Mr. Nathan Twinomusuni Atwooki for his tireless and valuable support extended to me through this course.

May God reward them for their deeds.

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MAY GOD BLESS YOU ALL

LIST OF ACRONYMS

ToC	Theory of Constraints
UK	United Kingdom
CVI	Constructing Validity Instruments
ND	Nakawa division,
KC	Kampala city

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CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter presents the background to the study, statement of the problem, objective of the study, research questions and scope of the study, significance of the study and definitions of the key terms.

1.1 Background to the study

1.1.1 Historical perspective

Cost control is done by the management accountant or cost accountant whose role is to provide financial information for stock valuation purposes and also presents relevant information to management for decision making, planning and cost control purposes.

Cost can be classified for different purposes and they include: stock valuation, profit measurement, decision making, planning; and control. Cost control can be achieved by selecting the right man for the right jobs, the right equipment and tools for the right work and the right quality of materials, in the right quantity, from the right source, at the right price and delivered at the right time (Olim, Nakachwa and Kyakula, 2008). Managers are expected to be equipped to execute the work with due consideration to be quality of work, yet within the estimated cost and limits. Many projects in Uganda and world over have suffered from cost and time overruns due to factors stemming from poor cost control during the design and project implementation stages.

Research aimed at studying the cost control techniques being used in Uganda is done on the selection of 130 contractors involved in the construction of building in Nakawa division, Kampala city. It specifically studied the cost control techniques currently being used by individual developers; the problems faced and proposed solutions.

The research was able to identify seven commonly used cost control techniques which include schedules, budgets, inspection, meetings, reports, records, monitoring and evaluations. It was noted that most projects managers and contractors in Uganda find difficulty in controlling project costs due to problems which include delays by client to release money, delay to make a decision, lack of materials and equipment, bad weather, overlapping of activities, unclear and incomplete drawings, making good defective work and generally failure to control the

productivity of resources. Others were due to theft and vandalism, interference by clients, high labour turnover, and insufficient knowledge on cost control techniques.

The main purpose of cost control measures is to minimize wastage in utilization so that the overall organization costs are not affected (Chitkara, 2005). Labour productivity achieved in the organization for a given work provides a measure of the laborer's efficiency and effectiveness and the level of the performance in the organization.

According to Chitkara, (2005) cost control process involves accounting of actual productivity and comparing with the standard, analyzing the courses for variations taking remedial measures for improvement. Raina (1999) emphasizes the need for close supervision and good working relationship. The relationship between time and cost is a very important aspect in the control of cost in the organization as any variation in time has automatic implication on cost.

It is important to report and record all the works including materials, plant and labour within an organization. This enables the management to be able to know the cost and expenses of the resources issued in the organization and compare with the initial cost budget. Various report techniques used include daily or weekly and monthly recording schedule control, organization daily report and project.

1.1.2 Theoretical perspective

The study I guided by the constraint theory.

The theoretical framework consists of theories explain the cost control. The theory of constraint: According to (Otim, Nakachwa and Kyakula, 2008), the Theory of Constraints (TOC) is a production planning and control system reported to improve manufacturing performance surpassing both materials requirement planning and just-in-time systems. One requirement of Theory of Constraints (TOC) is the assumption of cost accounting system that is very different from traditional cost accounting.

This study examines the conflicts between traditional cost accounting and Theory of Constraints (TOC) Accounting, presents a description it how the Theory of Constraints (TOC) method operates at the Trane Company (Macon, GA) and how the cost accounting aspect of Theory of

Constraints (TOC) was used to evaluate the addition of a new product line proposed by marketing.

Under this theory there is an increasing recognition of the critical role played by an organization's performance measurement system in achieving competitive success. The success of an organization may well depend upon the compatibility between the performance measurement system in operation at subordinate organizational level and the organization's global goals. According to (Chitkara, 2005), the performance measurement systems associated with the theory of constraints (TOC) has been advocated by researchers as mechanism for linking operational objectives to global goals of an organization. However, empirical research is looking to determine and test the relevance of the proposed performance measurement system presented in Theory of Constraints (TOC). It is all accord.

1.1.3 Conceptual perspective

It explains the key terms used in the research topic for example, costs, cost control, organization performance and industries.

Cost. Is an amount that has been given or paid up in order to get something.

Cost control. This is the process of controlling costs associated with an activity process of the organization.

Organization. Refers to an entity such as an institution that has a collective goal and it can be linked to that external environment.

Performance. Refers to a set of financial and non-financial indicators which after information on the degree of achievement of different goals and objectives.

An Industry: It is an economic activity concerning with the processing of raw materials and manufacture of goods in factories

Or an industry consists of all the people and activities included in making a particular product or providing particular services.

1.1.4 Contextual Perspective

The study seeks to establish the factor and the extent to which the factors influence cost control and industrial performance of steel and tube industries in Nakawa division, Kampala city. The factors influencing performance of industries are the dependent variables which include technological development, business reputation and image, organizational management structures, staffing, government regulations, competition, marketing, quality of human resources, natural factors. While performance as dependent variable will be measured due to outcome productivity and sales, expansion of an industries and organization sustainability.

1.2 Statement of the problem

Cost control is done by the management accountant or cost accountant whose role is to provide financial information for stock valuation purposes and also presents relevant information to management for decision making, planning and cost control purposes.

Despite the fact that Cost control in recent years, the cost of product is manufactured in Uganda, has been very expensive beyond the reach of common Ugandans. This cost challenges has made many products manufactured in the country patronized by the consumers and as a result of that expires in the hands of the sellers.

This is also a problem of poor inventory management which leads to overstocking thereby typing down the company's working capital. Another problem facing most manufacturing industries is installation of improper plan to reduce cost of production in order to minimize profit. Whoever the sole aim of any business organization is to make profit and most business owners believe that the best way to make profit is to increase sales and this brings up another conundrum. In order to increase sales, there must be a corresponding increase in cost because of the increased amount of work involved. This prompted the researcher to investigate more about the cost control measures on the Performance of Industries in Kampala District, Nakawa Division. A case study of Steel and Tube. According to Shank, Suhnk and Visay Gorindasaran, (2011).

1.3 Purpose of the study

The purpose of the study is to examine the cost control measure and their impacts on the impacts in the performance of industries in Nakawa division.

1.4 Specific objectives of the study

- (i) To assess the different cost control measures put in place in industries in Nakawa division.
- (ii) To analyze the relationship between the cost control measures and performance most industries in Nakawa division.
- (iii) To assess the other factors affecting the performance of different industries in Nakawa division, Kampala.

1.5 Research questions

- (i) What is the different cost control measures put in place for the performance of various industries in Nakawa division, Kampala city?
- (ii) What is the relationship between the cost control measures and the performance of such industries?
- (iii) What are the factors affecting the performance of industries in Hoima district.

1.6 Scope of the study

1.6.1 Content scope

The study focused on the different cost control measures, the relationship between the cost control measures and their impacts on organizational performance, and their factors affecting the organization's performance. The respondents of the study are mainly employees and customers of steel & tube industries. These respondents relate with the cost control measures and performance of industries.

1.6.2 Geographical scope

They study was carried out on tube and steel industries in Nakawa division Kampala. The area was chosen because it was accessible and reliable to the researcher and has facilities needed for research.

1.6.3 Time scope

The study considered the operations of the company from year 2018 March. All this study has taken place in the time frame and may valuation may base on this time period. This is because it's this period of time when tube and steel has been expanded in its operations.

The research took four months from March to June 2018 collecting analyzing, preventing and recording data.

1.7 Significance of the study.

The study generated funds and increased awareness of the need to put in place cost control measures in companies. It highlighted the advantages and disadvantage of cost control measures to other companies, acts as an eye opener in attempt to improve on the public image of steel and tube and increase in its performance of such industries.

The increased understanding of the weakness, strength and challenges that affected costs in organizations was to be of a great importance to save funds and use them to improve other areas of operations within the organization.

Nationally the findings of the study were to be of a great importance due to the fact that after companies have established the different cost control measures and how those cost control measures affect the organization. It would be easy to advise accordingly and put in place strategies that would continuously reduce on the cost, increase profitability and hence performance of the organization.

1.8. Definition of terms

Cost: Is an amount that has been given or paid up in order to get something.

Cost control: This is the process or activity of controlling costs associated with an activity process or company.

Organization: Refers to an entity such as an institution that has a collective goal and is linked to the external environment.

Performance: Refers to a set of financial and non-financial indicators which offer information on the degree of achievement of the objectives and results.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter contains the theoretical review, conceptual review of related literature, empirical review and research gaps.

2.1 Theoretical Review

The theory of constraints (TOC) is a management philosophy which is focused on the weakest ring (s) in the chain to improve the performance systems. Companies, whether they are in production or service sector should be more focused on understanding their own structure in terms of processes to survive in a global competition.

According to Goldratt (1984). In this situation, TOC becomes an important problems structuring and solving methodology which changes the way of thinking of managers. Since the TOC first put forth by Goldratt (1984) in his novel *The Goal*, the theory has drawn wide attention from practitioners and academic researchers. This study provides a review of the TOC evolution literature by its five eras; the optimized product technology era, the goal era, the inventory stock syndrome era, the it's not luck era and the critical chain era. The research at historical background and basic concepts of TOC aims to see how this philosophy evolves through time and how the main point of TOC researchers changes. Steve, O (2012) and Collins D (1998).

Improve the effectiveness of control of their projects, as expressed. According to Otim, Nakacwa and Kyakula, (2008), the seven commonly used central techniques include schedules, budgets, inspection, meetings, reports, records, monitoring and evaluations it was noted that most project managers and contractors in Uganda fail difficulty in controlling project costs due to problems which include delays by clients to release money, delay to make a decision, lack of materials and equipment, bad weather, overlapping of activities, unclear and incomplete drawings, making good defective works and generally failure to control the productivity of resources. Others of paucity were due to theft and vandalism, interference by clients, high labour turnover and insufficient knowledge on cost control techniques. The study was able to establish that the problem was actually not the techniques to use but rather than lack of knowledge of the

techniques, the poor management of the cost control methodology, and the general poor site organization and inadequate supervision, (Otim, Nakachwa and Kyakula 367)

2.2 Conceptual Review

This normally defines the cost control measures used in the conceptual perspective. It talks about the three cost control measures which include negotiation, analysis and comparison.

Cost control is defined as the regulation by executive action of the costs it operating an understanding. Cost control aims at achieving the target of sales. Cost control involves setting standards. The firm is expected to adhere to standards. Collins D. 1998 and Janet W (2008).

Negotiation. According to Cooper, Robin and Robert S. Kaplan (2004) Means mutual discussion and arrangement of terms of transaction or agreement. The negotiation of a treaty between employees and an employer. Negotiate all contracts annually for whatever reason. American business presumes that multiple year contracts will result in lower costs.

Comparison. According to Clay (Comb, 2010) comparison means comparing two activities or outcomes that is the likely expenses and revenues that will accrue from a new investment, purchase, hire or other major decision shows you the potential effect on profits as well as cash flow. There is more research involved but once the estimates have been established, cost benefit analysis is relatively straight forward. Then comparison takes place.

Discussion or analyze. It means asking renders to own their inventory and discussion will be between two people the customers and the vendors, during discussion ask your customers, annual planning sessions with customers have many benefits Hamilton, (2003), Naturally the discussions primarily should focus on ways to grow the business. But too often these discussions fail to address costs. But by discussing costs holistically up and down the supply chains, customers often can recommend ways to reduce costs.

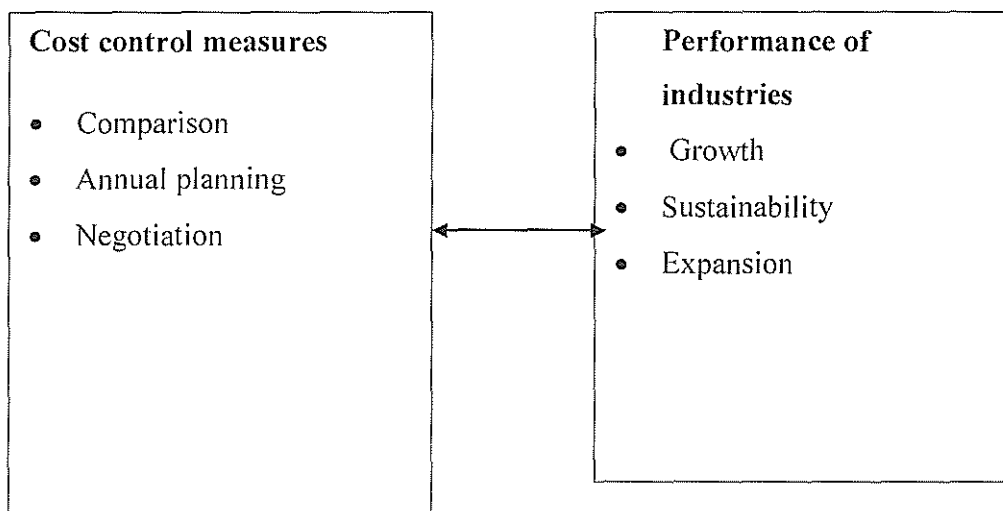
Cost can be classified for different purposes and they include stock valuation, profit measurement, decision making, planning and control. Costs can be achieved by selecting the right man for the right job, the right equipment and tools for the right work and right quality of materials, in the right quantity from the right source, at the right price and delivered at a right time (Otim, Nakachwa and Kyakula, 2008). And the main purpose it test control measures is to

minimize wastage in utilization so that the overall organization costs are not affected (Chitkara, 2005). Cost control process involves accounting of actual productivity, and comparing with the standard, analyzing the causes for variations taking remedial measures for improvement. Rain (1999) emphasizes the need for close supervision and good working relationship. The relationship between time and cost is very important aspect in the control of costs in an organization as any variation in time has automatic implication on cost.

Figure 2.1 Conceptual framework

Independent variables

Dependent variables



Source: Adopted from Chamsers (1995), Cosserrat (1999), Ridley and Chambers (1998).

2.3 Review of related literature

2.3.1 The relationship between cost control measures and the performance of the organization.

An organization is costing system is the foundation of the internal financial systems of managers. It provides information that management needs to plan and control the organizations activities and make decision about the future. Examples of the types of information provided by costing systems and the uses to which it may be put in the following:

Actual units cost for the latest period could be used for cost control by comparing with predetermined unit standard cost, which would also be provided by the costing decision about pricing and production levels. For example a manager cannot make a decision about the price to

be charged to a customer without information that tells the manager how much it costs to produce and distribute the products to the customer. Actual costs of operating a department for the latest period could be used for cost control by comparing a company with a predestined budget for the department could also be used as the basis for planning future budgeted costs and for decisions.

For example a manager may be considering the closure of the packaging department and instead outsourcing the packaging operations to another organization. In order to make this decision the manager needs to know among other things the actual costs of operating the packaging department.

The forecasts to be incurred at the different levels of activity could be used for planning for decision making and as part of cost control by the comparing the actual costs with the forecasts.

For example a manager cannot make a well informed decision about the appropriate production level for the forthcoming period unless information is available about the costs that will be incurred of the various possible output levels. This is by no means an exhaustive list of the information that is provided by a costing system. However it should serve to demonstrate the organizations need costing systems that will provide basic information that management needs for planning, control and decision making.

“Olawale 2012” in this book entitled” construction management and economics” found that the common factors that inhibits both time and cost central during construct in period projects were firstly identified.

Subsequently go mitigating measures have been developed for the top five leading inhibiting factors design changes, risks/uncertainties, inaccurate evaluation of project time, complexities and non-performance of subcontractors were recommended. These mitigating measures were classified as: preventive, predictive, corrective and organizational measures.

These mitigating measures can be used as checklist of good practice and help project managers to:

2.3.2 Factors that affect the performance of the organization include

Organizational management structures, the art of management achieving extra ordinary results through ordinary people. These are two few extra ordinary people to go around and rely on attracting them all into your organization. At the strategic level it's concerned with setting achievable goals for the organization and developing the competence and capability to achieve these goals. For these goals are not matched to the organizations capability, non-amount of employee will achieve them.

Competition with increased rate of growth and development in Ugandan industries, very many organizations have emerged with new and better ways of doing business. Therefore this has resulted into competition failure of which into poor quality products and services, which results into business failure or collapse.

Government regulations, rules and regulations from the government affect the performance of the organization. This is through its taxation policies and other regulations that limit the performance of organizations in Uganda.

Staffing, employees have a very strong impact on the performance of an organization: this is because most of these are directly involved in the operations of the organization. Therefore organizations need to employ the right people for the right job to ensure that quality products are put into the market that can attract more customers.

Business reputation and image. The reputation of business is essential to its survival. The trust and confidence of the customer can have a direct and profound effect on a company's bottom-line. Recently, the importance of reputation has become increasingly apparent as a companies such as BP and Toyota have had to cultivate their responses to crises in order to maintain the reputation and standing of their business to the world. In the past business relied on word of mouth by stakeholders in order to establish, build and maintain their reputations.

In this modern age of social networking, websites, and other methods of instant communication, business must be conscious of their reputation on a constant basis and be responsive to any crisis that may have an impact on their reputation.

Marketing; the rate of organizational performance also depends on the techniques issued in the process of sales promotion. These methods attract new customer and improve on customer loyalist which is done well can result into increased sales and improved organizational performance.

Understand value drivers, the starting point understands a company's value drivers, the factors that create stakeholders value. Once known, these factors determine which measures contribute to long-term success and so how to translate corporate objectives into measures that guide manager's actions. While this seems inflection, experience indicates that companies do a four job determining and articulating these drivers. Managers tend to use one of the three methods to identify values drivers, the most common being inflection. However, executives, rankings of value drivers may not reflect their true importance. For example, many executives rate environmental performance and quality as relatively unimportant drivers of long-term financial performance.

A second method is to use standard classifications such as financial, internal business process, customers and learning and growth categories. While these may be appropriate, other non-financial decisions may be more important depending on the organization's strategy, competitive environment and objectives. However these categories do little to help determine weightings for each dimension.

Perhaps the most sophisticated method of determining value drivers is statistical analysis of the leading and lagging indicators of financial performance. The resulting "causal business model" can help determine which measures predict future financial performance and can assist in assigning weighting to measures based on the strength of the statistical relation. Unfortunately, relatively few companies develop such causal business models when selecting their performance measures.

Review consistencies, most companies track hundred, if not thousands of non-financial measures in their day to day operations. To avoid "reinventing the wheel" an inventory of current measures should be made. Once measures have been documented, their value for performance measurement can be assessed. The issue at this stage is the extent to which current measures are aligned with the company's strategies and value drivers. One method for assessing this alignment

is “gap analysis”. Gap analysis requires managers to rank performance measures at least two dimensions their importance to strategic objectives and their importance of currently placed on them.

2.3.3 Other factors affecting the performance of the organizations

In an article on Oct 16, 2000, in the financial times, mastering management series, Wharton accounting Professors Christopher Ettner and David Larcker suggest that financial data have limitations as a measure of company performance. The two note that other measures, such as quality, may be better at forecasting, but can be difficult to implement.

Our survey of 148 US financial services companies a joint research project sponsored by the cap Gemini Ernst & Young center for business innovation and the Wharton Research Program on value creation in organizations- found significant “measurement gap” for many non-financial measures. For example, 72% of companies said customer related performance was an extremely important driver of long-term success, against 31% who chose short-term financial performance. However the quality of short-term financial measurement is considerably better than measurement of customer satisfaction. Similarly disparities exist for non-financial measures related to employee performance, operational results, quality, alliances, supplier relation, innovation, community and the environment. More important, stock market and long term accounting performance are both higher when those measurement gaps are smaller.

According to Frankwick (2010), acceptance by employee’s involvement in cost control measures. Employee involvement in the design of cost controls can increase acceptance of them, important element in the organizational effectiveness.

According to Rotch, et al (2006), Availability of information when needed, deadlines, time needed to complete the projects, costs associated with the project, priority needs are apparent in these criteria costs are frequently attributed to time shortcomings or failures.

2.4 Empirical review

2.4.1 The different cost control measures

A cost can also be referred as the cost of items. It can also be an attempt to the cost activities when the different tasks are being taken in order to determine the cost of carrying out an activity.

Costs can be classified in different way which include; costs can be grouped as material costs, labour costs and overhead costs.

Material costs which include those costs which are used to obtain material and receiving them within the organization the cost of having materials brought into the organization is called carriage in wards.

Labour costs. These are costs incurred in the form of wages and salaries and other employment costs. In UK there is an additional cost borne by the employer in respect of employees which is paid to the government. It is called national insurance.

This costs are documented internally, the amount of wages and salaries are determined by the reference to agreed rates of pay and the amount of time spent and also output produced depending on the method of remuneration being used.

According to the purposes of different costs, they are classified as either direct or indirect costs. Direct costs are one that can be clearly identified with the cost objects. Whereas indirect costs; these are costs that cannot be directly attributed to a particular cost unit although it's clear that these costs have been incurred.

However those cost controls are found in cost accounting since it is as old as human beings are and since the financial accounting has some limitations, cost accounting has also its own importance in accounting systems and those systems are helpful to the organization in such a way that after you have adopted cost accounting the costs of every organization must be analyzed so carefully and that is to say material labour and overhead costs are the main elements of an organization. ("cost analysis @nirani sugars Ltd project report").

The cost control measures are maintained effectively using the method include:-

Total cost= Fixed cost + variable cost x output (cost control measures).

Without constant supervision, companies conflict themselves in uncompetitive environment with bloated overheads and these can damage the companies daily activities leads to its collapse. These effort risks produce expectations on the financial statements, drive “onetime” changes, and damage company culture.

Ways of controlling costs within an organization include renegotiate all contracts annually, use your customers, hold head counts constantly and match terms with the turns.

Renegotiate all contracts annually for whatever case. American business presumed that multiple year contracts will result into lower costs. A good company policy is not to have the contract exceed are fear. This will force annual bidding or at least renewals of discussions, with current suppliers, almost always those discussions will result into lower cost of goods. A multiple year contract will usually favour the vendor and of course this is a lot of work but it surely pays out (Slagmudulder 2007).

Asking customers annual planning sessions with customer, have many benefits. Naturally these discussions primarily should focuses on ways to develop the business. But too often these discussions fail to address costs.

By discussing costs holistically up and down the supply chains, customers can recommend ways to reduce such costs. For example how to take coasted step out of the process or how to plan jointly to smooth productivity or how to change the product mix to get rid of costly stems and replace them with some that are more profitable. Talking to customers is not bad but talking about how jointly the business can be improved depends on the relationship (Hamilton, 2003).

Match terms with the turns. Each stem in inventory moves at different rates. And yet suppliers normally apply at one size fits all approach to payment forms. The working capital can be reduced up-to zero if payment terms were matched with inventory turns in each item. By negotiating this into your contracts if incents the suppliers only to sell the best moving stems and to work with you to improve inventory productivity. The result will free up cash that can be deployed elsewhere in the business and improve profits (Govinda saran, 2009).

2.5 Research Gaps

Ask vendors to own their inventory. Better even than matching terms with turns is to have the vendors keep little to their inventory until sold. Normally inventory acquired from a vendor is hold in your warehouse for use in manufacturing conversion. But why think of it as your inventory? It has not been used yet so why it isn't their inventory? But planning results in "just in time" delivery so there is no inventory. But this isn't always possible for instance, in industries like retail where the inventory is necessary for your own customers (clay comb, 2010).

According to Frankish (2010), cost and benefit analysis, appraisal of the costs and benefits of any new decision is an invaluable tool at your disposal. To perform an effective analysis, you need as much information as possible on the decision. Any pertinent numbers that are not available should be estimated as realistically as possible.

Comparing the likely expenses and revenues that will accrue from a new investment, purchases, hire or other major decision shows you the potential effect on profit as well as cash flow. There is some research involved, but once the estimated have been established, cost-benefit analysis is relatively straight forward. Simply compare the total expenses and total revenues and make the final decision. To estimate costs and revenues, you can use past experience, quotes from vendors.

According to Rotch Et al (2006), spending analysis you should regularly and frequently analyze your business spending patterns. In the court of running your business, it is very easy for unnecessary or inefficient cost to sneak in. Each of these costs is likely to be small and not very noticeable. But taken together, they may be costing you large amounts overtime, shaving percentage point off profits.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter presented the methods that were to be used in data collections and analysis. It sought to describe the research design, area of study, study population, sample, sampling procedures or strategies, instruments of data collection, procedures of data collection, data processing, analysis and presentation, control of the extraneous variables and limitations of the study.

3.1 Research Design

The study adopted descriptive research design where qualitative and quantitative were be used to gain an in-depth and detailed understanding of cost control measures and its impact on the performance of steel and tube industries limited. Kothari C.R. (2014).

3.1.1 Qualitative approach:

This approach gathered information based on depth understanding of human behavior and reasons that govern behavior depending on the way and how of decision making based on theoretical analysis and assumptions of the respondents. This was used because it dealt with smaller populations and it put more emphasis on uncovering more about people's experiences. This was done in a way of questioning and finding out people's experiences, views and assumptions.

3.1.2 Quantitative approach: This is the approach that deals with numerical expression in figures in terms of quantity which involved measurement of quantity and amounts. However quantitative approach was used because of the following reasons; this approach eliminates behavioral behavioural biases whereby the behavior beliefs are done away with, the approach leads to accuracy whereby the results are not guessed, operational risks are reduced. This approach was used in a way of getting actual figures and taking on calculations and then getting figures.

3.2 Area of Study

The study was conducted at steel and tube, Nakawa division in Kampala district mainly focusing in the cost control measures at the organization. The population of the study was the employees

and stakeholders of the organization. These include the manager, accountant, employees, support staff and customers.

3.3 Population size and composition

The study population included employees and customers of steel and tube and both top and lower staff levels.

The organization has a population of more than 42 employees from which the respondents were obtained.

Table: 3.1 Showing Research Population

Type of population	Target Population	Sample size
Managers	12	10
Accountant	10	8
Employees	20	20
Total	42	38

Source: primary data 2018

3.4 Sample size and composition

Study populations of 42 respondents were targeted by the researcher and it constituted 12 managers, 10 accountant and 20 employees. This sample was arrived by use solver's formula of sample size computation which states that

$$n = \frac{N}{1 + N(e)^2}$$

Where;

n = the required sample size

N = the known population size

e = the level of significance, which is fixed at 0.05

$$n = \frac{N}{1 + N(e)^2}$$

$$n = \frac{N}{1 + N(e)^2}$$

$$n = \frac{42}{1 + 42(0.05)^2}$$

$$n = \frac{42}{1 + 42(0.0025)}$$

$$n = \frac{42}{1 + 0.105}$$

$$n = \frac{42}{1.105}$$

$$n = 38$$

3.3 Sapling design

The research used purposive sampling because the techniques given the resources and time limitation. simple random and cluster sampling methods and the findings are generalized given the resource and time limitation. The method was also useful for scenarios where there was need to reach a target sample quickly and likelihood to attain knowledgeable and experienced respondents.

3.6 Sample selection

Respondents were put into strata consisting of top management, the accountant support staff and employees, customers, and human resource department and purposive sampling was conducted in each group to get relevant information from the firm's organization and simple random sampling was used to limit on the biasness of purpose of purposive sampling.

3.7 Data collection methods and instruments

3.7.1 Questionnaire

This method was reliable since it's cheap on the basis of finance and time. It also offers an objective and informed view from different records that all has a great assurance of confidentiality of data a set of structured and un-structured questions were constructed by a researcher so as to solicit and look for specific responses from the respondents.

3.8 Sources of data

Sources of data are classified into two;

3.8.1 Primary Data

This comprises of first-hand information collected during the study primary data was collected directly from the respondents and from the organization, for example reports and original documents on the variable.

3.8.2 Secondary data

This was comprised of second hand information. It supplement on the primary source and it was obtained from literature review such as brochures, newspapers, business journals, organizational past records, past research and other relevant reports in relation to the area of study.

3.9 Procedure of data collection

The researcher got an introductory letter from the research coordinator, school of economics and management for identification at the organization where the research was conducted. The researcher also obtained permission from the management of steel and tube to allow her conduct research from there. After that data was called and analyzed.

3.10 Data processing, analysis and presentation

Quantitative data was checked, analyzed and edited in order to detect errors and ensure accuracy, comprehensive and completeness of the study. Data was then subjected to statistical analysis and will later be presented using tables, charts and graphs. The researcher used descriptive diagrams to represent and illustrate results regarding cost control measures and its impact on steel and tube.

Qualitative data collected will be read with the aim of having prior knowledge, love and understanding so as to develop them while documenting the cost control measures and their impacts on the performance of the organization.

The data was collected, organized and analyzed thoroughly to ensure and ascertain that the question was given relevant and full response. The researchers also endeavored to extract meaning from the data that will be collected.

3.11 Reliability and validity of data

3.11.1 Validity

Kimberlin et al., (2008) define validity as the "best available approximation to the truth or falsity of a given inference, proposition or conclusion. After constructing the questionnaire, the researcher was to contact two research experts in order to determine whether his questionnaire tool are valid as a way of collecting information that are used in understanding the research problem. Hence the researcher was constructing the validity of the instruments by using expert judgment method as suggested by Gay (1996).

The instrument was refined based on experts' advice. The following formula was being used to test validity index.

$$CVI = \frac{\text{No. of items regarded relevant by judges}}{\text{Total No. of items}}$$

$$= \frac{36}{38} \times 100$$

$$= 95$$

$$= 95$$

3.12 Ethical Consideration

The following activities were to be implemented by the researcher to ensure confidentiality of the information provided by the respondents and to ascertain the practice of ethics in this study.

The selected organization and respondents were to be coded instead of reflecting the names.

Soliciting permission was to be done through a written request to the concerned Steel and Tube industry owners and managers included in the study.

Respondents were requested to sign in the informed consent form

The authors were to be acknowledged and quoted in this study.

The findings of the study were to be presented in a generalized manner.

3.13 Limitations of the study

The researcher encountered some problems during her study and those include

The researcher faced a problem of inadequate time. Since I was given only few months, I had also to attend to other social activities like lectures, doing course work and reading books among others. Because of those obligations and fore went other activities which are of great importance hence a hindrance.

The researcher faced a problem of getting insufficient information. The respondents failed to give me detailed information about their sales and others had a problem of language barrier and as a result and relevant information was left out.

3.14 Solutions to the problems

Enough time. Should be given to the researcher to solve the problem of limited time and therefore four to six months should be given to the researcher after the last semester form only researcher purposes.

Enough financial resource like stationary and transport to facilitate communication and easy collection of data should be provided to the student doing researcher by the university and that reduces the problem if limited resource funds to use.

Enough information should be provided to the researcher by the company to which the researcher is carried out and that reduces the limited information being provided.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS

4.0 Introduction

This chapter involves the presentation, analysis, interpretation and findings in relation to the study objectives that include the following.

- i. To assess the different cost control measures put in place at steel and tube.
- ii. To analyze the relationship between the cost control measures and the performance of steel and tube.
- iii. To assess the other factors affecting the performance of steel and tube.

4.1 Response rate

During the study thirty eight (38) questionnaires were issued to the organization's staff and customers, questionnaires were returned fully answered and this represented 80% response rate from which the data collected enabled the researcher to answer the research questions of the study.

Table 4.1 Response rate

Questionnaires distributed	Frequency	Percentage
Respondents	36	77
Non response	12	23
Total	38	100

Source: primary data, 2018

The feedback received from the study showed that more respondents took time to fill in the questionnaires and the discrepancy of 23% could be caused by the respondents who failed to get time to fill the questionnaires.

4.2 Bio-date of the respondent

Table 4.2 Gender composition of the respondents

Gender	Frequency	Percentage
Male	24	67
Female	12	33
Total	36	100

Source: primary data, 2018

4.2.1 Gender composition of the respondents

The gender of respondents was established. This aimed at knowing how males and females as community members actively participate in local governments. The study targeted both male and female which gave a variety of findings that were not biased making it gender sensitive.

4.2.1 Age distribution of the respondents

Table 4.3 Age composition of the respondents

Age range	Frequency	Percentage
18-25	12	33
25-35	11	31
35-45	6	17
45 and above	7	19
Total	36	100

Source: primary data, 2018

The results in table 4.3 show that the majority 33% was between the age brackets of 18-25 years, 31% were between 25-35 years, 17% were between 35-45 years and 19% above 45 years. The research therefore shows that the study had the opportunity to sample different age brackets giving it a chance to vary the views of different ages. The researcher was therefore able to draw a

conclusion that the respondents have experience and know more about the activities of the organization thus in a better position to avail the required information.

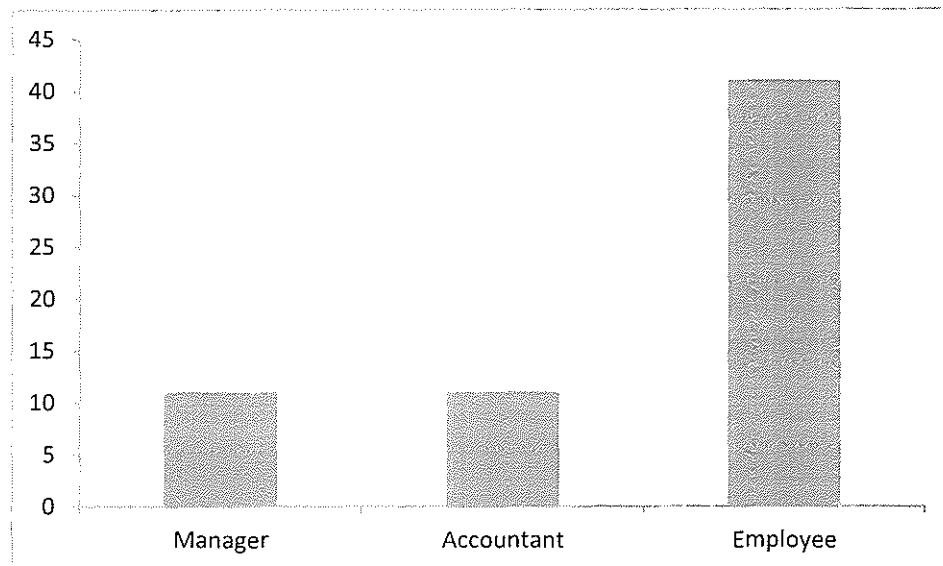
Table 4.4 Position held in the organization

Position	Frequency (f)	Percentage (%)
Manager	4	11
Accountant	4	11
Employee	15	41
Customer	10	28
Others	3	9
Total	36	100

Source: Primary Data 2018

Results of the study in table 4.4 indicate that majority 41% were employees, 11% were managers, and 11% were accountants, 28% were customers and other people had 9%. This implies that the employees had a lot of information and awareness of the topic being researched about thus taking a lot of concentration on the department for more information.

Figure :4.1 Position held in the organization



Source: Primary data, 2018

Results of the study in figure 4.1 above indicate that majority 41% were employees, 11% were managers, and 11% were accountants, 28% were customers and other people had 9%. This implies that the employees had a lot of information and awareness of the topic being researched about thus taking a lot of concentration on the department for more information.

Table 4.5 Length of service

Period(years)	Frequency	Percentage (%)
0-2	10	28%
3-4	15	42%
5-6	8	22%
7	3	8%
Total	36	100

Source: primary data, 2018

According to the table 4.5, the results on the findings revealed that 8% of the employees have served for more than 7years, 22% have served for 5-6 years, 42% have served for 3-4 years and 28% have served for 2 or less years in the organization. This implies that the study had an opportunity of varying the ideas of the respondents that had worked for the organization for different time frames which helped the researcher to get detailed information about the organization and were familiar with the impact of cost control measures on organizational performance.

4.3: To assess the different cost control measures put in place in steel and tube.

Table 4.6: showing what cost accounting is according to the organization.

Response	Frequency	Percentage
Attaching a cost on a product or service or operation.	15	42
Process of accumulating, summarizing and reporting cost data for the preparation of financial reports for external parties.	10	28
A form of accounting that enables the business to be conducted more efficiently and effectively.	5	14
Providing economic information to managers for achieving organizational goals.	6	16
Total	36	100

Source: primary data, 2018

According to table 4.6, majority 42% of the respondents said cost accounting is attaching a cost on a product or service or operation, 28% said that it is a process of accumulating, summarizing and reporting cost data for the preparation of financial reports for external parties, 14% said it is a form of accounting that enables the business to be conducted more efficiently and effectively.

This therefore implies that cost accounting is the attachment of a cost on a product or service or operation.

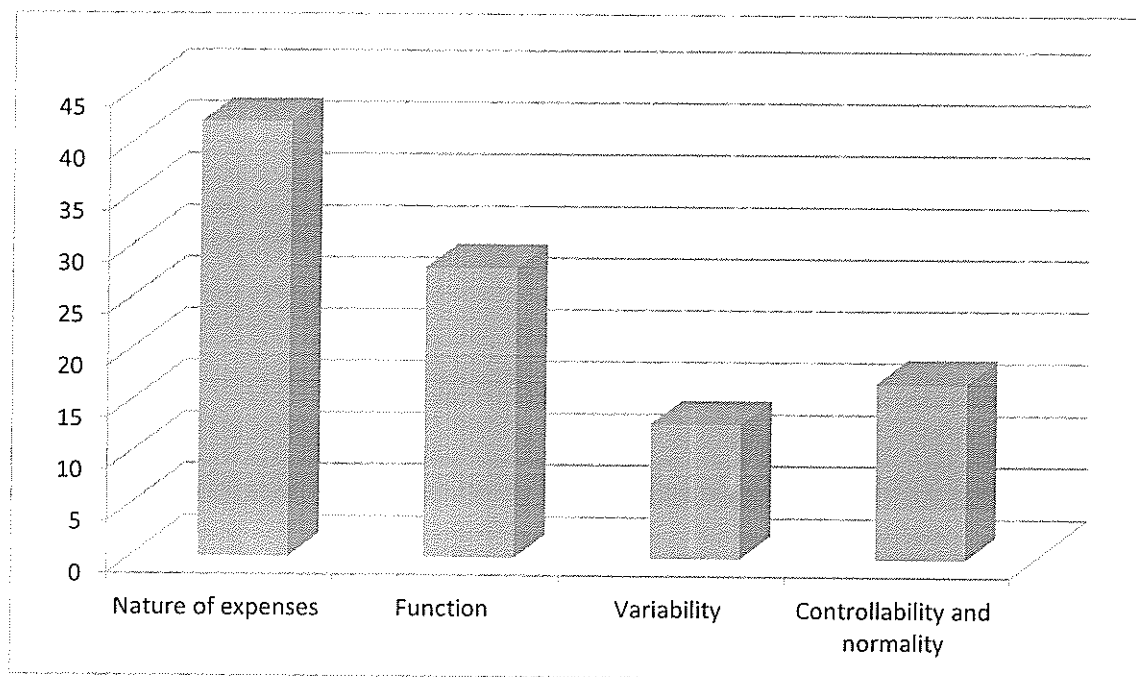
Table 4.7: Showing the response on the different classifications of costs in organizations.

Response	Frequency	Percentage (%)
Nature of expense	15	42
Function	10	28
Variability	5	13
Controllability and normality	6	17
Total	36	100

Source: primary data, 2018

Table 4.7 shows that majority of the respondents 42% classified costs by the nature of the expense, 28%, classified costs by function, 13% classified costs by variability 17% classified costs by controllability and normality and none confirmed to variability. This therefore implies that the organization mainly classifies costs according to the nature of expense.

Figure 4.2 showing the response on the different classifications of costs in organizations.



Source: primary data, 2018

Figure 4.2 shows that majority of the respondents 42% classified costs by the nature of the expense, 28%, classified costs by function, 13% classified costs by variability 17% classified costs by controllability and normality and none confirmed to variability. This therefore implies that the organization mainly classifies costs according to the nature of expense.

Table 4.8: Showing what material and labor costs are in the organization.

Response (Material costs)	Frequency	Percentage (%)	Response Labor costs	Frequency	Percentage (%)
Cost of obtaining materials	30	83%	Cost incurred in the form of wages and salaries	29	81%
Cost of receiving materials within the organization.	6	17%	All costs related to employment	7	19%
Total	36	100	Total	36	100

Source: primary data, 2018

According to table 4.8, majority, 83% responded that material costs is the cost of obtaining materials and 81% responded that labor costs is the cost incurred in the form of wages and salaries, 17% responded that material costs are costs of receiving materials within the organization; 19 % responded that labor costs are all costs related to employment. This therefore implies that material costs are costs of obtaining materials and labor costs are costs incurred in the form of wages and salaries.

Table 1: 4.9 Showing the examples of labor and material costs.

Response (labor costs)	Frequency	Percentage (%)	Response (material costs)	Frequency)	Percentage (%
Direct salaries	15	42	Direct material costs	30	83
Direct wages	12	33	Indirect material costs	6	17
Indirect salaries	5	14	-	-	
Direct wages	4	11	-	-	
Total	36	100		36	100

Source: Researcher field data, 2018

According to the table 4.9 above, majority of the respondents said that direct salaries are the main example of material costs with 42%, followed by direct wages with 33%, and 14% with indirect salaries and 11% with indirect wages. It also indicates that 83% of the respondents pointed out direct material costs as the example of material costs and the other 17% pointed out indirect material costs as the other example of material costs. Therefore this implies that the main example of labor costs is direct salaries and both direct material costs and indirect material costs are equally examples of material costs.

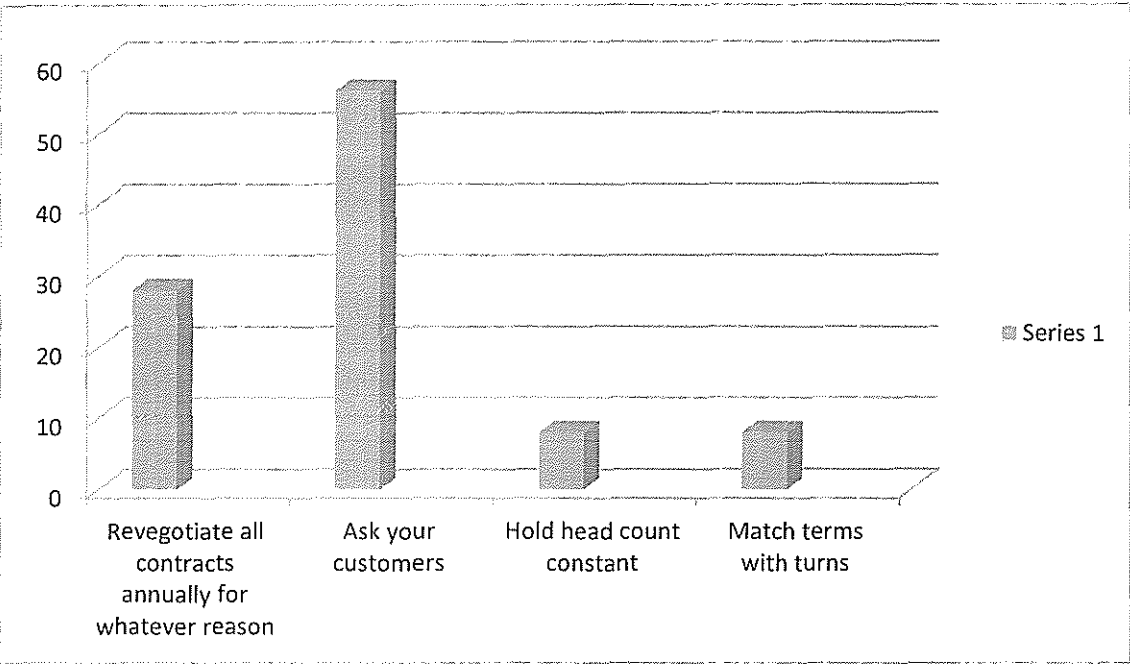
Table 2: 4.10: showing the different measures of controlling costs within the organization.

Response	Frequency	Percentage (%)
Renegotiate all contracts annually for whatever reason	10	28%
Ask your customers	20	56%
Hold head count constant	3	8%
Match terms with turns	3	8%
Total	36	100

Source: Primary data 2018

According to table 4.10 above, majority of the respondents 56% of the respondents supported asking your customers, 28% supported renegotiating contracts annually for whatever reason, 8% hold head counts constant and 8% match terms with turns. This therefore implies that asking the customers of the organization as the main measure of controlling costs within the organization.

Figure 4.3 showing the different measures of controlling costs within the organization.



According to figure 4.3, majority of the respondents 56% of the respondents supported asking your customers. 28% supported renegotiating contracts annually for whatever reason, 8% hold head counts constant and 8% match terms with turns. This therefore implies that asking the customers of the organization as the main measure of controlling costs within the organization.

4.4 To analyze the relationship between cost control measures and the performance of the organization.

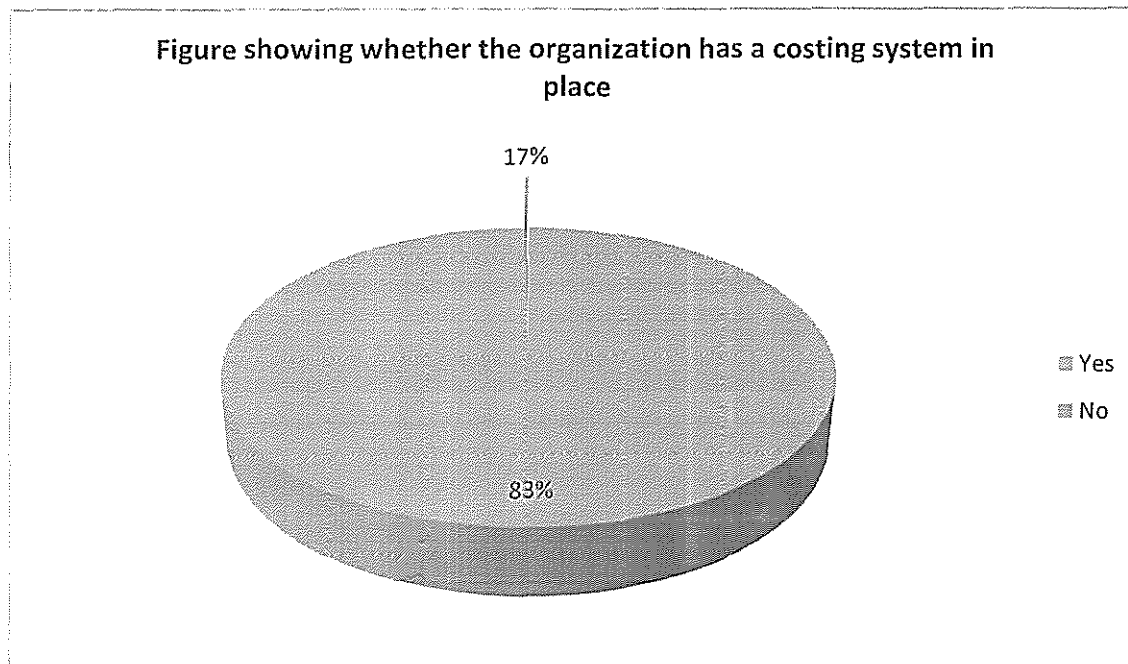
Table 3: 4.11: showing whether the organization has a costing system in place

Response	Frequency	Percentage (%)
Yes	30	83%
No	6	17%
Total	36	100

Source: Researcher field data, 2018

According to table 4.11 above, majority of the respondents 83% confirmed that the organization has a costing system in place. 17% of the respondents responded that there is no costing system in the organization. This therefore implies that the organization has a costing system in place and therefore costs incurred in the organization are systematically controlled for the performance of the organization.

Figure 4.4 showing whether the organization has a costing system in place



Source: primary data, 2018

According to figure 4.4, majority of the respondents 83% confirmed that the organization has a costing system in place. 17% of the respondents responded that there is no costing system in the organization. This therefore implies that the organization has a costing system in place and therefore costs incurred in the organization are systematically controlled for the performance of the organization.

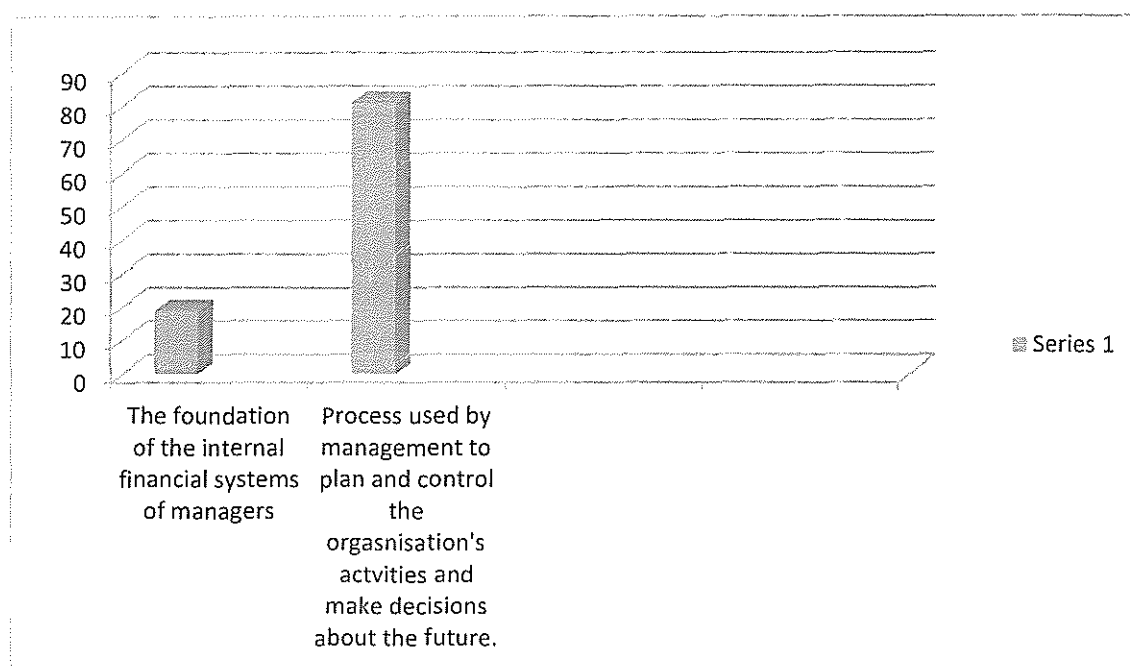
Table 4.12: showing what a costing system is according to the organization.

Response	Frequency	Percentage (%)
The foundation of the internal financial systems of managers	7	19
Process used by management to plan and control the organization's activities and make decisions about the future.	29	81
Total	36	100

Source: primary data, 2018

According to table 4.12, majority 81% supported a costing system as a process used by management to plan and control the organization's activities and make decisions about the future. 19% supported a costing system as the foundation of the internal financial systems of managers. This therefore implies that a costing system is a process used by management to plan and control the organization's activities and make decisions about the future.

Figure 4.5 showing what a costing system is according to the organization.



Source: primary data, 2018

According to figure 4.5 majority 81% supported a costing system as a process used by management to plan and control the organization's activities and make decisions about the future. 19% supported a costing system as the foundation of the internal financial systems of managers. This therefore implies that a costing system is a process used by management to plan and control the organization's activities and make decisions about the future.

Table 4.13: showing the role of organizational costing systems.

Response	Frequency	Percentage (%)
For cost control by comparing with predetermined unit standard cost	3	8
For making costing decisions	1	3
For pricing and determine production levels	5	81
For planning and controlling the organizations activities.	3	8
Total	36	100

Source: primary data, 2018

According to table 4.13, majority 81% responded that organizational costing systems are mainly for pricing and determine production levels, 8% responded that they are for planning and controlling the organization's activities, 8% responded that they are for cost control by comparing with predetermined unit standard costs and 3% responded that they are mainly for making decisions. This therefore implies that the main role of the organizational costing systems is pricing and determining production levels, followed by planning and controlling the organizations activities, cost control by comparing with predetermined unit cost and making cost decisions.

Table 4.14: Showing how management determines the price to charge for a given product or service.

Response	Frequency	Percentage (%)
Determine how much it costs to produce and distribute the product to the customer	14	39
Using prices set by competitors	4	11
Using the quality and quantity of the products	13	36
The status of customers to whom the goods are to be sold.	5	14
Total	36	100

Source: primary data, 2018

According to the table, 4.14 majority 39% supported that management determines price of a product basing on how much it costs to produce and distribute the product to the customer and also use the quality and quantity of the products. 36% supported that the organization uses the status of customers to whom goods are being sold and using the price set by customers. This therefore implies that the organization mainly uses how much it costs to produce and distribute a product and its quality and quantity. 16% shows the status of customers to whom the goods are to be sold. Thus 11% indicates list status of customers to whom the goods are to be sold.

Table 4.15: showing the factors that inhibit both time and cost control within the organization.

Response	Frequency	Percentage (%)
Design changes	10	28
Risks / uncertainties	13	36
Inaccurate evaluation	9	25
Complexities and non- performance of subcontractors.	4	11
Total	36	100

Source: primary data, 2018

According to table 4.15, it indicates that majority 36% supported risks or uncertainties 28% supported design changes, 25% also supported inaccurate evaluation and 11% supported complexities and nonperformance subcontractors. This therefore indicates that the leading factor that inhibits time and cost control within the organization is risks or uncertainties.

Table 4: 4.16: Showing the role of costs forecast at the different levels of activities in the organization.

Response	Frequency	Percentage (%)
To determine future sales	6	17
To estimate the organizations profits	20	55
To measure the efficiency and effectiveness of the organization	6	17
To determine the selling price	4	11
Total	36	100

Source: Primary Data 2018

According to table 4.16 above, it indicates that majority 55% of the respondents confirmed that cost forecasts at the different levels of activity are to estimate the organizations profits, 17%

supported to measure the efficiency and effectiveness of the organization and to determine the selling price and 17% confirmed that they are to determine future sales. This therefore implies that cost forecasts used in the organization are mainly to estimate the organization's profits since how much is to be spent and how much will be obtained as revenue will be clearly known.

Table 4.17: Showing the commonly used cost control techniques within the organization.

Response	Frequency	Percentage (%)
Schedules and budget	20	
Inspection	9	
Meetings and reports	7	
Records, monitoring and evaluations	0	0
Total	36	100

Source: Primary data, 2018

According to table 4.17, it indicates that majority 56% of the respondents supported schedules and budgets as the commonly used cost control techniques within the organization, 44% supported inspections and meetings and reports. This therefore implies that the main cost control technique used within the organization is schedules and budgets.

Table 4.18: Showing the challenges to cost controls within the organization.

Response	Frequency	Percentage (%)
Failure to control the productivity of resources	6	17
Lack of materials and equipment	0	0
Insufficient knowledge on cost control techniques	20	55
Delay to make a decision	10	28
Total	36	100

Source: primary data, 2018

According to the table above table 4.18, it indicates that majority of the respondents 55% supported insufficient knowledge on cost control techniques as the main challenge to cost controls within the organisation,28% supported delay in decision making,17% supported the failure to control the productivity of resources and none supported the lack of materials and equipment. This therefore implies that the main challenge to cost control in the organization is insufficient knowledge on cost control techniques. This is where management should put emphasis in order to ensure that the cost controls in place are effective.

4.5 Other factors affecting the performance of organization

Table 4.19: showing the other factors affecting the performance of steel and tube.

RESPONSE	A	b	C	d	e	f	G	H	i	Total
Business reputation & image	6(16.6 %)	6(16.6 %)	20(55.5 %)	-	-	-	4(11.1 %)	-	-	36(100%)
Organizational management structures	-	-	3(8.3 %)	29(80.5 %)	-	-	-	3(8.3 %)	1(2.7 %)	36(100%)
Staffing	20(55.5 %)	-	-	10(27.7 %)	-	1(2.7 %)	5(13.8 %)	-	-	36(100%)
Government regulations	12(33.3 %)	15(41.6 %)	8(22.2 %)	-	-	-	-	-	4(11.1 %)	36(100%)
Competition	7(19.4 %)	-	-	-	-	29(80.5 %)	-	-	-	36(100)
Understanding value drivers.	10(27.7 %)	3(8.3 %)	-	-	-	-	-	15(41.6 %)	8(22.2 %)	36(100 %)

Source: primary data, 2018

According to the table 4.19, majority 56% confirmed that business reputation and image result into trust and image of the customers ,17% supported that it ensures quality products,17% supported that it sets the limit for the organization and the other 11% supported it attracts new customers and improve on customer loyalty.

This therefore implies that business reputation affects the performance of the organization mainly by resulting into trust and confidence of the customers.

81% of the respondents which is the majority confirmed that organizational management structures allow the organization to achieve extra ordinary results through ordinary people, 8% supported resulting into trust and confidence of the customers; translate corporate objectives into measures that guide managers' actions and assessing value for performance measurement. This therefore implies organizational management structure affect the performance of the organization mainly by allowing it achieve extra ordinary results through ordinary people.

56% of the respondents confirmed that staffing ensures quality products, 28% supported achieving extra ordinary results through ordinary people, 14% supported attracting new customers and improving on customer loyalty and 8% supported better ways of doing business. This therefore implies that staffing affects performance of the organization mainly by ensuring quality products.

42% of the respondents confirmed that government regulations sets the limits for the organization, 33% supported ensuring quality products, 22% supported resulting into trust and confidence of the customers and 11% supported assessing value for performance measurement. This therefore implies government regulations affect the performance of the organization mainly by setting the limits for the organization.

81% of the respondents which is the majority confirmed that competition allows better ways of doing business for the organization and the 19% supported ensuring quality products. This therefore implies that competition mainly affects the performance of the organization by allowing the organization better ways of doing business.

42% of the respondents confirmed that understanding value drivers affects the performance of the organization through translating corporate objectives into measures that guide manager's actions, 28% supported ensuring quality products, 22% supported assessing value for performance measurement and 8% supported setting the limits for the organization. This therefore implies that understanding value drivers affects the performance of the organization through translating corporate objectives into measures that guide manager's actions.

CHAPTER FIVE

DISCUSSION, SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter presents a discussion of the findings, the conclusion reached at and the recommendations to the cost control measures and their impact on organizational performance in relation to steel and tube industries limited.

5.1 Discussion of the findings

5.1.1 The different cost control measures put in place at steel and tube.

The findings in table 4.7 indicate that majority 41.7% of the respondents confirmed that cost accounting is attaching a cost on a product or service or operation. This therefore implies that cost accounting is the attachment of a cost on a product or service or operation and this is mainly attaching value to the product.

The findings in Table 4.8 show that majority of the respondents (50%) classified costs by the nature of the expense, 33.3% classified costs by function, 16.7% classified costs by controllability and normality and none confirmed to variability. This therefore implies that the organization carries out cost classification and that costs in the organization are mainly classified by the nature of expense.

The findings in table 4.9 revealed that majority, 66.7% responded that material costs is the cost of obtaining materials and 58.3% responded that labor costs is the cost incurred in the form of wages and salaries. This therefore implies that material costs are costs of obtaining materials and labor costs are costs incurred in the form of wages and salaries.

According to the table 4.10, majority of the respondents said that direct salaries are the main example of material costs with 50%, followed by direct wages with 25%. It also indicates that 50% of the respondents pointed out direct material costs as the example of material costs and the other 50% pointed out indirect material costs as the other example of material costs. Therefore

this implies that the main examples of labor costs are direct salaries and wages and both direct material costs and indirect material costs are equally examples of material costs.

This is in support of their definitions above which indicate salaries and wages for labor costs and direct material and indirect material costs for the material costs.

According to the findings in table 4.11 above, majority of the respondents 50% supported asking your customers as the measure for controlling costs within the organization. This therefore implies that asking the customers of the organization as the main measure of controlling costs within the organization.

5.2.2 The relationship between cost control measures and the performance of steel and tube industries.

The findings in table 4.12 revealed that majority of the respondents 83.3% confirmed that the organization has a costing system in place. This therefore implies that the organization has a costing system in place and therefore costs incurred in the organization are systematically controlled for the performance of the organization.

According to the findings in table 4.13, it indicates that majority 66.7% supported a costing system as a process used by management to plan and control the organization's activities and make decisions about the future. This therefore implies that a costing system is a process used by management to plan and control the organization's activities and make decisions about the future.

The findings in table 4.14 indicate that majority 41.7% replied that organizational costing systems are mainly for pricing and determine production levels, 25% responded that they are for planning and controlling the organization's activities, 25% responded that they are for cost control by comparing with predetermined unit standard costs and 8.3% responded that they are mainly for making decisions. This therefore implies that the main role of the organizational costing systems is pricing and determining production levels, followed by planning and controlling the organizations activities, cost control by comparing with predetermined unit cost and making costing decisions.

The findings in table 4.15 reveal that majority 33.3% supported that management determines price of a product basing on how much it costs to produce and distribute the product to the customer and also use the quality and quantity of the products. This therefore implies that the organization mainly uses how much it costs to produce and distribute a product and its quality and quantity.

According to table 4.16 above, it indicates that majority 41.7% supported risks or uncertainties as the main factor that inhibits both time and cost control within the organization. This therefore indicates that the leading factor that inhibits time and cost control within the organization is risks or uncertainties.

According to table 4.17 above, it indicates that majority 33.3% of the respondents confirmed that cost forecasts at the different levels of activity are to estimate the organizations profits. This therefore implies that cost forecasts used in the organization are mainly to estimate the organization's profits.

According to the findings in table 4.18, it indicates that majority 50% of the respondents supported schedules and budgets as the commonly used cost control techniques within the organization. This therefore implies that the main cost control technique used within the organization is schedules and budgets.

The findings in table 4.19, it indicates that majority of the respondents 75% supported insufficient knowledge on cost control techniques as the main challenge to cost controls within the organization. This therefore implies that the main challenge to cost control in the organization is insufficient knowledge on cost control techniques.

5.2.3 Other factors affecting the performance of the organization

The findings according to table 4.20, revealed that business reputation and image result into trust and image of the customers and this was represented by a percentage of 50% , the findings also revealed that organizational management structures allow the organization to achieve extra ordinary results through ordinary people , this was represented by a percentage of 75%, they also revealed that staffing ensures quality products and this was revealed by a percentage of 50% , the findings revealed that 58.3% of the respondent s confirmed that government regulation sets the

limits for the organization, 83.3% of the respondents which is the majority confirmed that competition allows better ways of doing business for the organization and the findings also revealed by a percentage of 41.7% of the respondents, that understanding value drivers affects the performance of the organization through translating corporate objectives into measures that guide manager's action.

5.2.4 Summary of the findings

There was a high response rate of 80% of the issued questionnaires which were returned fully answered while the non-response rate of 20% which was a small percentage.

Majority of the respondents at 50% were between the age brackets of 25-35, 8.3% were between 18-25 years, 25% were between 35-45 years and 16.7% above 45 years.

59% of the respondents were male and 41% were female.

Majority 33.3% were employees, 25% were manager, and 8.3% were accountants, 16.7% were customers and other people had 16.7%.

Majority 68% had degrees, 10% had certificates, 15% had diploma, 5% had masters and others option had 2%.

Most of the respondents 41.7% of the employees had served for more than 7 years, 33.3% have served for 5-6 years, 16.7% have served for 3-4 years and 8.3% have served for 2 or less years in the organization.

5.3 Conclusion to the study

Cost control measures are essential to the organization's so as to ensure that management is able to plan and control the organization's activities and make decisions about the future, ensure effective and efficient performance, competitively perform in the industry and ensure that the right quality of products and services are provided to customers.

Costing system are sound in the organization with the classification of costs according to the nature of expense and these allow the organization to determine the price for a given product in the organization.

The organization uses cost control techniques such as schedules and budgets, inspection and meetings and reports to ensure efficiency and effectiveness in their operations.

Skilled and competent accountants in the organization are responsible for controlling costs within the organization to ensure that the available resources are used for the right cause.

5.4 Recommendations to the study

Based on the findings of this study, the following recommendations were thereby suggested: The organization should ensure that there are stronger cost control techniques and skilled employees in place that are able to minimize the costs by proper planning and it should also employ new and better measures of controlling costs.

The management of the organization should ensure that there is a sound, effective and well defined organizational structure that clearly indicates all the departments so as to ensure that the reporting, delegation of duties are easily carried out and costs in relation to each department can easily be ascertained.

The management should adopt the use of automated computerized accounting systems to capture the records and transactions of the organization since they reduce on the problems of fraud, errors and misstatements within the financial records of the organization.

The management of the organization should put in place possible solutions to the challenges to cost controls within the organization.

5.5 Area for further research

How cost control and remuneration of employees affects the profitability of the organization.
Cost control and competitiveness of the organization.

Cost control measures and the profitability of the organization.

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APPENDICES
APPENDIX 1
QUESTIONNAIRE

Dear Sir/Madam.

I am Mukonyozi Lucy, a student of Kampala International University undertaking a study on the “cost control measures and their impacts on the performance of organization” taking steel and tube in Nakawa as the study.

I have selected you as one of my key respondents in the study. I kindly request you to spare part of your valuable time and contribute to this study.

Your opinion will be highly confidential and will be used strictly for study purposes.

Thank you for your response.

SECTION A: BACKGROUND INFORMATION

Please put a tick where appropriate.

1. Age.

(a) 18-25 years ☐

(b) 25-35 years ☐

(b) 35-45 years ☐

(d) Above 45 years ☐

2. Gender

(a) Female ☐

(b) Male ☐

3. Position

(a) Manager ☐

(b) Accountant ☐

(c) Employee ☐

(d) Customer ☐

(e) Others specify

4. Highest level of education

(a) Degree ☐

- (b) Diploma ☐
- (c) Diploma ☐
- (d) Certificate ☐
- (e) Others specify

Section B: Specific questions:

To investigate the influence

5. Duration of work at steel and tube industry.

- (a) 0-2 years ☐
- (b) 3-4 years ☐
- (c) 5-6 years ☐
- (d) 78 years and above ☐

SECTION B:

The different cost control measures

6. For each of the following statement, tick where applicable the extent to which you agree on what cost accounting is all about place.

SA = strongly agree; A= Agree; NS= Not sure; D= Disagree and SD = Strongly Disagree.

No	Statement	SA	A	NS	D	SA
	The management Renegotiate all contracts annually for whatever case					
	The industry Asks customers annual planning sessions with customer					
	The management discusses costs holistically up and down the supply chains					
	The management Match terms with the turns					
	The company Ask vendors to own their inventory					

C) Relationship between cost control measures and the performance of the organization.

No	Costs	SA	A	NS	D	SA
	Actual units cost for the latest period could be used for cost control by comparing with predetermined unit standard cost.					
	The forecasts to be incurred at the different levels of activity could be used for planning for decision making.					
	Subsequently go mitigating measures have been developed for the leading inhibiting factors.					
	Improve the effectiveness of control of their projects, as expressed.					

D) Factors that affect the performance of the organization

No	Costs	Material cost	Labour cost	SA	A	NS	D	SA
	Organizational management structures, the art of management achieving extra ordinary results through ordinary people.							
	Competition with increased rate of growth and development in Ugandan industries, very many organizations have emerged with new and better ways of doing business.							
	Government							

	regulations, rules and regulations from the government affect the performance of the organization.							
	Staffing, employees have a very strong impact on the performance of an organization.							
	The reputation of business is essential to its survival.							
	The rate of organizational performance also depends on the techniques issued in the process of sales promotion.							
	The starting point understands a company's value drivers, the factors that create stakeholders value.							
	Most companies track hundred, if not thousands of nonfinancial measures in their day to day operations.							

Thank you for your valuable time

APPENDIX II: WORK PLAN AND TIMEFRAME

Activity	Duration (days/weeks/months)	Responsible
Locate Respondents	Before 15 th June 2018	Researcher
Designing Pretesting data collection tools	Before 22 nd June	Researcher
Data Collection	Before 8 th July	Researcher
Data Coding	Before 15 th July	Researcher
Data interpretation and Reporting	Before 5 th August	Researcher
		Researcher

Thank you for your valuable time

APPENDIX III: BUDGET

Item	Item	Item	Item
Subsistence Allowance	3 months	50,000	150,000
Travel (Vehicle Hire)	3 months	100,000	300,000
Data Analysis	1	50,000	50,000
Secretarial Services (Processing the research instruments and reports)	1	50,000	50,000
Photocopying	1	20,000	20,000
	1	10,000	10,000
TOTAL		280,000	580,000

Thank you for your valuable time

**COLLEGE OF ECONOMICS AND MANAGEMENT
DEPARTMENT OF ACCOUNTING AND FINANCE**

May, 29th 2018

To whom it may concern

Dear Sir/Madam,

**RE: INTRODUCTORY LETTER FOR MUKONYEZI LUCY
REG NO 1153-05014-00146**

This is to introduce to you the above named student, who is a bonafide student of Kampala International University pursuing a Bachelor's Degree in Business Administration, Third year Second semester.

The purpose of this letter is to request you avail her with all the necessary assistance regarding her research.

**Topic: - COST CONTROL MEASURES ON THE PERFORMANCE OF
INDUSTRIES IN KAMPALA DISTRICT, NAKAWA
DIVISION.**

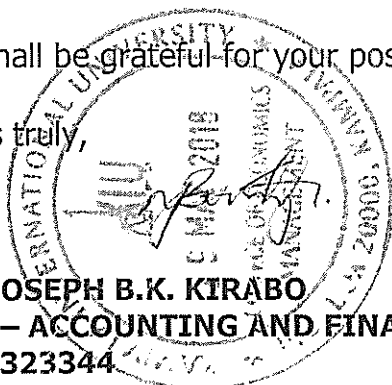
Case Study: - STEEL AND TUBE.

Any information shared with her from your organization shall be treated with utmost confidentiality.

We shall be grateful for your positive response.

Yours truly,

DR. JOSEPH B.K. KIRABO
HOD – ACCOUNTING AND FINANCE
0772323344



Date: 18th May, 2018
Ref: STIL/field study/KIU

To: Ms. Mukonyizi Lucy
0774099506

Dear Lucy

RE: RESEARCH STUDY AT STEEL AND TUBE INDUSTRIES

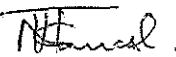
We wish to inform you of management's decision to allow you conduct your two day study at Steel and Tube Industries Limited.

Please note that for the period indicated above you will be attached to the **Finance Department** at Nakawa and Namanve You will be expected to provide the company with a graduate Trainee report at the end of the two days field study.

While with us you are expected to fully abide by the company rules and regulations.

We wish to welcome you to Steel and Tube Industries Limited and trust that you will benefit from this program.

Yours Faithfully,
For: STEEL AND TUBE INDUSTRIES LIMITED


Namirembe Tamasha
A/Human Resource Administrator

cc. Human Resource Manager
cc. General Manager Finance

MUKONYIZI Lucy
